



# NO CLEAR WINNER: CONSUMER TESTING OF FINANCIAL AID AWARD LETTERS

CONDUCTED BY JBL ASSOCIATES, INC. ON BEHALF OF THE NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS (NASFAA) WASHINGTON, DC



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## ▶ Executive Summary

In 2012, the National Association of Student Financial Aid Administrators (NASFAA) contracted JBL Associates, Inc. (JBLA), an independent research firm, to consumer test the U.S. Department of Education's (ED) Shopping Sheet and two NASFAA-designed alternative financial aid award letters among consumers through focus groups and a questionnaire. NASFAA recognized that a plethora of consumer information is now available for prospective and current students and parents, yet this information has not been tested in any systematic way among consumers to determine its effectiveness. NASFAA therefore sought to test three solutions with real consumers.

JBLA tested for participants' comprehension levels of financial aid concepts and content as presented in each letter, and sought participant feedback and opinions regarding:

- The level of clarity in each letter;
- Features they either found helpful or confusing; and
- Suggestions for improvement

JBLA conducted focus groups in three geographically diverse locations with students and parents at the high school level, and in colleges across all institution types (community college, four-year public, four-year private nonprofit, and for-profit). Details of the study's findings and recommendations for next steps are included in this report.

Overall, when asked for their opinions of the letters, students and parents alike felt overwhelmed and confused by the information presented. Three letters were tested:

- Letter A was the U.S. Department of Education's Shopping Sheet.
- Letter B was an award letter developed based on the recommendations from the NASFAA Award Notification and Consumer Information Task Force.
- Letter C was a NASFAA-designed hybrid of the Shopping Sheet and NASFAA Task Force letters.

Of the three letters, students and parents across institution types seemed to prefer the hybrid option, or Letter C, as the clearest and easiest to comprehend. Nearly half (46%) of respondents selected Letter C as their preference among the three letters. While not an overwhelming majority, focus group participants generally seemed to feel that the hybrid letter offered a good balance between useful numbers, text, and visual formatting.

When tested for level of comprehension on financial aid concepts, the majority of respondents were able to decipher basic information such as the total cost of attendance on all three letters (89%, 77%, and 76% on Letters A, B, and C, respectively), but relatively few were able to correctly respond to questions about financial aid terminology, such as direct and indirect costs, or subsidized and unsubsidized loans. Students and parents do not seem as concerned about understanding financial aid terminology as they are about the "bottom line": "How much is this going to cost me?" in simple, layman's terms is what consumers repeatedly cited as the contents of an ideal letter.

Focus group participants offered specific suggestions for components they would like to see included in a letter, and they felt that seemingly trivial formatting and style matters actually make a significant difference in clarity and comprehension. The study showed that it may be difficult to standardize one letter to meet the different needs of students based on their characteristics and the type of institution they are attending. Students at community colleges and for-profit institutions, for example, are not typically concerned with many of the indirect costs, such as housing, that concern traditional students attending four-year private nonprofit institutions. Today's growing demographics of independent (47% of undergraduate students), low-income (35%), and first-generation students (62%) may each have their own unique set of needs in a financial aid award letter (United States Department of Education, 2008). Most of these students are often at a disadvantage because they do not have access to the informational and financial resources available to more affluent families, which can help in interpreting complicated financial information. In conclusion, we believe perhaps even more important than the award letter is the financial aid counseling and human communication that accompanies the letter or is available from other sources once the letter is received, such as high school guidance counselors, financial aid administrators, or nonprofit groups that assist low-income and first-generation students.

JBL Associates, March 2013

## ► Foreword by NASFAA

In the past couple of years, NASFAA has monitored and participated in discussions with policymakers exploring the pros and cons of standardizing financial aid award letters. NASFAA agrees that financial aid information should be presented to all students and families accurately, clearly, and concisely; however, anecdotal information and consumer research now indicate that one standard award letter cannot address the diverse population of students that attend our 3,000 Title IV-participating member institutions.

NASFAA has taken several steps to investigate the concept of improving award letters.

**November 2011:** The NASFAA Board of Directors commissioned the NASFAA Award Notification and Consumer Information Task Force, appointing 11 long-serving financial aid directors representing various sectors of higher education.

**May 2012:** The Task Force released recommendations to improve award letters, by standardizing certain terms and identifying common elements that should appear in an award letter.

**September 2012:** NASFAA surveyed its members to find that two-thirds of the respondents had not committed to use the Department of Education's Shopping Sheet (released in July 2012) for the 2013-14 award year. Of those institutions that had not signed on, nearly 70% were still deciding if they would use the Shopping Sheet.

**November 2012:** NASFAA contracted JBLA to consumer test standardized award letters. This report captures the perspectives and opinions of high school students, college students, and their parents.

JBLA identified several important findings from the study participants. First and foremost, among the three award letters tested, there was no clear winner. Participants found aspects of each award letter useful, but JBLA found that no document could replace a knowledgeable financial aid advisor to provide further explanation and assistance in understanding the award letter. Many participants expressed a frustrated sentiment that figuring out how to afford college is a complicated process. JBLA also found that there was a strong preference for a certain type of letter design that presents financial aid information clearly and in a visually streamlined manner. Based on the results from this study, NASFAA presents four recommendations:

**Recommendation #1: Require Additional Consumer Testing.** Testing should be conducted at the federal level of all existing consumer information requirements and disclosures to ascertain their effectiveness. In the future, no new requirement should be imposed without prior testing.

The primary conclusion of this study is that currently no single award letter proposal is perfect. JBLA consumer tested three letters: the letter created by the U.S. Department of Education (ED), a letter based on the recommendations from the NASFAA Task Force, and a hybrid letter created by NASFAA staff, which represents a fusion of the previous two letters. All three letters were received less than satisfactorily by study participants, although each had elements that should be included in an "ideal" award letter. This reinforces NASFAA's standing position on award letters; namely, award letters would be best improved by developing models that include certain key elements, but are not entirely prescriptive.

This feedback conclusively demonstrates the need for required consumer testing. It shows that, had any of these three letters been mandated, it likely would have been met with confusion, dissatisfaction, and otherwise unnecessary phone calls to institutions. Required testing of consumer information disclosures would provide an opportunity to improve the final product based on the input of the very consumers the disclosures are meant to assist.

**Recommendation #2: Provide a Glossary of Standardized Terminology.** Students and families should have easy and immediate access to a plain-language glossary of financial aid terms. Award letters from various institutions could present financial aid information in slightly various ways, but unified, consistent financial aid terminology is critical for students and parents to understand. Based on the NASFAA Task Force recommendation, a "Glossary of Terms for Award Notifications" would contain universally accepted definitions of language typically contained on award notifications. The goals of a universal glossary would be to provide commonly defined and accepted terms, to provide greater clarity and understanding by students through consistent use and meaning of terms, and to improve prospective students' ability to compare award information from multiple schools.

This study's results underscore the need for clear definitions of terms presented with the award notice. For example, classification of costs of attendance currently coalesces around the use of "direct" and "indirect" to differentiate between costs that are charged by the institution and estimates of other expenses the student will likely incur during enrollment. Study participants indicated that these terms are unfamiliar and can be confusing. Instead of "direct" or "indirect" costs, different terminology could be more easily understood by students and parents. For instance using the terms "billable" and "not-billable" could help distinguish between the types of costs a family will face. Whatever terminology is used, however, an explanation of its meaning and implications is necessary, which could be accomplished through the adoption of a universal glossary of financial aid award terms.

**Recommendation #3: Provide Institutions with Flexibility to Format Core Elements.** The NASFAA Task Force identified 10 core elements that should be presented on an award letter:

- 1) The cost of attendance;
- 2) Gift aid;
- 3) Net costs after gift aid;
- 4) Self-help options;
- 5) Assumptions;
- 6) Links to loan debt aggregators and calculator;
- 7) Links to consumer information disclosures;
- 8) Link to public glossary of standard terms and definitions;
- 9) Financial aid office contact information; and
- 10) Deadlines and next steps.

While institutions should provide these 10 core elements on an award letter, they should also maintain the flexibility to select the best format for the award notice. Such flexibility enables institutions to effectively leverage whatever delivery method (paper, web-self-service, email, mobile app, etc.) is available to them. But more importantly, institutions can create an award letter that best meets a variety of different populations with differing needs, ranging from traditional, incoming full-time freshmen living on-campus, to returning older part-time students seeking additional training. An award letter that embodies the NASFAA Task Force's ten core elements, modified as necessary to reflect students' individual needs, will result in more students being better informed and understanding the bottom line. This study's participants voiced loud and clear their need to know how much it will cost them to go to college.

If standardization were to occur, it would be prudent to examine best practices or requirements in other industries. For example, Senator Schumer (D-NY) proposed legislation that later became law that requires credit card companies to standardize specific elements of credit card offers. Also known as the Schumer box, credit card companies are required to list "key" disclosures on credit card offers to make them more comparable and understandable (e.g., annual fee, if applicable; annual percentage rate for purchases [APR]; other APRs on balance transfer, cash advances, and default APRs; grace period; finance calculation method; and other transaction fees). Models like these would likely add more substance to this conversation.

**Recommendation #4: Reassess How and When Consumer Information is Needed and Useful.** Consumers should be given the opportunity to obtain information they want, by providing links rather than dense text that obscures the purpose of the award notice. Careful consideration should be given to the timing of consumer disclosures. Policymakers' current approach to standardizing award letters favors providing a plethora of consumer disclosures in an award notification. This approach offers two glaring weaknesses: 1) by presenting an overwhelming volume of information at once, critical information gets lost in the "noise" of competing pieces of data, and 2) what families overwhelmingly want from their award notification is a simple understanding of what college attendance will cost.

Instead of attempting to squeeze many pieces of consumer information into a one-size-fits-all award letter, institutions should provide on their award notifications a website or contact information for additional information. A central link to a school-created web resource that in turn contains links to student consumer information, loan counseling, cumulative indebtedness, student loan default rates, repayment information, a glossary of financial aid terms, federal student loan history, ED's College Navigator, and the school's Net Price Calculator. This web resource could also link to nonfederal student loan history (once this resource is available) and the College Scorecard.

By providing these critical pieces of consumer information on a centralized website, institutions can ensure that this information is not overlooked on a densely worded award notification. At the same time, this would free up the visual layout of their award notification to display the type of financial aid award information that the family is more immediately concerned with, and in the manner most befitting the specific needs of the institution.

It is critical to keep the award letter applicable to the students and families that receive and review it. Consumer information like graduation rates, loan default rates, and median borrowing may better serve prospective students and families in the early stages of the college-search process, when students are identifying the right schools to apply to, and as such, this information should be highlighted more substantially at that point. Currently enrolled students who intend to stay at their institutions through graduation may not find these three particular consumer information pieces useful. The award letter should be considered precious real estate and tailored to give students and families the essential information they want and need.

NASFAA, March 2013

## ► Background

### *Rising Costs of College*

As institutions face increased scrutiny over the rising cost of college (Baum & Ma, 2012) and more students leave college saddled with debt (Baum & Payea, 2012), students are aware they must consider more than the academic programs and reputation of their prospective colleges. They must have a realistic understanding of actual college costs that may be overshadowed by complicated student aid offers. Students should be able to anticipate how much they will need to pay when they enroll, how much grant aid they will receive, and how much loan aid they will eventually have to repay to governmental, institutional, or private lenders. Understanding how to finance rising college costs can be a high-stakes situation for students and families.

### *Financial Aid Reform*

Several initiatives have recently been introduced by educational foundations and other major players in the policy arena to explore ways of addressing the growing concern about the rising cost of college. The Bill & Melinda Gates Foundation commissioned 16 studies through its Reimagining Aid Design and Delivery project to improve the delivery and effectiveness of financial aid programs (Bill & Melinda Gates Foundation, 2012; NASFAA, 2013). The College Savings Foundation recently held a summit with ED officials to explore newly introduced financial counseling tools, such as the Net Price Calculator and College Scorecard, aimed at promoting greater transparency to help students and families make informed decisions about college enrollment and select an appropriate loan repayment option.

