

Contents

[Section I](#) - Assumptions

[Section II](#) - Estimated EFC

[Section III](#) - Financial Aid Tips

[Section IV](#) - Estimated Costs and Financial Aid

[Section V](#) - Collegiate Investment / Funding Options

Section I

Assumptions

The following assumptions were used in the processing, analysis and generation of your report:

1. The student will be in college full time.
2. The EFC calculated is based on a dependent student.
3. The estimated financial aid data contained in **Section IV** was last updated February 2011.

[Return to Top](#)

Section II

Estimated EFC

Introduction

This section contains your estimated "**Expected Family Contribution**" (**EFC**) using either the **Federal (FM)** or **Institutional (IM)** Methodologies, depending on the one required by the school you have selected. The EFC is the amount that you are "expected" to contribute toward the cost of college - annually. The estimate was determined based on the financial data you provided on the online dataform.

Since your EFC has been estimated using your most current financial information, it indicates what your EFC would be if you were applying for financial aid for the following school year. Both formulas use the time period from January of the student's junior year in high school to December of their senior year to determine that portion of your income that is assessed toward your EFC. This is known as the **Base Income Year**. Assets are assessed as of the date the financial aid forms are signed.

Expected Family Contribution



Report Contents	Benefit: How this helps you become an informed buyer of a college education and save money in the process
The EFC formula used by the school	There are two different formulas for determining your EFC. The method used by the school you are evaluating can make a big difference in how much you will be expected to pay at the school as well as strategies for increasing your financial aid eligibility at that school.

The EFC method used by the [SUNY College at Oswego](#) is the [Federal Methodology](#).



Report Contents	Benefit: How this helps you become an informed buyer of a college education and save money in the process
Estimate of your Expected Family Contribution (EFC).	This is what you will be expected to pay toward the cost of college at the school selected before qualifying for any financial aid assistance at that school. This is the all important starting point for becoming an informed buyer of a college education. By starting with your EFC, you'll have a much better idea as to which schools are REALLY affordable for you!

Estimated EFC
Based Upon Submitted Data

EFC	\$15,098
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Section III

Financial Aid Tips

In this section, "tips" are offered that may be used to maximize education tax credits, as well increase your financial aid eligibility.

Parents



Report Contents	Benefit: How this helps you become an informed buyer of a college education and save money in the process
Education tax credit strategies	The education tax credit may be as much as \$2,500/year. Tax credits can help you significantly reduce the out-of-pocket cost of college. Every tax dollar saved is like a "scholarship dollar" so you need to know the strategies for maximizing them.

Education Tax-Credit Strategies

Tip: For the 2009 and 2010 tax year the Hope Credit has been renamed the "**American Opportunity Education Tax Credit**". The amount of the credit will be increased from \$1,800 to \$2,500 per year, per student. This will include 100 percent of eligible expenses up to \$2,000 plus 25 percent of expenses above \$2,000. Total eligible expenses would have to reach \$4,000 to reach the maximum credit amount.

American Opportunity Credit:

Calculation: take 100% of the first \$2,000 of qualified education expenses plus 25% of the next \$2,000. Max credit = \$2,500

Income Limits: \$160000-\$180000 for married taxpayers and \$80000-90000 for other tax filers.

Number of credits allowed: Can be claimed for each student claimed on the tax return.

Effect on financial aid: Will decrease the financial need with schools the use the Institutional Methodology (IM) to determine EFC. Considered untaxed income of the parents and will be assessed as such.

Qualified Expenses: tuition and related fees

Eligibility Requirements: Available for the 2009 and 2010 tax year

General Strategies:

Strategy 1: By prepaying or delaying the payment of qualified education expenses, you can choose the year in which to claim the education credit. You can use this technique to insure that the maximum credit of \$2,500/year is reached for the years in which the student will qualify for the credit.

Strategy 2: If you expect a raise that will phase you out of the credit, consider prepaying during the tax year that you still qualify in order to maximize the credit.



Report Contents	Benefit: How this helps you become an informed buyer of a college education and save money in the process
Tips for increasing your financial aid at the school selected.	This is a one of the most valuable sections of your FREE report. It will include little-known tips to help increase your financial aid eligibility and reduce your out-of-pocket college costs. These tips, based on an in-depth understanding of how financial aid works, may save you significant amounts of money on your college costs.

Income Tips:

This section contains a variety of general income related strategies (important tips) that should be considered by all families applying for financial aid since they may enhance financial aid eligibility.

