

CASE STUDY: Student A applies for federal financial aid by completing the Free Application for Federal Student Aid (FAFSA) at <https://fafsa.gov/>. The federal government determines his Expected Family Contribution² (EFC) to be \$0. The EFC represents a family’s ability to contribute toward

the student’s education and is used by all colleges to determine a student’s federal aid eligibility. Student A’s family consists of 4 people (mom, dad, and one sibling) and his parents earn about \$25,000 per year. Student A compares the cost of living on-campus versus commuting from his parents’ home:

ON CAMPUS	
Tuition	\$3,635.00
Fees	\$701.00
Room—Standard Double	\$4,254.00
Meal Plan—Balance 14	\$2,999.00
Total Charges	\$11,589.00
Federal Pell Grant	\$3,098.00
Federal SEOG Grant	\$250.00
NYS TAP Grant ³	\$2,582.50
SUNY Tuition Credit	\$977.50
NYS Excelsior Scholarship ⁴	—
Federal Subsidized Loan ⁵	\$1,750.00
Federal Unsubsidized Loan ⁵	\$1,000.00
Parent PLUS Loan ⁵	—
Total Aid	\$9,658.00
Amount Due (excluding textbooks)	\$1,931.00

COMMUTER	
Tuition	\$3,635.00
Fees	\$701.00
Room	—
Meal Plan	—
Total Charges	\$4,336.00
Federal Pell Grant	\$3,098.00
Federal SEOG Grant	\$100.00
NYS TAP Grant ³	\$2,582.50
SUNY Tuition Credit	\$977.50
NYS Excelsior Scholarship ⁴	—
Federal Subsidized Loan ⁵	—
Federal Unsubsidized Loan ⁵	—
Parent PLUS Loan ⁵	—
Total Aid	\$6,758.00
Refund (excluding textbooks)	\$2,422.00

DISCUSSION: Student A calculates that he will owe \$1,931.00 per semester if he lives on-campus. Additionally, he would need to pay out-of-pocket for textbooks (approximately \$500/semester). Although Student A qualifies for the maximum in federal and state grants and has borrowed student loans, his bill is not covered. Student A does not qualify for the NYS Excelsior Scholarship because his tuition is fully covered by other grants and scholarships (Pell, TAP, and the SUNY Tuition Credit). Student A’s options to pay the remaining amount due include: enroll in the college’s payment plan to divide the balance into four monthly payments; ask his parent to apply for a federal Parent PLUS loan; or borrow a private

student loan (after securing a creditworthy co-signor). Student A has a part-time job and has saved money, therefore, he decides he would be able to pay the remaining balance out-of-pocket using the payment plan. In total, Student A would borrow \$5,500 in loans between the fall and spring semesters (\$3,500 subsidized and \$2,000 unsubsidized).

COMMUTING from home, Student A has enough grant aid (free money) to cover his bill and will receive a refund of \$2,422.00 per semester. Although Student A would be eligible to borrow student loans, he would choose to decline them with the goal to graduate college debt-free.

DOWNLOAD THE “BILL ESTIMATOR” AT <https://financialaid.buffalostate.edu/costs> TO ESTIMATE YOUR COSTS!

NOTES AND DISCLAIMERS

¹ Case study assumes the student is a NYS resident and a U.S. Citizen or eligible non-citizen; student is considered “dependent” for financial aid purposes and is working on his first bachelor’s degree.

² A student’s EFC is derived from family income and assets, household size, and the number attending college.

³ New York State TAP is based on NYS taxable income, not the student’s EFC. TAP and Pell are often similar amounts, but they can vary significantly.

⁴ Students must submit an online Excelsior Scholarship application with HESC. Students must meet annual income and academic requirements to retain eligibility. Students must reside in NYS for each year they receive an award or they must repay the grants received. Students that receive an Excelsior award are eligible for a reduced tuition rate of \$3,235 per semester. See more at <https://www.hesc.ny.gov/excelsior>.

⁵ All loans must be repaid after the student graduates or after he/she is no longer enrolled half-time.

All figures estimated for 2020–2021.