### *Financial Aid Transparency*

Providing current and future college students with clear and understandable information about the cost of college and the aid available to them to meet those costs has become increasingly important as tuition and other associated costs of college have increased faster than family incomes. The Higher Education Opportunity Act (HEOA) of 2008, which reauthorized the Title IV federal student aid programs, stressed themes of college affordability, reducing the cost of attendance, improving information about college costs and creating a model financial aid award letter. Many student advocacy organizations have supported efforts to improve award letters (e.g., NASFAA, the National Association of College Admissions Counselors, and The Institute for College Access and Success). Key stakeholders agree that financial aid award letters must be easier to understand, which in turn will help students make realistic and more informed decisions. However, colleges and universities with different student needs are still debating the specific content and format of the award letter.

### *Development of Standardized Award Letters*

The pressure to standardize award letters is stemming from the White House, ED, and key committees in the U.S. Congress. The discussion on standardizing award letters started in 2011 with a series of ED meetings that were focused on developing a voluntary model award notice rather than a mandated standard. Even with that purpose, however, participants brought forward the concept of a uniform standard format. During that time, NASFAA convened the Award Notification and Consumer Information Task Force. The Task Force engaged financial aid professionals, who help students on a daily basis and provide practical knowledge of the financial aid programs, to work on recommendations to help maximize the effectiveness of award letters and avoid unintended, negative consequences of over-prescriptive standardization.

In May 2012, Senator Al Franken (D-MN) introduced the “Understanding the True Cost of College Act,” which would mandate that higher education institutions use a standardized award letter, uniform financial aid terms, and provide information about student loan repayment and a host of other student aid-related disclosures directly on or with the award letter.

Shortly after Senator Franken’s bill was introduced in Congress, ED introduced in July 2012 the voluntary Shopping Sheet, which aims to help students understand the type and amount of aid for which they qualify and to facilitate comparison of aid packages offered by different institutions. According to Secretary of Education Arne Duncan, “Every university is already sending information to students each year, just not in a clear way that is understandable” (ED, 2012) The Shopping Sheet standardizes the presentation of the following information: college costs for one year, the amount of financial aid by program type, net cost of attending, average monthly payments on federal student loans after graduation, the six-year graduation rate, cohort default rate, and median borrowing at that institution. The Shopping Sheet is not required to be used by institutions, but by December 2012, 600 institutions had agreed to use the Shopping Sheet.

However, NASFAA is concerned with the inflexible standardization of the Shopping Sheet and the practicality of Senator Franken's proposal. Institutions need a flexible financial aid award letter that best meets the needs of their unique student populations. To that end, NASFAA asked JBL Associates to test the Shopping Sheet along with two other award letters with consumers – students and parents. The test aimed to answer a simple, but critically important question: Do these letters do what they are intended to do?

Furthermore, NASFAA was interested in exploring whether students and families understand how much college really costs after they apply for financial aid, and before they make the final decision about where to enroll. The key question is the degree to which the letters provide clear and understandable information that helps students and families discern the options being presented. After reading the different letters, can students and parents clearly articulate how much money they will need to borrow, earn, and save in order to attend a college or university?

As NASFAA has noted, many students are no longer “shopping” at the time they receive a financial aid award letter, particularly those who are not first-time students but rather, returning to the same institution the following year (NASFAA, 2012). In addition, the majority of students who attend community colleges and for-profit institutions reflect the growing reality of the 21st Century student who does not necessarily leave home to live on a traditional college campus while attending college. Rather, today's students often mix part-time enrollment and working; many are independent and nontraditional-aged, and many students are from low-income backgrounds and the first in their families to attend college. According to ED (2008), nearly half of postsecondary students (47%) enrolled in credit-based classes attend part-time, and just over two-thirds attend an institution within 30 miles of their home (67%). The percentage of students aged 25 and above has increased from 28% in 1970 to 43% in 2010 (Snyder & Dillow, 2012). For these college students, location may be the major factor in their decision and they may have a limited geographic choice of colleges to attend. The cost, while of utmost importance, is only a part of the college-decision process, but it nonetheless must be as clear as possible.

### *Need for This Study*

A plethora of information about financial aid and the cost of college is available for students and parents, but deciphering that information and determining which information is reliable can be a challenge. Researchers at Project Information Literacy, a large-scale study about early adults and their research habits, found that college students “are afraid of getting lost in a thicket of information overload they cannot dodge... no matter where students are enrolled, no what information resources they have at their disposal, and no matter how much time they have, the abundance of information technology and the proliferation of digital information resources have made research uniquely paradoxical” (Head & Eisenberg, 2011). Although ED has made some attempts to simplify the information, “a big push from the federal government to provide better consumer information has not created better-informed consumers” (Supiano, 2013).

The Center for American Progress (CAP) recently published a report emphasizing the importance of consumer testing of disclosures introduced by government agencies before distributing them to consumers. Consumer testing of student disclosures rarely occurs, however, and by foregoing consumer testing, “disclosures risk being overlooked and misunderstood” (Morgan & Dechter, 2012). Specifically, ED and other federal agencies should ensure that disclosures such as the shopping sheet are subjected to “rigorous testing” such as the methods employed here – namely, focus groups, interviews and surveys – and then act on the results by making adjustments accordingly (Morgan & Dechter, 2012).

## ► Findings

For a complete explanation of how this study was conducted, please see Appendix A. Generally speaking, each focus group was conducted in two parts. First, the interviewers (JBLA) asked all participants to review the three letters (copies of which are available in Appendix B), which was followed by a questionnaire (Appendix C) testing their comprehension of each letter. Next, as a group, interviewers asked participants a series of questions (Appendix D) on their opinions about each letter. Participants were not made aware of the background information to the study (i.e., reasons, goals, and objectives) in order to obtain their unbiased perspectives and opinions on the letters, but were debriefed at the end of the focus group. Sample letters were based on real financial aid scenarios for the respective type of institution the individual attended or planned to attend. Letters were not labeled with any real names of individuals, institutions, or organizations, however. Letters A, B, and C referred to ED's Shopping Sheet, the recommendations based on the NASFAA Award Notification and Consumer Information Task Force letter, and a NASFAA-designed hybrid of the two, respectively.

### *Overall Impressions of Letters*

All participants requested more than the allotted time to review letters and complete questionnaires. Overall, when asked for their opinions of the letters, students and parents alike felt overwhelmed and confused by the information presented. One student asked jokingly if there were a book called "Financial Aid for Dummies" to help decipher the information. A parent commented, "Everything seems so complicated these days. I feel like I need to take a class to understand [the financial aid process]." The participants did not identify one letter as the clear favorite, but rather identified components of each letter they would like included in an ideal letter.

When asked about the purpose of the letters, students and parents generally understood the intention of the letters, which was to communicate information about college costs, amount covered by aid, and amount that must be paid out of pocket. One parent summarized the purpose as being to "let students and parents know what the bottom line is going to be...figure out how much they have to pay...if they have to borrow loans to attend college...whether or not they can afford this college." A student described the purpose of the letters as informing students "this is how much we are going to give you. This is how much you are going to have to make the other way... Showing you if you need to start saving now or how to figure out how much money you will need."

### *Letter Ratings*

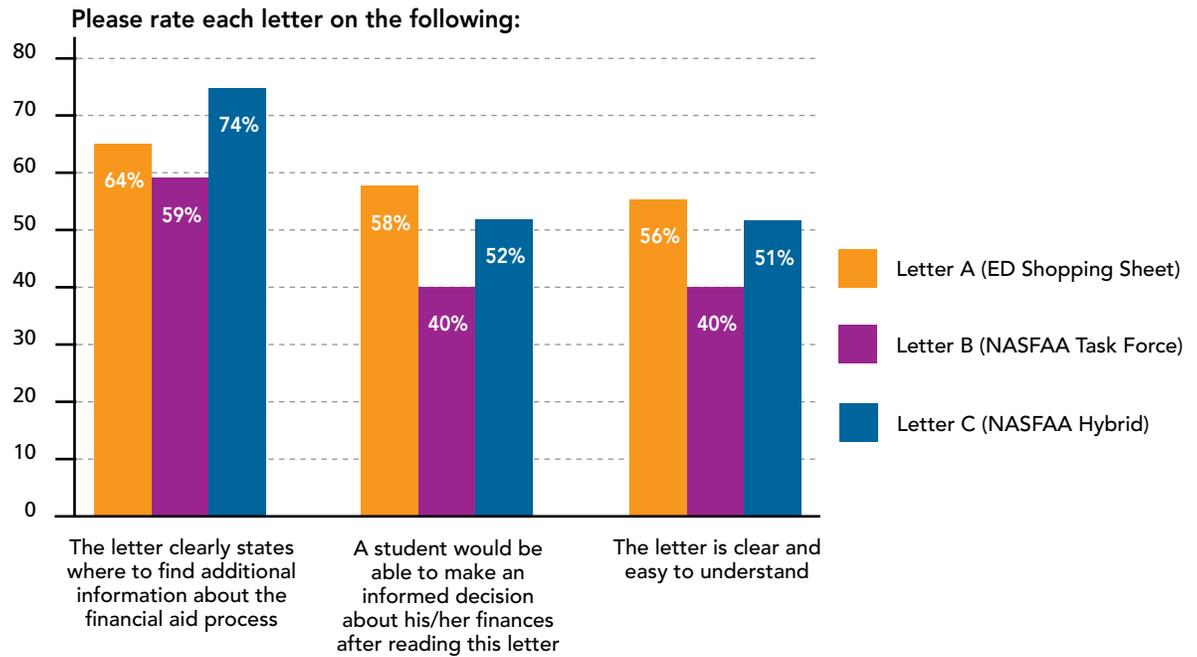
Preceding each focus group, we asked participants to review each letter and complete a questionnaire to capture their perceptions of the three different letters. We asked participants to rate each letter on a scale of 1 to 4 (1= strongly agree, 2 = agree, 3 = disagree, 4 = strongly disagree) on the following measures:

- the letter clearly states where to find additional information;
- the student or parent would be able to make an informed decision about finances after reading the letter; and
- the letter is clear and easy to understand.

Figure 1 displays the percentage giving each letter the highest two ratings, agree or strongly agree.

The ratings are relatively low for clarity and information across all three letters. Figure 1 shows a higher percentage felt the letters stated clearly where to find additional information – 64%, 59%, and 74% for Letters A, B, and C, respectively. And yet, just over half of respondents agree or strongly agree that letters A and C are clear and easy to understand and provide sufficient information, while only 40% feel that way about Letter B.

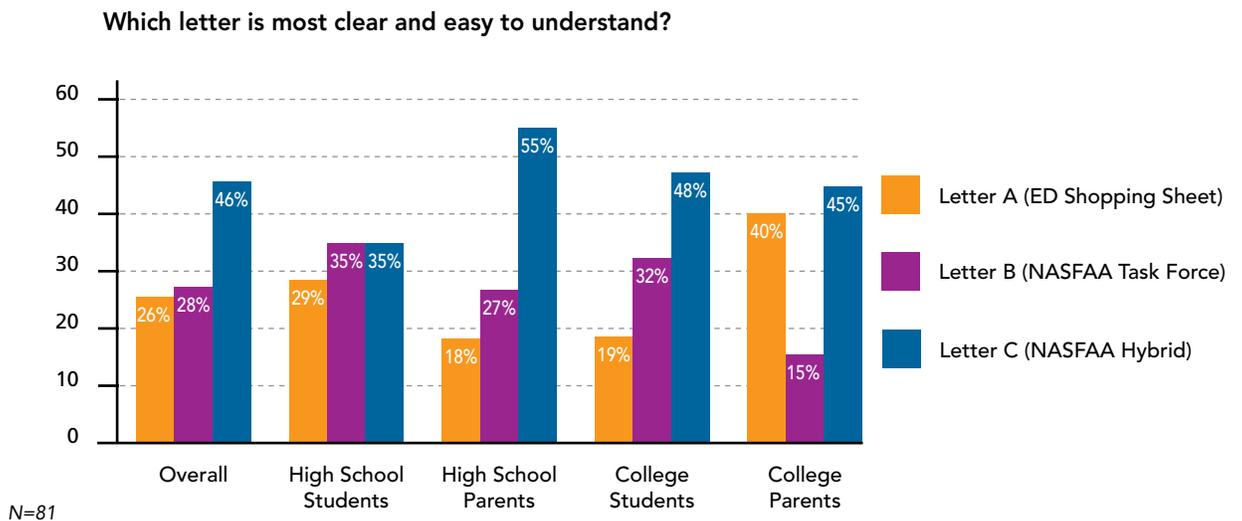
**Figure 1. Percentage of Letter Ratings Based on Information, Informed Decision, and Ease/Clarity (Agree and Strongly Agree).**



N=90

Then, participants were asked to provide feedback on which letter, overall, was the clearest and easiest to understand. Figure 2 shows the overall results, but also the results by participant group. Based on responses, 46% of respondents stated that Letter C's NASFAA Hybrid appears to be favored overall in terms of clarity and ease of comprehension. Among the participant groups, NASFAA Hybrid (Letter C) was favored over the other letters by high school parents (55%), college students (48%), and college parents (45%). High school students, however, were split between Letter B (NASFAA Task Force) and Letter C (NASFAA Hybrid) as their preferred letter, with 35% selecting each as their top choice.