- The number of exemptions can be adjusted to avoid obtaining a refund that will be taxed in the EFC.
- Consider the viability and ways of concentrating federal income taxes during the base year to lower the EFC. For example, if you can't make yearly retirement account contributions, consider maximizing contributions before base years and avoiding during base years. This will increase taxes in base years and lower the EFC which may increase financial aid eligibility.

Tip: With respect to cash charitable contributions from income during the base years, the charitable contributions (which are itemized deductions) will lower your taxes which will have the effect of increasing your EFC. They have no effect on AGI since they are itemized deductions. If you are a financial aid candidate consider minimizing charitable contributions from income during the base years. On the other hand, If you are considering gifting assets to charity during the base years, the gifting of the asset will reduce your assessable assets which may decrease your EFC which may increase your financial aid eligibility.

- Avoid taxable and nontaxable withdrawals during the college years. Examples include retirement accounts, annuities, life insurance and pension plans. Otherwise the withdrawal will be assessed as income in the financial aid formulas.
- Avoid the sale of appreciated investments during the base years in order to avoid the income being assessed in the financial aid formulas.
- Consider selling investments that will generate losses during the base years in order to lower income and increase financial aid eligibility.

Asset Tips:

This section contains a variety of general asset related strategies (important tips) that should be considered by all families applying for financial aid since they may enhance financial aid eligibility.

- When completing the financial aid forms, the net value of the asset is to mean that taxes on gains (whether realized or not), and any costs associated with the brokering of that investment should be taken into consideration and deducted from the market value

of the investment. **For example:**

\$10,000 stock current value

\$5,000 stock basis

Subtract long term capital gains tax on \$5,000 gain or \$750.00 (15%)

Subtract the cost of stock redemption (what your broker charges for selling the investment say \$250)

True current value of stock \$9,000

- Consider the merits of converting liquid assets like cash to non-assessable assets, such as annuities or life insurance, particularly if the assets are earmarked for retirement. Otherwise, some percentage of the value of the asset will be included in your EFC.
- Consider using investment assets to pay down personal debt or pre-pay personal expenses. Simple advanced planning like this can increase financial aid eligibility by using an asset that would be assessed in the financial aid formulas to pay for something that has to be paid for anyway - like expenses or debt reduction.
- Consider the overall effect of shifting income-generating assets/investments to growth assets that generate little or no income. The income generated by the assets/investments may be assessed at a rate of almost 50% by the financial aid formulas. Not only might this affect your financial aid eligibility, but it effectively reduces the "yield" of the investment/asset during the four base years - January of the student's junior year in high school through their junior year in college.
- Since you can make an IRA contribution from January 1 - April 15 for the previous year, a couple can shelter assets up to \$5000 each from the aid formulas by contributing to the previous year and the current year prior to completing the financial aid forms. In addition, the interest accruing in the IRA will not be counted in the formulas. By maximizing IRA contributions in non-base years, you'll decrease your tax burden during this time and shelter assets from the financial aid formulas. During the base years, Roth IRA contributions will have no affect on AGI or tax and therefore no effect on aid eligibility. The benefit of contributing is the deferred income. For Traditional IRAs, contributions will not lower the AGI because the EFC formulas require that you add back retirement contributions, and the lower tax may slightly decrease financial aid eligibility. Nevertheless, consider maximizing IRA contributions due to the overall long-term benefit on retirement savings.

Warning: Restrictions, penalties and taxes may apply unless certain criteria is met, Roth IRA owners must be 59 1/2 or older and have held the IRA for 5 years before tax-free withdrawals are permitted.

[Return to Top](#)

Section IV

Estimated Costs and Financial Aid



Report Contents	Benefit: How this helps you become an informed buyer of a college education and save money in the process
Financial aid estimate at selected college.	An estimate of the amount and type of need-based financial aid you'll receive at the school in question and the amount you'll likely have to pay out-of-pocket, after accounting for financial aid. You'll be amazed to learn that at many of the higher priced schools - particularly private colleges - your actual out-of-pocket costs may be less than many public schools with a lower advertised price. Many schools that you think are not affordable may be very affordable to you when you factor in financial aid! This information can be very helpful in determining what school to apply to in the first place. Don't give up on the school of your student's dreams just because you don't think you can afford it. You may be very pleasantly surprised to learn you can!

The table below provides an estimate of the financial aid at the college selected using your [EFC](#) and cost/financial aid data (last updated February 2011) for the school selected. **This table represents an estimate only.** Using your estimated EFC and the Cost of attendance (COA) at the school in question. Your actual financial aid may vary significantly from the estimates that are based on historical averages.

