

# *Homeschool to College! - College Financial Mistakes and Advice*

<http://homeschooltocollege.weebly.com/>

- Mistake #1: Most parents who own a home and make over \$75,000.00 per year assume they will not be eligible for financial aid.
- Reality: Most families with incomes ranging from \$75,000.00 - \$130,000.00 per year who own homes are eligible for some form of financial aid. About \$170 billion dollars is awarded or borrowed each year from the Federal Government, the states, colleges and universities, private foundations and organizations.
- Mistake #2: Focusing on private scholarships instead of “need based” financial aid.
- Reality: Private scholarships make up only 1% of the money available to you for college education. The other 99% comes from the Federal Government, your home state, and the colleges that accept you. You are better off spending your time and energy going after the 99%, rather than the 1%.
- Mistake #3: Assuming only minority students, athletes, and academically gifted students get financial aid.
- Reality: “Need-based” financial aid is solely awarded based on “financial need” which is calculated by taking the cost of attending a school minus the Expected Family Contribution (EFC).  
FN (Financial Need) = COA (Cost of Attendance) - FC (Family Contribution)
- Mistake #4: Picking colleges without paying attention to where you lie in comparison to other applicants’ GPA and SAT/ACT scores.
- Reality: To maximize financial aid, pick schools where you lie in the top 10% of the incoming freshman class. Although, schools give financial aid based on financial need, they also give preferential packaging (i.e., more grants and scholarships, and less loans) to students who lie in the top 10% of the incoming class.
- Mistake #5: Assuming all schools are created equal and will be able to give you the same amount of financial aid.
- Reality: Colleges are not equal and give very different financial aid packages. Some schools are well-endowed, and are able to meet most or all of a student’s financial need. Other schools, like state universities, rely solely on public funds. It normally costs more to attend a “cheaper” school than to attend a selective private college.
- Mistake #6: Not understanding the difference between “included assets” and “unincluded assets” when completing financial aid forms.
- Reality: Certain assets, like savings accounts, CD’s, stocks and bonds, are counted more heavily in the financial aid formulas than others assets, like the value of annuities or cash-value life insurance.
- Mistake #7: Not sheltering one’s assets effectively.
- Reality: Where you keep your money could mean the difference between you getting \$10,000 in financial aid or getting nothing! For example, money in your child’s name is weighted much more heavily than money in the parent’s name. If you don’t know how to legally and ethically position your money properly for purposes of financial aid, you could end up losing thousands in financial aid.
- Mistake #8: Waiting until your senior year of high school to start working on your college financial aid planning.
- Reality: Since financial aid is based on your previous year’s income and assets. If you want to legally set up your income and assets so you can maximize your eligibility for financial aid, plan to start working on this preferably in the beginning of your sophomore year of high school.

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Top 10 Scholarship Scam Warning Signs - Knowing these warning signs can keep you from being a scholarship scam victim

1. Fees: You shouldn't have to pay to search for or apply for scholarships. Check out the free scholarship search at [FastWeb.com](http://FastWeb.com).
2. Credit card or bank account information needed: You should never have to give credit card or bank account information to award providers.
3. Scholarship guarantee: No one can guarantee that you'll win a scholarship because no one can control scholarship judges' decisions. Also, be wary of "high success rates"—they usually do not refer to actual award winners.
4. No work involved: You can't avoid putting in time to fill out a scholarship application.
5. No contact information: Legitimate sponsors should provide contact information upon request. If the sponsor does not supply a valid e-mail address, phone number and mailing address (not a PO box) after you've asked for one, that could be the sign of a scam.
6. Unsolicited scholarships: If you are called to receive an award for which you never applied, be alert—it's most likely a scam.
7. Pressure tactics: Don't allow yourself to be pressured into applying for a scholarship, especially if the sponsor is asking for money up front.
8. Claims of "exclusive" scholarships: Sponsors don't make their scholarships available through only one service.
9. Sponsor goes out of their way to sound "official": Scammers sometimes use official-sounding words like "national," "education" or "federal" or they display an official-looking seal to fool you into thinking they are legit. Check with your school if you question a scholarship provider's legitimacy.
10. Your questions aren't answered directly: If you can't get a straight answer from a sponsor regarding their application, what will be done with your information or other questions, proceed with caution.

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Colleges are now using social networking sites, such as "Facebook", to try and recruit students by posting pages about their university. However, many of these same colleges may be looking at your social networking page to get a better idea about you as a candidate for their school. Be mindful of what you post where.

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QUESTION - "My son wants to return home and live with us while attending graduate school. Will this affect his eligibility for financial aid?"

No. Graduate students qualify as 'independent' regardless of their age or living situation. In other words, their eligibility for federal and state aid programs is based on their income and assets alone. Private schools may or may not ask about parental finances anyway, regardless of where the student lives.

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QUESTION - Will the extra costs to participate in a Semester Abroad program make me eligible for financial assistance?

Yes and No. If your college approves the program for credit, the aid administrator will use reasonable program costs to increase your cost of attendance, and thus increase your eligibility for aid. Of course, some international programs are actually less expensive; this would reduce your eligibility for aid.

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Taking up a service project for a few hours, days or weeks will help you to give back to your community helping those in need, but is also a great opportunity for you to discover something new about yourself or learn a new trade. In addition to serving the Lord and building character, on-going community service shows a commitment that many colleges value and could give your application the extra edge over competition needed to be admitted to the college of your choice. There are also many scholarships available that are based on community service.

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Meet Deadlines! This point may be obvious, but sending in your application ahead of the deadline is even better. Demonstrating that you are organized and genuinely interested in the school by having your completed application in early can only help your cause. This will give college admissions officers more time to read and consider your application.