**Figure 2: Percentage of Respondents Selecting Each Award Letter as Clearest and Easiest to Understand (by participant group)**



N=81

## Focus Group Results

The following sections summarize focus group participants' reactions to each of the letters (please see Appendix A for details of the focus group methodology). It should be noted that participants both within and between groups did not reach a clear consensus as to the preferred letter or effective letter components. In each focus group, we found a range of opinions and reactions to each of the letters both in terms of layout and content. These focus groups, while they spanned institution type, level, and sector, reaching both students and parents, were merely meant to be exploratory in nature to determine whether any initial findings merit a more rigorous study with a broader reach. The focus groups here are not intended to provide quantitative, conclusive evidence but rather provide qualitative insight, context, and potential explanations behind the quantitative questionnaire findings.

### Letter A – U.S. Department of Education Shopping Sheet

Many of the students and parents with whom we met indicated they preferred the layout and design of Letter A. One group of college students who had more familiarity with the financial aid process than other groups noted that it would actually be the “most complicated [of the letters] if you don’t know what you are doing” because it did not have as much text explaining concepts. The comprehension level of Letter A, therefore, could depend on the reader’s prior knowledge of financial aid.

Specifically, participants liked the following aspects of Letter A:

- The “top-to-bottom” layout of the letter and separation of different sections in bold print with a separate box for each category.
- The inclusion of median borrowing and monthly payments, information about loan repayment, and where to find additional information.
- The listing of institutional contact information including address, phone number, and e-mail.
- College parents at the public four-year institution felt this letter spelled out “net costs” the most clearly, and appreciated the inclusion of family contribution and “other” options such as military benefits.

Participants did not like the following aspects of Letter A:

- The letter did not break down direct and indirect costs.
- A parent at the private four-year institution appreciated the inclusion of family contribution, but felt “the letter didn’t explain clearly” what this meant or how it could be used.
- Public four-year college students who worked in the financial aid office at their institution did not notice work-study at first since it was listed as a “Work Option.” They felt it should have been included under financial aid options.

### Extraneous or Unhelpful Information

For the most part, students did not find the additional institutional information provided in Letter A (graduation rates, loan default rates, and median borrowing) to be helpful in the award letter. Students at private and for-profit institutions said the information might be helpful when deciding which school to attend, but would prefer that it be listed separately from the financial aid information. High school students planning to attend the local community colleges or state university did not think this information would influence their decision at all, and one said “you can find this information on the school website.” They would rather see definitions of financial aid terms in the space used for graduation rates. One parent did find the information helpful in determining “where we would get the most bang for our buck.”

The importance of this information may also depend on the type of institution to which the student applied. With the exception of students at a four-year private institution, students with whom we met emphasized factors other than graduation rates playing a greater role in their college selection process, such as location, cost, academic programs, class size, and in the case of the four-year public institution, athletics and social life.

### **Letter B – NASFAA Award Notification and Consumer Information Task Force Letter**

Students and parents overall appreciated Letter B's breakdown by semester and the introductory text included. In addition, participants reported they liked the following aspects of Letter B:

- The breakdown of costs and awards by fall and spring semesters, and a couple of community college parents in particular noted they plan by semester rather than by year.
- The opening paragraph and personalization of the text. In particular those who are not "numbers-oriented" found it to be "less overwhelming."
- The clear breakdown of direct and indirect expenses.
- Many students and parents across institutions commented that Letter B demonstrated the calculations of totals such as loans in a fairly straightforward manner. As one high school student noted, "It does the math for you and for each semester."
- High school parents found the contact information at the bottom, with a phone number for further questions, helpful.

Participants did not like the following aspects of Letter B:

- While many appreciated the breakdown by semester, some college students and parents "felt it was not broken down enough" and the "horizontal layout is confusing."
- One student at the public four-year institution did not notice the contact information at first and felt it was not visible enough: "it's in fine print."
- High school students and parents pointed out that Letter B did not provide any information about loan repayment or family contribution.
- One community college parent noted that Letter B was the only one not to list PLUS loans as an option, which she felt to be "very important."
- A few high school students and parents were confused by the number of different "net costs" listed.
- A high school student felt Letter B did not sufficiently explain "self-help options."
- A community college parent felt cost of attendance was "buried down instead of at the top."
- College parents from the public four-year institution noticed that Letter B was the only one that did not "spell out that gift aid doesn't need to be repaid."

### **Letter C – NASFAA Hybrid of the Shopping Sheet and Task Force Recommendations**

Many students and parents felt Letter C communicated information most clearly, and was a good compromise between letters A and B in breaking down information in an easy-to-follow layout. College students from the private four-year institution reported that Letter C is "structured in an intuitive way...easy to understand." They added that Letter C "clearly stated how much it costs to go there, how much you get, and how much you have to pay on your own."

Specifically, participants from all groups reported they liked the following aspects of Letter C:

- The "straightforward" and "clear" breakdown of costs
- The opening paragraph
- The explanation of direct and indirect costs, and gift aid
- The calculation demonstrating the different ways of looking at costs, in bold print ("it was simple to understand the bottom line.")
- The grouping of additional financing options
- The link with PLUS loans for additional information
- Links to additional resources and contact information, formatted in a box so it "pops up."
- High school parents noted they appreciated the "top-to-bottom straight layout."

Participants did not like the following aspects of Letter C:

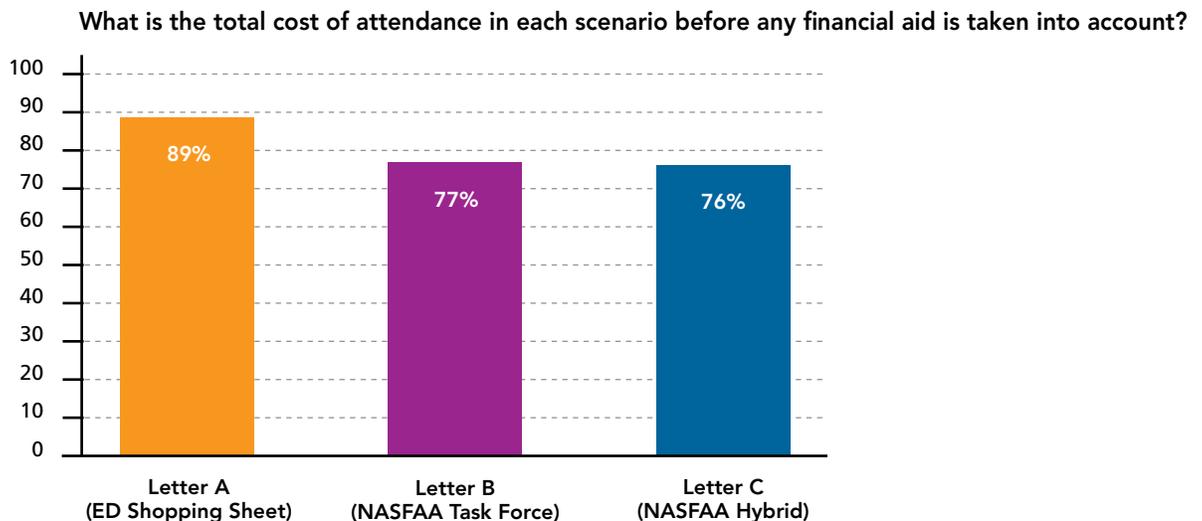
- High school and community college students wanted more information about the “no fee nine month payment plan,” as it was not clear what that meant.
- No phone number was listed for the financial aid office, just an email address.
- Parents at the four-year private institution were confused about what the “miscellaneous” indirect cost item included, and whether this was a mandatory fee.
- A few high school students noted that family contribution was not included.

### Comprehension Questions

In addition to assessing letter preferences, the questionnaire included items to test respondents’ (students and parents) comprehension levels of financial aid concepts presented in the letters. The goal of this testing was to assess whether financial aid concepts and content were presented in a clear, easy-to-follow manner that individuals without financial aid background or experience would be able to understand.

The percentage responding correctly to questions testing comprehension levels of financial aid concepts as presented in each letter varied greatly by question and by letter. For the first question, “What is the total cost of attendance before any gift aid is taken into account?” the majority of respondents seemed to understand the concept being tested: the total cost of attendance. Letter A seemed to communicate this information slightly more effectively than Letters B and C, with 89%, 77%, and 76%, respectively, responding correctly (Figure 3).

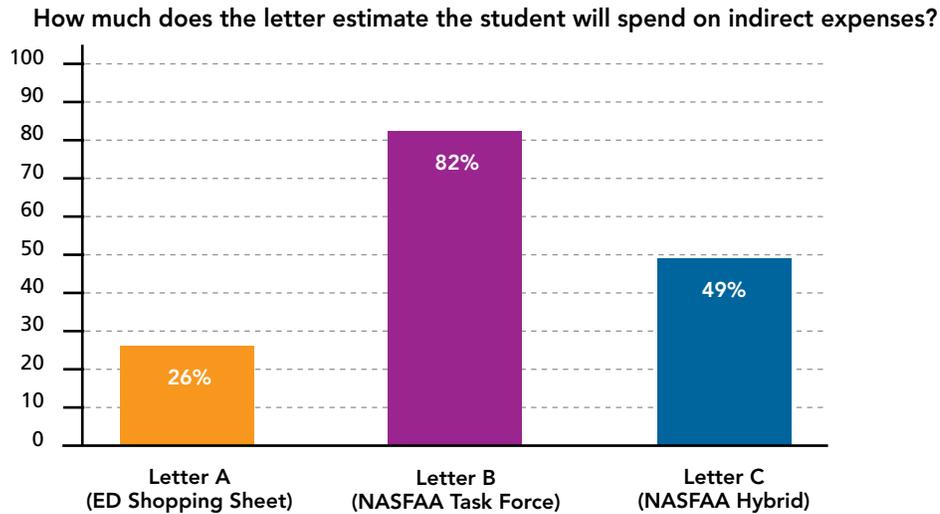
**Figure 3. Percentage of Respondents with Correct Responses (Evaluating Costs of Attendance)**



*n* = 90

The second comprehension question (Figure 4), “How much does each letter estimate the student will spend on indirect expenses?” tested respondents for their knowledge of indirect versus direct costs, which are costs directly billable to the institution. The percentage of correct responses were much higher for letter B than for the other two letters: 82% of respondents were able to identify this information correctly on Letter B, compared with only 26% on Letter A, and 49% on Letter C. This indicates that Letter B more clearly labels indirect expenses than the other two letters. Letter A, however, lumps together tuition and fees with optional expenses that do not apply to all students, without a label such as “indirect” to separate the two categories of expenses. Letter C does label indirect expenses, but does not provide an indirect subtotal, which would explain why approximately half of respondents could not identify this information on Letter C.