School Name:
SUNY College at Oswego

Estimated COA	\$20,046
EFC method used by School	Federal Methodology
Average Need Met %	84%
Gift Aid %	48%
Self Help %	51%
Projected Cost/Financial Aid	
Estimated EFC	\$15,098
Unmet Need	\$791
Total Family Contribution	\$15,889
Financial Aid Eligibility	\$4,156
Estimated Self Help	\$2,119
Estimated Gift Aid	\$1,995

College Scholarships



Report Contents	Benefit: How this helps you become an informed buyer of a college education and save money in the process
Scholarships available at the school selected and whether the student qualifies based on academic performance/test scores (GPA/SAT scores)	Knowing what scholarships are available at a particular school based on the student's merit and how to obtain the scholarship is vitally important information for the family. These scholarships do not have to be repaid, are usually renewable and can dramatically reduce a family's out-of-pocket college costs. Most "free money" comes directly from the school so an "informed buyer" needs to know what's available and how to

Based on the student's academic profile: SAT/ACT scores, GPA, Class Rank, etc., following are merit money opportunities at [SUNY College at Oswego](#) that the student may qualify for. These scholarship/grants do not have to be paid back, are based on the merit of the student and can help to significantly reduce the family's out-of-pocket college costs.

SUNY Oswego - Presidential Scholarships

Eligible Based On Supplied Information: No	
Amount: \$4,400.00	
Min GPA: 3.5	Essay Required: No
Min SAT: 1200	Interview Required: No
Min ACT: 26	Audition Required: No
Min Class Rank: not available	Specified Majors:
Scholarship Deadline: 2011-1-15	For Minority: No
Renewable: Yes	Is Limited: No
Notes To Renew: Maintain 3.0 GPA	Number Available: Unlimited
State of Residence:	
Notes:	
Scholarship Link: http://www.oswego.edu/admissions/costs/financial/scholarships/merit.html	

SUNY Oswego - Dean's Scholarships

Eligible Based On Supplied Information: No	
Amount: \$1,250.00	
Min GPA: 3.4	Essay Required: No
Min SAT: 1100	Interview Required: No
Min ACT: 24	Audition Required: No
Min Class Rank: not available	Specified Majors:
Scholarship Deadline: 2011-1-15	For Minority: No
Renewable: Yes	Is Limited: No
Notes To Renew: Maintain 3.0 GPA	Number Available: Unlimited
State of Residence:	
Notes:	
Scholarship Link: http://www.oswego.edu/admissions/costs/financial/scholarships/merit.html	

SUNY Oswego - Merit Scholarship

Eligible Based On Supplied Information: YES	
Amount: \$5,890.00	
Min GPA: 3.2	Essay Required: No
Min SAT: 1100	Interview Required: No

Min ACT: 24	Audition Required: No
Min Class Rank: not available	Specified Majors:
Scholarship Deadline: 2011-1-15	For Minority: No
Renewable: Yes	Is Limited: No
Notes To Renew: Maintain 3.0 GPA	Number Available: Unlimited
State of Residence:	
Notes:	
Scholarship Link: http://www.oswego.edu/admissions/costs/financial/scholarships/merit.html	

SUNY Oswego - Residential Scholarship

Eligible Based On Supplied Information: YES	
Amount: \$7,390.00	
Min GPA: 3.2	Essay Required: No
Min SAT: 1100	Interview Required: No
Min ACT: 24	Audition Required: No
Min Class Rank: not available	Specified Majors:
Scholarship Deadline: 2011-1-15	For Minority: No
Renewable: Yes	Is Limited: No
Notes To Renew: Maintain 2.5 GPA	Number Available: Unlimited
State of Residence:	
Notes: Must live on campus	
Scholarship Link: http://www.oswego.edu/admissions/costs/financial/scholarships/merit.html	

[Return to Top](#)

Section V

Collegiate Investment / Funding Options

Since you may be a candidate for financial aid, you will be responsible for covering both your EFC and any part of the cost of college that is not covered by financial aid, merit aid, etc. This is known as your "**total contribution.**" See **Section IV** for an estimate of your total contribution for one year of college. Implementing tips contained in this report may help decrease this cost.

The following savings and investment types were listed on the data form as allocated for college:

- No resources listed

Growing these investments for the next 2 years till your child begins college yields approximately \$0. The projected four-year cost of attendance (note - this is not the same as your total


contribution because it does not account for any financial aid) at [SUNY College at Oswego](#) using a 5% annual inflation rate is: \$95,256.