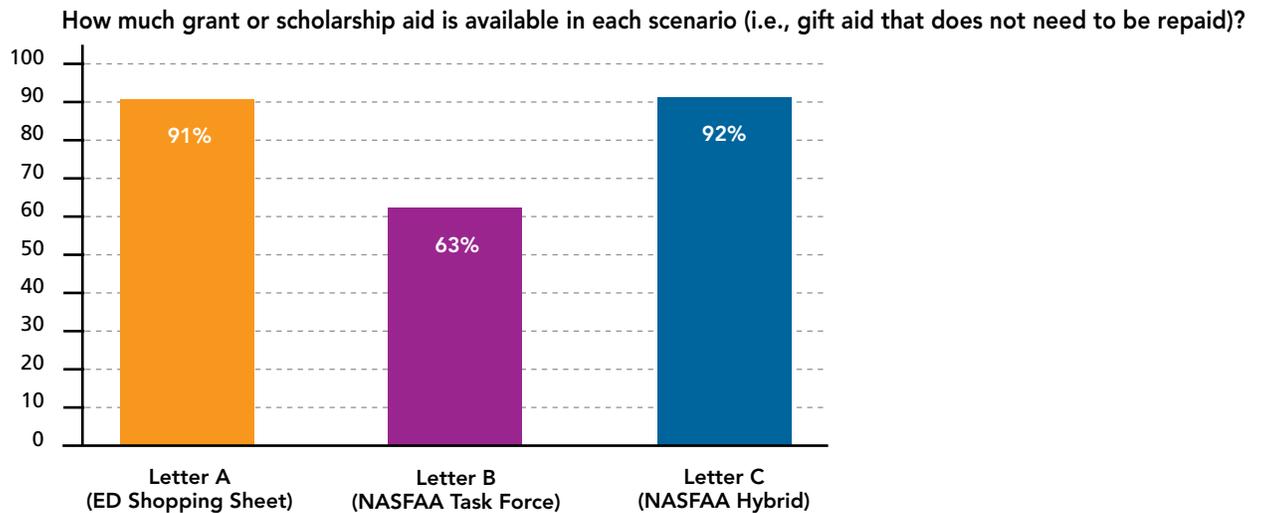
Figure 4. Percentage of Respondents with Correct Responses (Evaluating Indirect Costs)



n = 90

The third comprehension question asked: “How much grant or scholarship aid is available in each scenario? (i.e., gift aid that does not need to be repaid)” (Figure 5). The majority of respondents were able to identify this information on Letter A (91%) and Letter C (92%), which is higher than the correct response rate for any other comprehension question. While a majority (63%) responded correctly to Letter B, this response rate was relatively lower than those for the other two letters. While Letter B does delineate a subtotal for gift aid, it could be that the separation by semesters in this letter caused some confusion among respondents when seeking a total. Respondents in general did seem to appreciate the breakdown by semester, however, when prompted in the focus groups.

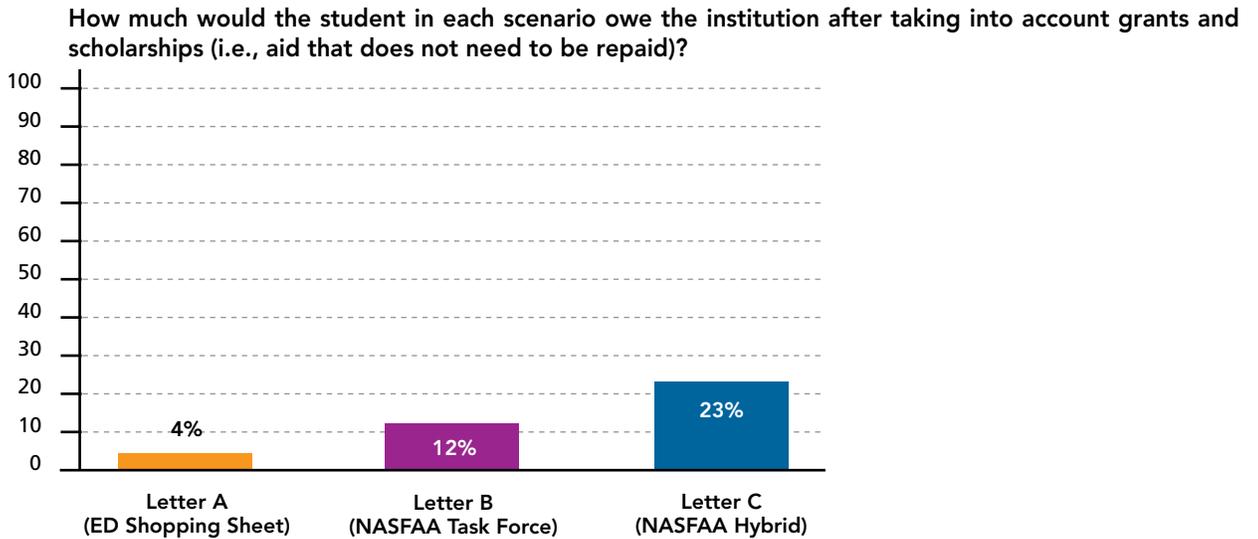
Figure 5. Percentage of Respondents with Correct Responses (Evaluating Gift Aid)



n = 90

The fourth comprehension question, “How much would the student in each scenario owe the institution after taking into account grants and scholarships? (i.e., aid that does not need to be repaid),” elicited the lowest number of correct responses (Figure 6). This is in part due to the wording of the question. The goal was to test the respondents’ comprehension of the concept of direct expenses, or those expenses directly billable to the institution. This required respondents to pay close attention to the wording, and specifically to interpret “owe the institution” as only direct expenses – tuition and fees. Many respondents glossed over that specific wording and interpreted the question as net costs (both direct and indirect) after gift aid. The response rate was lowest for Letter A (4%), followed by Letter B (12%), and Letter C (23%). Letters B and C both specifically list “direct costs after gift aid.” Letter C also shows the calculations, in bolded print, used to determine direct costs after gift aid, which may make it easier to understand this concept.

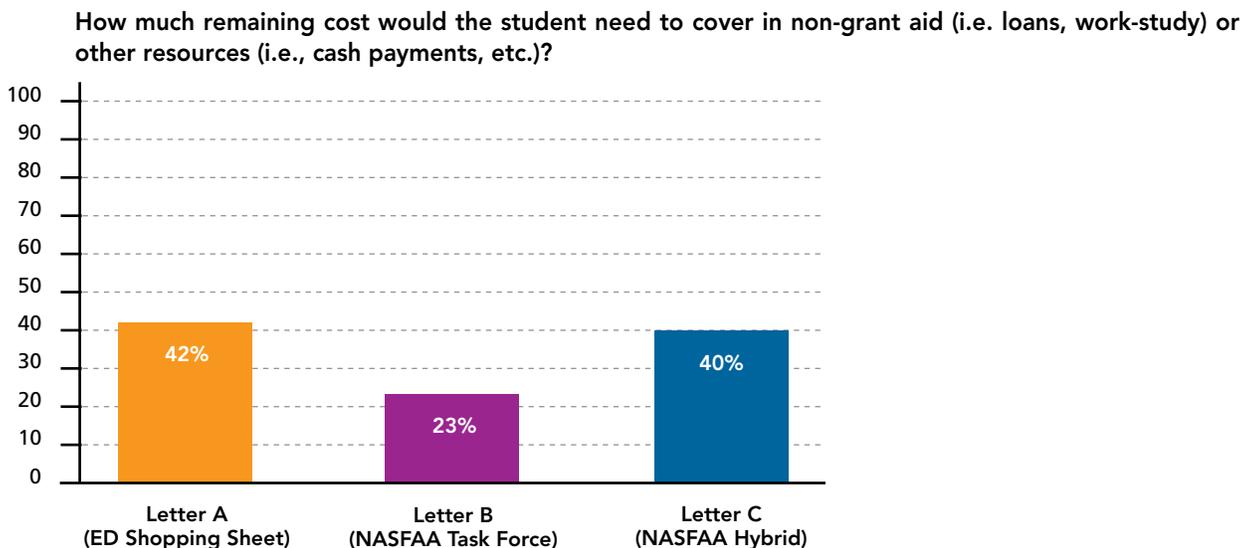
**Figure 6. Percentage of Respondents with Correct Responses (Evaluating Direct Costs)**



n = 90

The fifth question (Figure 7), “How much remaining cost would the student need to cover in non-grant aid (i.e. loans, work-study) or other resources (i.e., cash payments, etc.)?” was worded very similarly to the preceding question about net direct costs; however, this question essentially asked respondents to identify net costs, or the total amount owed once aid is taken into account. Some respondents did not seem to understand the difference between the two questions, based on the responses they provided. A relatively higher percentage responded correctly to this question, with 42%, 23%, and 40%, respectively, responding correctly for letters A, B, and C. Respondents were about half as likely to identify this information correctly on Letter B than on the other two letters. It could be that Letter B’s correct response rate was lower because it provided too many “net” options: Net Direct Costs after Gift Aid, Net Total Costs after Gift Aid, and Net Total Costs after Gift Aid and Self-Help Options.

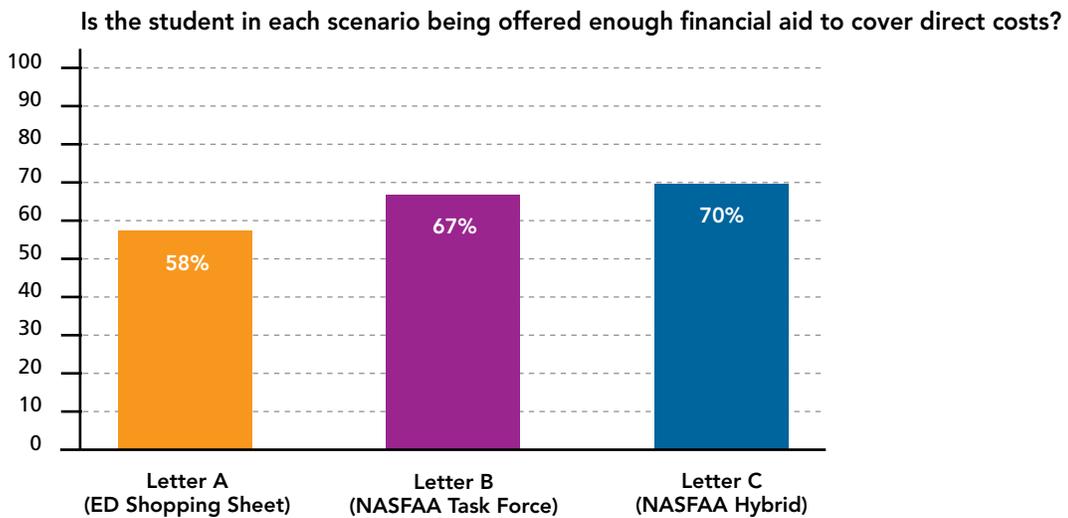
**Figure 7. Percentage of Respondents with Correct Responses (Evaluating Net Costs)**



n = 90

The final two comprehension questions were “yes or no” responses. The first question asked if enough aid was being offered to cover direct costs, and the second if financial aid was sufficient to cover all costs. While correct responses were relatively high compared to those of some other questions, it seemed, based on focus group responses, that participants have varying definitions of “financial aid” – some consider it to be only gift aid (scholarships, grants), and place loans and work-study into a separate category; whereas others defined all types of aid (grants, loans, and work-study) as financial aid. Roughly two-thirds to three-fourths of respondents answered both questions correctly with the exception of Letter A, to which just over half, or 58% responded correctly to the question about aid covering direct costs (Figure 8). This is likely due to the fact that direct and indirect expenses are not separated into different categories on Letter A. Also, loans and work-study appear separately from other aid sources below net costs.

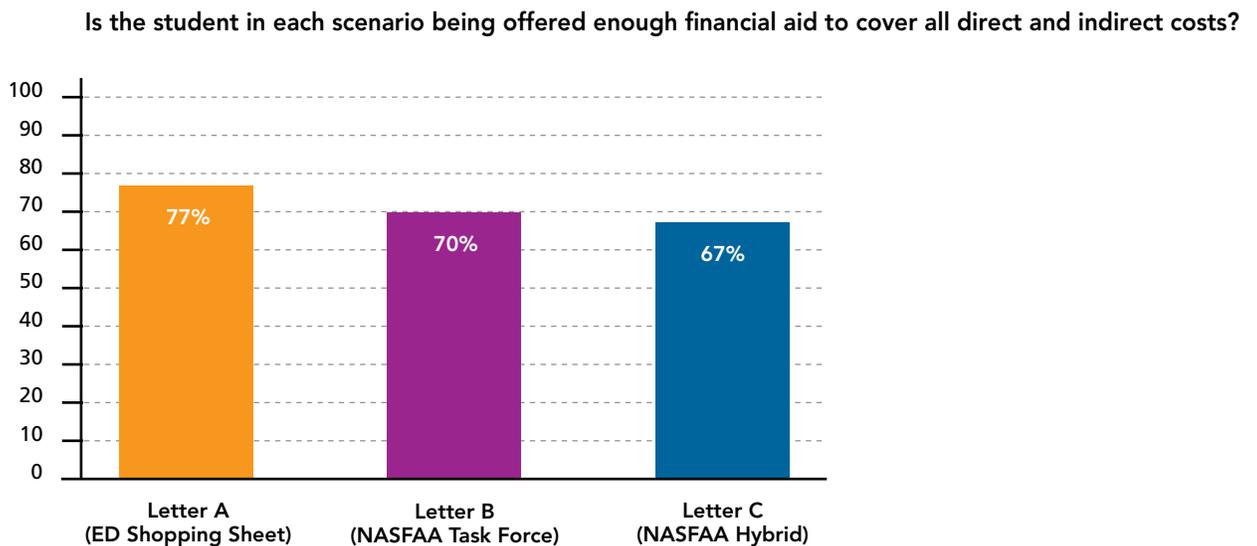
**Figure 8. Percentage of Respondents with Correct “Yes” Response (Award Covers Direct Costs)**



n = 90

The majority responded correctly to the last comprehension question, about whether financial aid offered covers all costs (Figure 9). This question was simpler than the other comprehension questions as it did not require an understanding of direct and indirect expenses.

**Figure 9. Percentage of Respondents with Correct “Yes” Response (Award Covers All Costs)**



n = 90

Table 1 summarizes the number and percentage of participants responding correctly to each of the comprehension questions, and the overall averages for each letter.

**Table 1. Summary of Correct Responses to Comprehension Questions**

	Letter A (ED Shopping Sheet)		Letter B (NASFAA Task Force)		Letter C (Hybrid)	
	#	%	#	%	#	%
Total COA before aid	<b>80</b>	<b>89%</b>	69	77%	68	76%
Indirect costs	23	26%	<b>74</b>	<b>82%</b>	44	49%
Gift aid	<b>82</b>	<b>91%</b>	57	63%	<b>83</b>	<b>92%</b>
Owe institution after gift aid	4	4%	11	12%	<b>21</b>	<b>23%</b>
Remaining cost after gift aid	<b>38</b>	<b>42%</b>	21	23%	<b>36</b>	<b>40%</b>
Aid covers direct costs? (Y/N)	52	58%	60	67%	<b>63</b>	<b>70%</b>
Aid covers all costs? (Y/N)	<b>69</b>	<b>77%</b>	63	70%	60	67%
<b>Average</b>	<b>50</b>	<b>55%</b>	<b>51</b>	<b>56%</b>	<b>54</b>	<b>60%</b>

*n* = 90

### Financial Aid Terms

We asked participants if they could explain to us the meaning of various financial aid terms used in each letter. Their responses are highlighted below, broken down by specific term:

- **Direct/Indirect Costs** – In general, respondents did not seem to completely understand the concept of direct versus indirect costs. It should also be noted that Letter A – Shopping Sheet does not identify or separate direct and indirect costs. Below are some of the explanations offered when prompted:
  - o “Not flexible” versus “flexible.”
  - o “[Indirect costs] are not paid directly to schools... extra things.”
  - o Direct costs are “essentials, items you have to have. Indirect [includes] housing and meals.”
  - o Indirect costs are “different for everyone” while direct are the same for everyone.
  - o As one high school parent explained, “Direct includes tuition and board. Indirect is everything else.”
  - o “Direct is for school-related stuff and indirect is others.”
  - o A community college parent explained direct costs as those “you can’t change,” while “indirect costs you can find ways not to pay.”
  - o One student from the public four-year institution who works in the financial aid office was confused as to whether room and board should be considered direct or indirect based on the way it was presented in the letters.
- **Subsidized/Unsubsidized Loans** – While the letters did not provide definitions for subsidized and unsubsidized loans, we asked participants whether they had an understanding of this concept because the terms were included on the letters as a source of aid. Students and parents for the most part did not know the difference between subsidized and unsubsidized loans, unless they already had experience with those types of loans. Even those who had experience borrowing subsidized loans could not explain exactly what that meant. Some understood the difference between subsidized and unsubsidized as having to do with interest, but could not explain the exact difference. Some noted they would go to links included in the resources for additional information. While the links and/or separate glossary sheet included with the letters may explain this concept, it may be worth including a brief definition directly on the letter where the term appears.

- **Net Costs** – Some participants felt the term “net cost” was confusing, especially since it was presented and worded slightly differently on each letter. One defined net costs as “what you would owe the institutions after grants.” Others defined it as “the total.” A student at the for-profit institution said, “Net cost shouldn’t include transportation, books, room and board and costs like that. Because you would think that will be your total and get a loan for that amount, and end up not using all of them but you pay back with a lot of interest. Most of us don’t live on campus so the net cost shouldn’t include room and board.”
- **Scholarships vs. loans** – Most students and parents understand the difference between scholarships and loans. However, when asked to identify the types of aid available in addition to grant and scholarships on each letter, they did not include loans in their answers.

When asked if it is helpful or important to understand financial aid terms in the letters, one community college parent said that trying to understand financial aid terms is “like splitting hairs. Tuition is tuition...I find the terminology confusing.” Another remarked: “I’ve never heard of these words...I want it as clear as you can...Even if you have a Ph.D. in English, your brain turns to mush.” Another parent felt the vocabulary is “overwhelming...learning about financial aid is like learning a new language. Having definitions, perhaps on a separate page, would help.”

Below are some additional thoughts participants shared about the importance of understanding specific terms:

- **Direct/Indirect Costs:** Most parents and students said they did feel it is important to know the difference between direct and indirect costs. However, it may not be necessary to understand those terms exactly. Some would rather see this information in layman’s terms; for example, which costs are “fixed,” or mandatory to pay the institution, and which costs are optional or vary with the individual’s situation. Several students and parents pointed out that indirect expenses such as housing are not applicable to students who do not live on campus, such as those attending a local community college. In those cases, some prefer to see only mandatory tuition and fees due directly to the college, while others actually like to keep indirect costs in the letter, even if they don’t apply, so they can see how much they are saving.
- **Subsidized/Unsubsidized loans:** All agreed it is important to know the difference between subsidized and unsubsidized loans, although most felt none of the letters clearly explained these terms.
- **Net costs:** Participants seemed to prefer layman’s terms here too; for example, the “total cost of attending the school.” Some suggested substituting more commonly used terms such as “final,” “overall,” or “total” in place of “net” to avoid confusion. It did not appear to help to have the term “net cost” unless the calculation was spelled out, and in fact seemed to cause some confusion if not adequately defined. One student said, “Don’t give me the net cost. Tell me what I’m going to pay,” in other words, in “real” terms he could understand.
- **Scholarships vs. loans:** In general, both students and parents seemed to understand the difference between scholarships and loans, and this terminology did not cause any confusion.

## No Clear Winner

Across the board, participants liked parts, but not the whole, of each letter. Students and parents did not necessarily feel that one letter met all their needs; rather, they suggested ways for customizing an ideal letter based on components from each of the three letters. The reactions of focus group participants suggest the need for letters to be based on individual and institutional characteristics, rather than a single standardized, global template.

### Bottom Line

Students and parents did not necessarily feel that one letter met all their needs. Instead, we heard repeatedly from students and parents alike, across all institution levels and types, from both those who already had experience with the financial aid process and those who had not, that what they want out of these letters is “Bottom line, what is it going to cost me?” As one student said, “I want it spelled out for me,” in “plain English.” A lot of parents said they need to know what they have to pay; that’s the most important information.

Below are additional similar responses:

- “They just need to tell me how much I need. How much I need to go to school.”
- “Just show the basics of costs...how much money you’ll need.”
- “Just how much I owe. I just want to know the bottom line. Skip the other stuff.”
- “It needs to be simple to read. You come home from work, it seems simple, but it really isn’t. You start reading about direct and indirect. It’s like what the heck. Use easy words.”

### Personal Contact

Some felt the letters could be more personalized and “show a little more interest in the student.” In general, the introductory text in letter B was appreciated by students and parents. In its report, CAP reinforces the importance of including an introduction with an identifying logo, describing the purpose of the letter (Morgan & Dechter, 2012).

While the letters can help provide essential information, many students and parents recognized that ultimately, there is no substitute for human contact with the financial aid office or other official. As one parent said, “If I have any question, I want a [phone] number...” A high school student remarked, “I would rather have interaction with a person...I’d go to my high school counselor.” A student at the college level concurred: “I would like to talk to people. So I look for a phone number.”

### Other Institutional Information

Most students did not think they would find graduation rate information to be helpful in the selection process. However, many offered the following items as factors other than financial aid that play a role in their decision-making process:

- Academic programs available
- National rankings
- Success rates after graduation, i.e. job placement

Job placement rates may be difficult to obtain and likely will not be reported across sectors in a uniform measure in the near future (with the exception of for-profit institutions, which offer career-specific programs). However, expected outcomes after graduation, or return on investment, appear to be top concerns among students today. CAP recommended that graduate outcomes, such as job placement and earnings data by major, be included in the College Scorecard, a similar disclosure just recently introduced by the White House and ED (Morgan & Dechter, 2012). However, the timing of when students should receive information about employment and wage outcomes is critical, and the point at which a student receives a financial aid award letter leaves little time to make a college-choice decision.

### **Additional Financial Information**

The following items were cited by some individuals as important information to include in the letters to help their understanding of the financial aid package:

- A breakdown of “mandatory” fees
- Link to explanation of how indirect costs (transportation, books, etc.) are calculated
- Directions on what to do next, and instructions for how to get loans
- Interest rates for each type of loan, information about “when you start accruing interest and when you need to start repaying loans”
- Work-study details, separate from other categories
- Online interactive tool to calculate your own loans, repayment rate, indirect costs, etc. (i.e., more personalized options)
- Examples of what financial aid packages/amounts other students at the institution are receiving
- Details of each institutional scholarship (“what the scholarship is for” and what type i.e., athletic, academic, other)
- Applicable fees for international students

### **Formatting**

When asked about how they would improve the letters, formatting was repeatedly cited as making a big difference in how the information is communicated effectively. As one student stated, “These letters have all the information but the presentation is so important.” Students felt “the priority numbers should be bolded” in larger print to make it easier to understand bottom line. Simple improvements like “increasing font size to make the contact information more visible” seemed important.

Many appreciated the “top-down” format of Letter A, and the “separate boxes for each category” and bold print clearly delineating different sections and finance sources. Others liked the information being broken down by semester in Letter B and having that presented side-by-side. And many found the separate boxes listing additional resources and contact information in Letter C to be helpful. As noted, no one letter appeared a favorite in totality. Rather, students and parents alike appreciated different aspects of each letter and even offered suggestions for creating an improved letter based on those features.

In terms of viewing the letter on paper or online, many parents recognized that not all families have access to the Internet. Also, a high school parent noted, “something as important as this must be on paper” and sent to the home so parents of dependent students can be sure to view it, since they are often the individuals responsible for the financial aid process, whether or not by choice. The same high school parent said her “daughter doesn’t want to look at this; she wants me to do it all.”

## **► Conclusions**

This study tried to ascertain how consumers (students and parents) would understand the information on a model or standardized award letter notification. We tested three types of award letters: Letter A (ED’s Shopping Sheet), Letter B (Recommendations based on NASFAA Task Force), and Letter C (NASFAA Hybrid), which combined elements from the Shopping Sheet and Task Force) and found no clear winner among the three letters. Rather, participants liked parts, but not the whole, of each letter. Students and parents did not necessarily feel that one letter met all their needs; instead, they suggested ways for customizing a better letter based on components from each of the three letters. For instance, a general glossary explaining the terms on the award letter would have been very helpful according to the participants. Also, participants believed that information not pertinent to financial aid should not be on the award letter (i.e., graduation rates, default rates, and median borrowing). The reactions of focus group participants suggested the need for letters based on individual and institutional characteristics, rather than a single standardized, global template. We agree with NASFAA that consumer information requirements and disclosures must first be tested on consumers, as supported by the fact that participants in this study did not find any of the letters to be clearly understandable. What is clear is that consumers need college information that is timely, useful, comprehensible, and takes account of the different needs of a diverse student population.