If there is a shortfall (gap) between your available college funds and your **total contribution** consider the following investment and funding strategies:

This section contains both investment and funding strategies for saving and then paying for the education expenses.

Investment Strategies:



Report Contents	Benefit: How this helps you become an informed buyer of a college education and save money in the process
College savings strategies	From the myriad of options, CFS will help you decide which savings option is best suited for you. Your report will include CFS' proprietary rating system concerning critically important categories such as whether the option is good for a financial aid candidate or disastrous, is it a good option if you don't use it for college but for retirement instead? Choosing the wrong option can cost you thousands of dollars in lost financial aid!



For help with selecting and implementing a college savings plan, visit [AmeriCU Credit Union](#) at www.americu.org or contact James Lombardo, 315-356-3300 services@americu.org

Consider investments that will not adversely affect your financial aid eligibility. The effect on financial aid of using these investments to fund college costs are described.

These strategies are based on the lead-time available to you and your particular investment philosophy. The investment philosophy you have chosen is **Conservative**. **Consider the following investment options with the \$200/month you indicated were available for college costs.** Click on the investment for more detailed information.

Investment	Rate of Return vs. college inflation	Effect on aid eligibility	Tax favored access for college	Tax favored access for retirement	Use for college and retirement
Coverdell Education Savings Account (CESA)	good	good	excellent	n/a	n/a
Roth IRA	excellent	poor	good	excellent	good

Traditional IRAs	excellent	poor	fair	fair	fair
529 College Savings Plans	good	good	excellent	poor	fair

College Funding Options:



Report Contents	Benefit: How this helps you become an informed buyer of a college education and save money in the process
College funding options	Most families will need loans to help cover the total cost of college. Knowing which option(s) to choose can be very confusing. Choosing the wrong option can cost you thousands of dollars more on your out-of-pocket college costs! Your free report will help you make an informed decision from a myriad of options.



For help with loans and other college funding options, visit *AmeriCU Credit Union* at www.americu.org or contact a representative at 315-356-3300 support@americu.org

Consider the following funding options if there is a shortfall (gap) between your available college funds and your **total contribution**.

Loan Strategies:

Reasons to Consider College Loans

Following are reasons, beyond necessity, for a family that **will qualify for financial aid** to consider using loans to pay for college:

1. **Loan Proceeds Are Not Penalized By the Financial Aid Formulas.** Probably the best reason for a financial aid candidate to use loans to pay for college is that proceeds are not penalized by the financial aid formulas, whereas proceeds from assets (except for 529 plans and Coverdell Savings Plans) will be! The impact of this can be dramatic. For example \$10,000 withdrawn from a Roth IRA, although penalty free if used for education expenses will still decrease your financial aid eligibility by \$4,700 since the withdrawal will be counted in the financial aid formulas as income.
2. **You Expect Your Child To Have Some Financial Responsibility For Their Own Education** - When a student has a vested interest financially in their education they tend to be more focused about obtaining a degree - sooner than later!
3. **Your Assets Are Invested In High-Yield Investments** - If your family does not qualify for financial aid, here are some reasons why you may use loans instead of liquidating the assets:
 - o There may be a significant spread between the interest earned on the investment and cost of the loan. For example, a 2% spread on \$40,000 is equal to \$800, which yields the same benefit as an \$800 scholarship.
 - o The cost of liquidating the investment (capital gains, income tax) may be high
 - o If your investments are growing on a tax deferred basis, the longer they remain intact, the greater the compounding effect of the interest.

4. **Potential Tax Deduction** - College loan interest is deductible, up to \$2,500 annually, within certain income phase-out limits. The income phase-out limit is \$60,000 to \$75,000 in Adjusted Gross Income (AGI) for single taxpayers and \$120,000 to \$150,000 for married taxpayers.

Advantages/Disadvantages of Various Loans

This section highlights advantages and disadvantages of various loan strategies based on your responses on the dataform. They are ranked in descending order based on the pros/cons of each as well as your particular situation.

Stafford Loans

Stafford Loans are fixed rate and are not based on financial need. Therefore, the student can obtain this loan, regardless of whether the family qualifies for financial aid. The Stafford loan interest rate is fixed at 6.8%. These loans are taken out in the student's name and therefore, the student will be entitled to the student loan interest tax deduction.