## ► Appendix A: Methodology

### *Research objectives*

NASFAA and JBLA sought to answer the following research questions:

- Which of the three letters is the clearest and easiest for parents or students to understand?
- Which component(s) of each letter do students or parents value?
- Which component(s) are unclear or confusing?
- What information are students or parents seeking in an award letter?
- Do students/parents understand basic financial aid concepts after reviewing each letter?

To answer these questions, JBLA carried out 12 focus groups total: eight in-person with high school seniors, high school parents, and undergraduate college students, and four online with college parents in each sector with the exception of for-profit institutions, since most students enrolled there are independent. We held the focus groups with college parents remotely since they tend to be dispersed in many different locations and not concentrated in a single place like the students. In-person focus groups were held in three geographically diverse locations: one in an urban area of the Northeast, a second in a suburban area of the Mid-Atlantic, and a third in a rural area of the South. Between the three locations, focus groups convened four different groups of college students on their respective campuses: one community college, one four-year public university, one four-year private university, and a for-profit institution. Site coordinators (i.e., high school counselor, high school principals, college financial aid administrators, and college enrollment directors) at both high school and college levels recruited individuals from low-to-middle-income socioeconomic status (SES) backgrounds based on their knowledge of the individuals' financial need, but were unable to share SES and demographic characteristics in order to protect the participants' privacy.

These groupings allowed for the contrast of multiple sets of stakeholders at different stages in the financial aid application process. High school seniors were preparing to apply for college and were less likely to be familiar with the financial application process. College students and their parents were more likely to have already experienced the financial aid application process and therefore had a basis for comparison.

### *Site and participant recruitment*

NASFAA and its members led the site visit selection process by identifying institutional participants in diverse geographic locations who were willing and available to participate. With the exception of college-parent focus groups held online, we met with students and high school parents on their respective campuses to ensure greater participation rates. Financial aid directors at each participating institution invited students to participate, drawing on institutional data to ensure demographic diversity in terms of gender, race/ethnicity, income level, dependency, and parents' highest education level. NASFAA staff coordinated the recruitment process between two state members and site representatives, and JBLA followed-up with institutions to ensure adequate participation (i.e., a minimum of eight participants per site).

### *Focus group procedures*

Focus groups began with a debriefing about the overall purpose and topic, without divulging any background information about the organization conducting the study or the recent development of the ED "Shopping Sheet." Participants were assured confidentiality and informed that focus groups were being recorded for accuracy. Only first names, and no other personally identifying information, were used. We then asked participants to take a few minutes to independently review each of the three letters, and to complete a questionnaire asking for their initial impressions and comprehension of concepts presented in the letters. Participants then came back together as a facilitator-led focus group to provide additional feedback about their experiences reviewing each letter.

A researcher from JBLA facilitated each focus group with a representative from NASFAA present to observe participants' responses, debrief participants about the study, and provide answers to financial aid questions and explanations of the financial aid concepts presented in the letters following the focus group. A second JBLA researcher was also in attendance to act as an observer and to ensure accuracy and objectivity of the transcription analysis. The second JBLA researcher also ensured the protocol was being followed, tracked time, and took notes as a backup to the recording.

Each focus group consisted of roughly 8-12 individuals. Participants were provided with a twenty-five dollar incentive for participation and to cover the cost of travel, time, and other expenses such as childcare that parents incurred.

## Participants

Table 2 breaks down the total number of participants by category and institution type:

*Table 2. Number of focus group participants by category and institution type*

Participant Type	#
High school seniors	18
High school parents	15
College Students: Four-year public	9
College Students: Four-year private	7
College Students: Community college	11
College Students: For-profit	10
College Parents (online): Four-year public	4
College Parents (online): Four-year private	9
College Parents (online): Community college	7
<b>Total</b>	<b>90</b>

## Qualitative/quantitative data analysis

JBLA transcribed qualitative focus group data and coded responses by frequently occurring categories and themes. Codes were generated based on initial fieldwork and then reviewed and modified as additional data were collected. Using this procedure protected the researchers against personal bias and helped ensure a thorough analytical treatment of the data. JBLA then analyzed coded focus group responses using the research questions as a guide.

In addition to the qualitative information obtained from each group, JBLA quantified the ratings and responses collected from the questionnaires of each participant. Due to privacy and confidentiality concerns, JBLA did not use personal identifying information.

## Limitations

One limitation to focus groups is that some degree of self-selection bias may result from individuals who are already more involved in the financial aid process being more likely to agree to participate. This did not seem to be the case in each group; we appeared to have a range of financial aid knowledge among participants from those who were soon to apply for financial aid for the first time, to others who had already been through the process. One group of students, as noted, worked in their university's financial aid office and provided helpful feedback based on not only their financial aid receipt but also their assistance with other students through the financial aid process. Even these savvy consumers were confused by some of the information presented. This range of backgrounds and perspectives provided a unique insight into the perceptions of each letter.

While the number of total respondents (n=90) to the questionnaire is relatively low to draw any conclusions disaggregated by specific student or institutional characteristics, the purpose of this largely qualitative study was to provide an in-depth understanding of how financial aid applicants digest standardized consumer information. Qualitative research, and focus groups in particular, play a key role in social science research fields including education, by providing "depth and richness in the findings" (Marshall & Rossman, 2006). Focus groups also provide the advantage of generating vital findings into topics that were not understood well through quantitative methods (Berg, 1989). JBLA and NASFAA felt this was the most appropriate method to conduct an initial, exploratory study of previously untested consumer products.

## ► Appendix B: Award Letter Mockups



**Community College of the United States (CCUS)**  
John Jones, 987654

Letter A

### Costs in the 2013-14 year

Estimated Cost of Attendance for full-time enrollment		\$ 14,158 / yr
Tuition and fees .....	\$ 3,010	
Housing and meals (off-campus) .....	7,273	
Books and supplies .....	1,070	
Transportation .....	970	
Other educational costs .....	1,835	

### Grants and scholarships to pay for college

Total Grants and Scholarships ("Gift" Aid; no repayment needed)		\$ 800 / yr
Grants from your school.....	0	
Federal Pell Grant .....	\$ 800	
Grants from your state .....	0	
Other scholarships you can use .....	0	

### What you will pay for the 2013-14 year

Net Costs	\$ 13,358 / yr
<small>(Cost of attendance minus total grants and scholarships)</small>	

### Options to pay net costs

#### Work options

Work-Study (Federal, state, or institutional) .....	\$ 0 / yr
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#### Loan options\*

Federal Perkins Loans .....	\$ N/A
Federal Direct Subsidized Loan .....	0 / yr
Federal Direct Unsubsidized Loan .....	0 / yr

\*Recommended amounts shown here. You may be eligible for a different amount. Contact your financial aid office.

#### Other options

Family Contribution	\$ 4,792 / yr
<small>(As calculated by the institution using information reported on the FAFSA or to your institution.)</small>	

- Payment plan offered by the institution
- Military and/or National Service benefits
- Parent PLUS Loan
- Non-Federal private education loan

Customized information from CCUS  
N/A denotes program in which CCUS does not participate

### Graduation Rate

Percentage of full-time students who graduate within 3 years



### Loan Default Rate



Percentage of borrowers entering repayment and defaulting on their loan



### Median Borrowing

Students at CCUS typically borrow **\$5,012** in Federal loans over 2 years. The Federal loan payment over 10 years for this amount is approximately **\$50** per month. Your borrowing may be different.



### Repaying your loans

To learn about loan repayment choices and work out your Federal Loan monthly payment, go to: <http://studentaid.ed.gov/repay-loans/understand/plans>

### For more information and next steps:

**Community College of the United States (CCUS) Financial Aid Office**  
123 Main Street  
Anytown, ST 12345  
Telephone: (123) 456-7890  
[E-mail: financialaid@ccus.edu](mailto:financialaid@ccus.edu)



**University of the United States (UUS)**  
Lyn Smith, 222111

Letter A

### Costs in the 2013-14 year

Estimated Cost of Attendance for full-time enrollment		\$26,756 / yr
Tuition and fees .....	\$ 13,938	
Housing and meals (off-campus) .....	9,752	
Books and supplies .....	1,048	
Transportation .....	1,200	
Other educational costs .....	818	

### Grants and scholarships to pay for college

Total Grants and Scholarships ("Gift" Aid; no repayment needed)		\$ 13,782 / yr
Grants from your school .....	\$ 13,782	
Federal Pell Grant .....	0	
Grants from your state .....	0	
Other scholarships you can use .....	0	

### What you will pay for the 2013-14 year

Net Costs	\$12,974 / yr
(Cost of attendance minus total grants and scholarships)	

### Options to pay net costs

#### Work options

Work-Study (Federal, state, or institutional) .....	\$ 1,806 / yr
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#### Loan options\*

Federal Perkins Loans .....	\$ 0 / yr
Federal Direct Subsidized Loan .....	0 / yr
Federal Direct Unsubsidized Loan .....	5,500 / yr

\*Recommended amounts shown here. You may be eligible for a different amount. Contact your financial aid office.

#### Other options

Family Contribution	\$ 11,168 / yr
(As calculated by the institution using information reported on the FAFSA or to your institution.)	

- Payment plan offered by the institution
- Military and/or National Service benefits
- Parent PLUS Loan
- Non-Federal private education loan

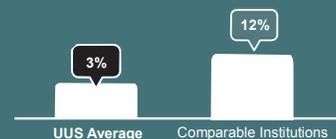
### Graduation Rate

Percentage of full-time students who graduate within 6 years



### Loan Default Rate

Percentage of borrowers entering repayment and defaulting on their loan



### Median Borrowing

Students at UUS typically borrow **\$19,389** in Federal loans over 4 years. The Federal loan payment over 10 years for this amount is approximately **\$190** per month. Your borrowing may be different.



### Repaying your loans

To learn about loan repayment choices and work out your Federal Loan monthly payment, go to: <http://studentaid.ed.gov/repay-loans/understand/plans>

### For more information and next steps:

**University of the United States (UUS)**  
Financial Aid Office  
123 Main Street  
Anytown, ST 12345  
Telephone: (123) 456-7890  
E-mail: [financialaid@uus.edu](mailto:financialaid@uus.edu)

Customized information from UUS



**Costs in the 2013-14 year**

**Estimated Cost of Attendance for full-time enrollment** **\$ 58,310 / yr**

Tuition and fees .....	\$	43,250
Housing and meals (on-campus resident) .....		11,660
Books and supplies .....		1,100
Transportation .....		989
Other educational costs .....		1,311

**Grants and scholarships to pay for college**

**Total Grants and Scholarships** ("Gift" Aid; no repayment needed) **\$ 33,600 / yr**

Grants from your school .....	\$	32,600
Federal Pell Grant .....		0
Grants from your state .....		0
Other scholarships you can use .....		1,000

**What you will pay for the 2013-14 year**

**Net Costs** **\$ 24,710 / yr**  
(Cost of attendance minus total grants and scholarships)

**Options to pay net costs**

**Work options**

Work-Study (Federal, state, or institutional) .....	\$	2,000 / yr
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**Loan options\***

Federal Perkins Loans .....	\$	4,000 / yr
Federal Direct Subsidized Loan .....		3,500 / yr
Federal Direct Unsubsidized Loan .....		0 / yr

\*Recommended amounts shown here. You may be eligible for a different amount. Contact your financial aid office.

**Other options**

**Family Contribution** **\$ 12,106 / yr**  
(As calculated by the institution using information reported on the FAFSA or to your institution.)

- Payment plan offered by the institution
- Military and/or National Service benefits
- Parent PLUS Loan
- Non-Federal private education loan

**Customized information from PUUS**

You are eligible to borrow a need-based institutional loan of \$2,500 for the academic year.