The amounts that can be borrowed by the student are as follows:

1. Freshman year - \$5,500
2. Sophomore year - \$6,500
3. Junior - 5th year - \$7,500

The total undergraduate amount of Unsubsidized Stafford Loans that a dependent student can have is \$31,000 of which as much as \$23,000 can be subsidized.


The repayment of the Unsubsidized Stafford Loan interest begins within 60 days after the final loan disbursement. However this interest can be deferred. The principal repayment does not start until six months after the student graduates, leaves college, or drops below half-time enrollment.

Subsidized Stafford Loans are available to students who are financial aid candidates and they are generally included as part of a school's financial aid package for a student. The primary benefit is that the interest payments are subsidized as long as the student is in school half-time.

Tip: A Stafford Loan and especially a Subsidized Stafford Loan offers more benefits for the student than other loan options and should generally be considered first. Here are a couple of reasons:

1. The interest rate on a Stafford Loan is lower than the interest rate on a PLUS or private student loans.
2. The interest may be subsidized during the college years if the student qualifies for a Subsidized Stafford Loan - provided they are in school at least half-time.
3. Once the student graduates and is no longer a dependent, he can likely claim student loan interest deduction - up to a maximum of \$2,500 for each of the 5 years the interest is paid - since his income will likely be below the phase out level. These tax savings can help pay back the loan.



 **AmeriCU's Student Choice Program was created with one goal in mind – helping students finance a higher education without a higher price tag.** Our innovative line of credit will help you fill the funding gaps that federal aid may leave behind. With low rates and fewer fees, you could save hundreds of dollars a year by choosing your credit union's loan over other "alternative lenders."

Benefits of AmeriCU's Student Choice program:

- Zero origination or prepayment fees
- Low interest rates as set by your credit union
- Option to defer all payments while in school
- Convenient line-of-credit that helps you secure financing for your entire undergraduate career*
- Flexible repayment terms
- 0.25% rate discount during repayment for choosing automatic electronic payment
- A lender relationship you can trust!

Who is eligible?

Undergraduate students enrolled at least half-time in a four year degree-granting program at a public or private non-profit school. Nearly 2,000 schools across the U.S. are eligible. (Visit our website for more details.) If you are not already a member of the credit union, you will need to be eligible for membership.

How much can I borrow?

Once approved, students can borrow up to the school's calculated cost of attendance less other financial aid received. The exact amount will be certified by the school. The aggregate maximum (total amount you can borrow throughout your college career) is \$75,000.

How quickly are the funds disbursed?

Funds are disbursed directly to the school by AmeriCU's on the date the school requests payment. Any excess funds beyond what is needed by the school will be disbursed to the student by the school.

How to Apply:

Visit our Student Choice website at www.americu.studentchoice.org or call 866.210.3876. Our call center is open 24 hours a day, 7 days a week.



Home Loan

You may consider using the equity in the home to help pay for college. If you have phased out of the student loan interest deduction (therefore no longer available on PLUS loan interest) then the mortgage interest deduction on the home loan will reduce the real interest rate on the loan. The higher your income, the lower the real interest rate on the home loan (the higher your tax bracket, the greater the interest deduction on the loan). Consider alternatives to using the equity in the home in the form of a non-productive loan. Consider carefully the decision to borrow equity from the home to acquire a depreciating asset, such as a loan. If you are willing to borrow against the equity, consider the benefits of borrowing the equity and investing it in an asset that could be liquidated or borrowed against for college expenses. With interest on the borrowed funds tax deductible (effectively increasing the spread on the cost of borrowing and the return on the investment), and by investing the equity in something that earns compounded interest, you may be able to create an excellent source of funds for college and even retirement - as opposed to simply using the equity in the form of a loan.

Equity Line of Credit - If a home equity line of credit is used to fund college, only the amount of money needed for that year can be borrowed. Therefore, interest will only be paid on the borrowed amount. Cash outflow can be minimized during college years by making only interest payments and larger payments after college. Note that only the amount of the line of credit advanced is considered a debt against the equity and remaining equity will be assessed until it likewise is advanced.

Refinance/Second Mortgage - Since a lump sum is borrowed (in contrast to the line of credit), which probably will not be used all at once, interest is paid monthly on funds not currently needed. Therefore, consider investing the excess funds in a short-term investment until the funds are needed. For a financial aid candidate, if the home is refinanced or a second mortgage is secured, consider moving the excess funds to an instrument that will not be assessed by the financial aid formula.

The repayment term on residence loans is usually longer than other types of loans, which makes the monthly payments smaller and helps with cash flow.

[Return to Top](#)