**Graduation Rate**

Percentage of full-time students who graduate within 6 years



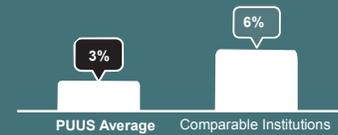
99%

LOW MEDIUM HIGH



**Loan Default Rate**

Percentage of borrowers entering repayment and defaulting on their loan



**Median Borrowing**

Students at PUUS typically borrow **\$22,100** in Federal loans over 4 years. The Federal loan payment over 10 years for this amount is approximately **\$217** per month. Your borrowing may be different.



**Repaying your loans**

To learn about loan repayment choices and work out your Federal Loan monthly payment, go to: <http://studentaid.ed.gov/repay-loans/understand/plans>

**For more information and next steps:**

**Private University of the United States (PUUS) Financial Aid Office**  
123 Main Street  
Anytown, ST 12345  
Telephone: (123) 456-7890  
E-mail: [financialaid@puus.edu](mailto:financialaid@puus.edu)



**Institute of the United States (IUS)**  
Tom Brown, 777666

Letter A

**Costs in the 2013-14 year**

**Estimated Cost of Attendance for full-time enrollment** **\$ 37,875 / yr**

Tuition and fees .....	\$	24,036
Housing and meals (on-campus resident) .....		9,801
Books and supplies .....		1,980
Transportation .....		990
Other educational costs .....		1,068

**Grants and scholarships to pay for college**

**Total Grants and Scholarships** ("Gift" Aid; no repayment needed) **\$ 500 / yr**

Grants from your school .....	\$	500
Federal Pell Grant .....		0
Grants from your state .....		0
Other scholarships you can use .....		0

**What you will pay for the 2013-14 year**

**Net Costs** **\$ 37,375 / yr**

(Cost of attendance minus total grants and scholarships)

**Options to pay net costs**

**Work options**

Work-Study (Federal, state, or institutional) .....	\$	0 / yr
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**Loan options\***

Federal Perkins Loan .....		0
Federal Direct Subsidized Loan .....	\$	5,500 / yr
Federal Direct Unsubsidized Loan .....		4,750 / yr

\*Recommended amounts shown here. You may be eligible for a different amount. Contact your financial aid office.

**Other options**

**Family Contribution** **\$ 16,625/ yr**

(As calculated by the institution using information reported on the FAFSA or to your institution.)

- Payment plan offered by the institution
- Military and/or National Service benefits
- Parent PLUS Loan
- Non-Federal private education loan

**Customized information from IUS**

**Graduation Rate**

Percentage of full-time students who graduate within 6 years



69%

LOW MEDIUM HIGH



**Loan Default Rate**

Percentage of borrowers entering repayment and defaulting on their loan

15%

24%

IUS Average

Comparable Institutions

**Median Borrowing**

Students at IUS typically borrow **\$24,200** in Federal loans over 4 years. The Federal loan payment over 10 years for this amount is approximately **\$238** per month. Your borrowing may be different.



**Repaying your loans**

To learn about loan repayment choices and work out your Federal Loan monthly payment, go to: <http://studentaid.ed.gov/repay-loans/understand/plans>

**For more information and next steps:**

**Institute of the United States (IUS)**  
**Financial Aid Office**  
123 Main Street  
Anytown, ST 12345  
Telephone: (123) 456-7890  
Email: [financialaid@ius.edu](mailto:financialaid@ius.edu)



**Community College of the United States (CCUS)**  
John Jones, 987654

John Jones  
333 Main Street  
Anytown, Massachusetts 02333

April 1, 2013

Congratulations on your acceptance to **Community College of the United States!** We are pleased to offer you the following financial assistance for the 2013-2014 academic year. The awards assume you are an off campus student, enrolled full time. Please review the "Community College of the United States Financial Aid Award Guide 2013-2014" at [www.ccus.edu/financialaidguide.xml](http://www.ccus.edu/financialaidguide.xml) for details about the terms, conditions, and renewal criteria for the awards listed below, as well as information on next steps and deadlines to accept and receive your awards.

<b>Gift Aid</b>	<b>Fall 2013</b>	<b>Spring 2014</b>	<b>Totals</b>
CCUS Grant	\$400	\$400	\$800
Federal Pell Grant	\$1,400	\$1,400	\$2,800
	<hr/>	<hr/>	<hr/>
	\$1,800	\$1,800	\$3,600
 <b>Self-Help Options</b>	 <b>Fall 2013</b>	 <b>Spring 2014</b>	 <b>Totals</b>
Federal Direct Subsidized Loan	\$1,750	\$1,750	\$3,500
Federal Direct Unsubsidized Loan	\$1,000	\$1,000	\$2,000
	<hr/>	<hr/>	<hr/>
	\$2,750	\$2,750	\$9,100
 <b>Total All Awards:</b>	 <b>\$4,550</b>	 <b>\$4,550</b>	 <b>\$9,100</b>

**The Cost of Attendance for one year is estimated to be \$10,603.** To help you plan for the year, we have enumerated below your total direct costs (billed by the College) and indirect costs (not billed by the College, but estimated costs you may incur) minus your financial aid offered.

<b>Direct Costs:</b>		<b>Estimated Indirect Costs:</b>	
Tuition:	\$ 3,010	Books:	\$ 1,070
		Transportation:	\$ 1,005
		Miscellaneous:	\$ 2,972
		Room and Board	\$ 2,546
<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Direct Costs:</b>	<b>\$ 3,010</b>	<b>Total Indirect Costs:</b>	<b>\$ 7,593</b>
 <b>Net Direct Costs after Gift Aid:</b>	 <b>\$-590</b>		
<b>Net Total Costs (direct and indirect) after Gift Aid:</b>	<b>\$7,003</b>		
<b>Net Total Costs after Gift Aid and Self-Help Options:</b>	<b>\$1,503</b>		

You should review any prior borrowing and research projected loan debt and repayment information prior to deciding to borrow for this year at [www.xxxxxx.gov](http://www.xxxxxx.gov). It is also important to understand your rights as a student consumer which are listed on CCUS's website at <http://www.ccus.edu/x21972.xml>. If you do not understand the meaning of any terms used in your award notification, please check our CCUS Financial Aid Award Guide or link to [www.studentaid.ed.gov/PORTALSWebApp/students/English/glossary.jsp](http://www.studentaid.ed.gov/PORTALSWebApp/students/English/glossary.jsp).

If you have questions about your awards, please do not hesitate to contact us at [finaid@ccus.edu](mailto:finaid@ccus.edu) or by calling Student Financial Services at 111-123-4567. Congratulations and best wishes for a successful academic career!

**Student Financial Services**  
300 Main Street, Small Town, MA 00001



Lyn Smith  
333 Main Street  
Anytown, Massachusetts 02333

April 1, 2013

Congratulations on your acceptance to **University of the United States!** We are pleased to offer you the following financial assistance for the 2013-2014 academic year. The awards assume you are an on campus resident, enrolled full time. Please review the "University of the United States Financial Aid Award Guide 2013-2014" at [www.uus.edu/financialaidguide.xml](http://www.uus.edu/financialaidguide.xml) for details about the terms, conditions, and renewal criteria for the awards listed below, as well as information on next steps and deadlines to accept and receive your awards.

<b>Gift Aid</b>	<b>Fall 2013</b>	<b>Spring 2014</b>	<b>Totals</b>
UUS Martin Scholarship	\$10,000	\$10,000	\$20,000

<b>Self-Help Options</b>	<b>Fall 2013</b>	<b>Spring 2014</b>	<b>Totals</b>
Federal Direct Subsidized Loan	\$2,750	\$2,750	\$5,500

<b>Total All Awards:</b>	<b>\$12,750</b>	<b>\$12,750</b>	<b>\$25,500</b>
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**The Cost of Attendance for one year is estimated to be \$50,572.** To help you plan for the year, we have enumerated below your total direct costs (billed by the College) and indirect costs (not billed by the College, but estimated costs you may incur) minus your financial aid offered.

<b>Direct Costs:</b>		<b>Estimated Indirect Costs:</b>	
Tuition:	\$ 37,754	Books:	\$ 1,048
Room and Board:	\$ 9,752	Transportation:	\$ 888
		Miscellaneous:	\$ 1,130
<b>Total Direct Costs:</b>	<b>\$ 47,506</b>	<b>Total Indirect Costs:</b>	<b>\$ 3,066</b>

**Net Direct Costs after Gift Aid: \$27,506**

**Net Total Costs (direct and indirect) after Gift Aid: \$30,572**

**Net Total Costs after Gift Aid and Self-Help Options: \$25,072**

You should review any prior borrowing and research projected loan debt and repayment information prior to deciding to borrow for this year at [www.xxxxxx.gov](http://www.xxxxxx.gov). It is also important to understand your rights as a student consumer which are listed on UUS's website at <http://www.uus.edu/x21972.xml>. If you do not understand the meaning of any terms used in your award notification, please check our UUS Financial Aid Award Guide or link to [www.studentaid.ed.gov/PORTALSWebApp/students/English/glossary.jsp](http://www.studentaid.ed.gov/PORTALSWebApp/students/English/glossary.jsp).

If you have questions about your awards, please do not hesitate to contact us at [finaid@uus.edu](mailto:finaid@uus.edu) or by calling Student Financial Services at 111-123-4567. Congratulations and best wishes for a successful academic career!

**Student Financial Services**  
300 Main Street, Small Town, MA 00001



Li Wong  
333 Main Street  
Anytown, Massachusetts 02333

April 1, 2013

Congratulations on your acceptance to **Private University of the United States!** We are pleased to offer you the following financial assistance for the 2013-2014 academic year. The awards assume you are an off campus resident, enrolled full time. Please review the "Private University of the United States Financial Aid Award Guide 2013-2014" at [www.puus.edu/financialaidguide.xml](http://www.puus.edu/financialaidguide.xml) for details about the terms, conditions, and renewal criteria for the awards listed below, as well as information on next steps and deadlines to accept and receive your awards.

<b>Gift Aid</b>	<b>Fall 2013</b>	<b>Spring 2014</b>	<b>Totals</b>
PUUS Martin Scholarship	\$9,150	\$9,150	\$18,300
PUUS Study Abroad Scholarship	\$107	\$107	\$214
	\$9,257	\$9,257	\$18,514
<b>Self-Help Options</b>	<b>Fall 2013</b>	<b>Spring 2014</b>	<b>Totals</b>
Federal Work-Study	\$500	\$500	\$1,000
Federal Direct Subsidized Loan	\$2,750	\$2,750	\$5,500
PUUS Need-Based Private Loan	\$3,600	\$3,600	\$7,200
	\$6,850	\$6,850	\$13,700
<b>Total All Awards:</b>	<b>\$16,107</b>	<b>\$16,107</b>	<b>\$32,214</b>

**The Cost of Attendance for one year is estimated to be \$61,944.** To help you plan for the year, we have enumerated below your total direct costs (billed by the College) and indirect costs (not billed by the College, but estimated costs you may incur) minus your financial aid offered.

<b>Direct Costs:</b>		<b>Estimated Indirect Costs:</b>	
Tuition:	\$ 43,214	Books:	\$ 750
Room and Board	\$ 11,830	Transportation:	\$ 1,127
		Miscellaneous:	\$ 5,023
<b>Total Direct Costs:</b>	<b>\$ 55,044</b>	<b>Total Indirect Costs:</b>	<b>\$ 6,900</b>
<b>Net Direct Costs after Gift Aid:</b>	<b>\$36,530</b>		
<b>Net Total Costs (direct and indirect) after Gift Aid:</b>	<b>\$43,430</b>		
<b>Net Total Costs after Gift Aid and Self-Help Options:</b>	<b>\$29,730</b>		

You should review any prior borrowing and research projected loan debt and repayment information prior to deciding to borrow for this year at [www.xxxxxx.gov](http://www.xxxxxx.gov). It is also important to understand your rights as a student consumer which are listed on PUUS's website at <http://www.puus.edu/x21972.xml>. If you do not understand the meaning of any terms used in your award notification, please check our PUUS Financial Aid Award Guide or link to [www.studentaid.ed.gov/PORTALSWebApp/students/English/glossary.jsp](http://www.studentaid.ed.gov/PORTALSWebApp/students/English/glossary.jsp).

If you have questions about your awards, please do not hesitate to contact us at [finaid@puus.edu](mailto:finaid@puus.edu) or by calling Student Financial Services at 111-123-4567. Congratulations and best wishes for a successful academic career!

**Student Financial Services**  
300 Main Street, Small Town, MA 00001



Tom Brown  
333 Main Street  
Anytown, Massachusetts 02333

April 1, 2013

Congratulations on your acceptance to **Institute of the United States!** We are pleased to offer you the following financial assistance for the 2013-2014 academic year. The awards assume you are an off campus resident, enrolled full time. Please review the "Institute of the United States Financial Aid Award Guide 2013-2014" at [www.ius.edu/financialaidguide.xml](http://www.ius.edu/financialaidguide.xml) for details about the terms, conditions, and renewal criteria for the awards listed below, as well as information on next steps and deadlines to accept and receive your awards.

<b>Gift Aid</b>	<b>Fall 2013</b>	<b>Spring 2014</b>	<b>Totals</b>
IUS Grant	\$5,359	\$5,359	\$10,718
State Grant	\$175	\$175	\$350
Federal Pell Grant	\$2,400	\$2,400	\$4,800
	<hr/>	<hr/>	
	\$7,934	\$7,934	\$15,868
 <b>Self-Help Options</b>	 <b>Fall 2013</b>	 <b>Spring 2014</b>	 <b>Totals</b>
Federal Direct Subsidized Loan	\$2,750	\$2,750	\$5,500
Federal Direct Unsubsidized Loan	\$2,625	\$2,625	\$5,250
	<hr/>	<hr/>	
	\$5,375	\$5,375	\$10,750
 <b>Total All Awards:</b>	 <b>\$13,309</b>	 <b>\$13,309</b>	 <b>\$26,618</b>

**The Cost of Attendance for one year is estimated to be \$41,289.** To help you plan for the year, we have enumerated below your total direct costs (billed by the College) and indirect costs (not billed by the College, but estimated costs you may incur) minus your financial aid offered.

<b>Direct Costs:</b>		<b>Estimated Indirect Costs:</b>	
Tuition:	\$ 24,036	Books:	\$ 1,980
		Transportation:	\$ 917
		Miscellaneous:	\$ 4,705
		Room and Board	\$ 9,651
<hr/> <b>Total Direct Costs:</b>	<hr/> <b>\$ 24,036</b>	<hr/> <b>Total Indirect Costs:</b>	<hr/> <b>\$ 17,253</b>
 <b>Net Direct Costs after Gift Aid:</b>	 <b>\$8,168</b>		
<b>Net Total Costs (direct and indirect) after Gift Aid:</b>	<b>\$25,421</b>		
<b>Net Total Costs after Gift Aid and Self-Help Options:</b>	<b>\$14,671</b>		

You should review any prior borrowing and research projected loan debt and repayment information prior to deciding to borrow for this year at [www.xxxxxx.gov](http://www.xxxxxx.gov). It is also important to understand your rights as a student consumer which are listed on IUS's website at <http://www.ius.edu/x21972.xml>. If you do not understand the meaning of any terms used in your award notification, please check our IUS Financial Aid Award Guide or link to [www.studentaid.ed.gov/PORTALSWebApp/students/English/glossary.jsp](http://www.studentaid.ed.gov/PORTALSWebApp/students/English/glossary.jsp).

If you have questions about your awards, please do not hesitate to contact us at [finaid@ius.edu](mailto:finaid@ius.edu) or by calling Student Financial Services at 111-123-4567. Congratulations and best wishes for a successful academic career!

**Student Financial Services**  
300 Main Street, Small Town, MA 00001



## Community College of the United States (CCUS)

John Jones, 987654

**Dear John Jones:**

**Congratulations on your acceptance to CCUS. We are pleased to offer you the following financial assistance for the 2013-14 academic year. The costs and awards in this letter assume you are enrolled full time and living off campus.**

### Estimated Cost of Attendance

Direct Costs (costs that are payable to the school):

- Tuition and fees.....\$3,010

Indirect Costs (estimates for expenses that you can be expected to incur for living and other educationally-related expenses):

- Room and board .....\$2,546
- Books & Supplies.....\$1,070
- Transportation .....\$1,002
- Miscellaneous .....\$2,975

**Total Cost of Attendance: .....\$10,603**

### Gift Aid (no repayment needed)

- Federal Pell Grant.....\$4,900
- Federal Supplemental Educational Opportunity Grant .....\$0
- State Grant.....\$1,466
- Institutional Grant.....\$0
- Private Scholarships and Grants .....\$0

**Total Gift and Scholarship Aid.....\$6,366**

**Direct Costs After Gift Aid: .....\$0 (\$ 3,010 minus \$6,366)**

**Total Estimated Cost of Attendance After Gift Aid:.....\$4,237 (\$10,603 minus \$6,366)**

### Financing Options:

#### Student Work Options

- Federal Work-Study .....\$0
- State Work-Study .....\$0
- VA Work-Study .....\$0

#### Student Loans

- Federal Direct Subsidized Loan..... up to \$3,500
- Federal Direct Unsubsidized Loan..... up to \$737

#### Parent Loans

- Federal Parent PLUS Loan: up to remaining costs, see [www.ccus.edu/student](http://www.ccus.edu/student) for more information

#### No Fee 9 Month Payment Plan

### NEXT STEPS

Login to your student account at [www.ccus.edu/student](http://www.ccus.edu/student) and indicate which forms of financial aid you will accept. Additional important consumer information about CCUS can be found at [www.ccus.edu/consumer](http://www.ccus.edu/consumer).

### ADDITIONAL RESOURCES

- U.S. Department of Education Student Loan Database: [www.nsls.ed.gov](http://www.nsls.ed.gov)
- U.S. Department of Education Loan Repayment Calculator & Interest Rates: [www.direct.ed.gov/calc.html](http://www.direct.ed.gov/calc.html)
- U.S. Department of Education Glossary of Financial Aid Terms: [studentaid.ed.gov/glossary](http://studentaid.ed.gov/glossary)
- Terms and Conditions of Federal Student Loans: [studentaid.ed.gov/types/loans](http://studentaid.ed.gov/types/loans)

### QUESTIONS?

Contact the CCUS Financial Aid Office at

[financialaid@ccus.edu](mailto:financialaid@ccus.edu)

[www.ccus.edu/financialaid](http://www.ccus.edu/financialaid)



## University of the United States (UUS)

Lyn Smith, 222111

Dear Lyn Smith:

**Congratulations on your acceptance to UUS. We are pleased to offer you the following financial assistance for the 2013-14 academic year. The costs and awards in this letter assume you are enrolled fulltime and living off campus.**

### Estimated Cost of Attendance

Direct Costs (costs that are payable to the school):

- Tuition and fees.....\$39,386

Indirect Costs (estimates for expenses that you can be expected to incur for living and other educationally-related expenses):

- Room and board .....\$9,752
- Books & Supplies.....\$1,048
- Transportation .....\$1,004
- Miscellaneous .....\$1,014

**Total Cost of Attendance: .....\$52,204**

### Gift Aid (no repayment needed)

- Federal Pell Grant.....\$0
- Federal Supplemental Educational Opportunity Grant .....\$0
- University Scholarship.....\$11,000
- Institutional Grant.....\$0
- Private Scholarships and Grants .....\$0

**Total Gift and Scholarship Aid .....\$11,000**

**Direct Costs After Gift Aid: .....\$28,386 (\$39,386 minus \$11,000)**

**Total Estimated Cost of Attendance After Gift Aid: .....\$41,204 (\$52,204 minus \$11,000)**

### Financing Options:

#### Student Work Options

- Federal Work-Study .....\$0
- State Work-Study .....\$0
- VA Work-Study .....\$0

#### Student Loans

- Federal Direct Subsidized Loan..... up to \$5,500

#### Parent Loans

- Federal Parent PLUS Loan: up to remaining costs, see [www.uus.edu/student](http://www.uus.edu/student) for more information

#### No Fee 9 Month Payment Plan

### NEXT STEPS

Login to your student account at [www.uus.edu/student](http://www.uus.edu/student) and indicate which forms of financial aid you will accept. Additional important consumer information about UUS can be found at [www.uus.edu/consumer](http://www.uus.edu/consumer).

### ADDITIONAL RESOURCES

- U.S. Department of Education Student Loan Database: [www.nslds.ed.gov](http://www.nslds.ed.gov)
- U.S. Department of Education Loan Repayment Calculator & Interest Rates: [www.direct.ed.gov/calc.html](http://www.direct.ed.gov/calc.html)
- U.S. Department of Education Glossary of Financial Aid Terms: [studentaid.ed.gov/glossary](http://studentaid.ed.gov/glossary)
- Terms and Conditions of Federal Student Loans: [studentaid.ed.gov/types/loans](http://studentaid.ed.gov/types/loans)

### QUESTIONS?

Contact the UUS Financial Aid Office at

[financialaid@uus.edu](mailto:financialaid@uus.edu)

[www.uus.edu/financialaid](http://www.uus.edu/financialaid)



**Private University of the United States (PUUS)**  
Li Wong, 321123

**Dear Li Wong:**

**Congratulations on your acceptance to PUUS. We are pleased to offer you the following financial assistance for the 2013-14 academic year. The costs and awards in this letter assume you are enrolled fulltime and living off campus.**

**Estimated Cost of Attendance**

Direct Costs (costs that are payable to the school):

- Tuition and fees.....\$43,250

Indirect Costs (estimates for expenses that you can be expected to incur for living and other educationally-related expenses):

- Room and board .....\$11,660
- Books & Supplies.....\$1,101
- Transportation .....\$990
- Miscellaneous .....\$1,311

**Total Cost of Attendance: .....\$58,311**

**Gift Aid (no repayment needed)**

- Federal Pell Grant.....\$4,200
- Federal Supplemental Educational Opportunity Grant .....\$600
- State Need-Based Scholarship.....\$4,300
- Institutional Scholarship.....\$18,600
- Gates Millenium Scholarship .....\$29,281

**Total Gift and Scholarship Aid.....\$56,981**

**Direct Costs After Gift Aid: .....\$0 (\$43,250 minus \$56,981)**

**Total Estimated Cost of Attendance After Gift Aid: .....\$1,330 (\$58,311 minus \$56,981)**

**Financing Options:**

**Student Work Options**

- Federal Work-Study .....\$0
- State Work-Study .....\$0
- VA Work-Study .....\$0

**Student Loans**

- Federal Direct Subsidized Loan..... up to \$0

**Parent Loans**

- Federal Parent PLUS Loan: up to remaining costs, see [www.puus.edu/student](http://www.puus.edu/student) for more information

**No Fee 9 Month Payment Plan**

**NEXT STEPS**

Login to your student account at [www.puus.edu/student](http://www.puus.edu/student) and indicate which forms of financial aid you will accept. Additional important consumer information about PUUS can be found at [www.puus.edu/consumer](http://www.puus.edu/consumer).

**ADDITIONAL RESOURCES**

- U.S. Department of Education Student Loan Database: [www.nslds.ed.gov](http://www.nslds.ed.gov)
- U.S. Department of Education Loan Repayment Calculator & Interest Rates: [www.direct.ed.gov/calc.html](http://www.direct.ed.gov/calc.html)
- U.S. Department of Education Glossary of Financial Aid Terms: [studentaid.ed.gov/glossary](http://studentaid.ed.gov/glossary)
- Terms and Conditions of Federal Student Loans: [studentaid.ed.gov/types/loans](http://studentaid.ed.gov/types/loans)

**QUESTIONS?**

Contact the PUUS Financial Aid Office at

[financialaid@puus.edu](mailto:financialaid@puus.edu)

[www.puus.edu/financialaid](http://www.puus.edu/financialaid)



## Institute of the United States (IUS)

Tom Brown, 777666

**Dear Tom Brown:**

**Congratulations on your acceptance to IUS. We are pleased to offer you the following financial assistance for the 2013-14 academic year. The costs and awards in this letter assume you are enrolled fulltime and living off campus.**

### Estimated Cost of Attendance

Direct Costs (costs that are payable to the school):

- Tuition and fees.....\$24,036

Indirect Costs (estimates for expenses that you can be expected to incur for living and other educationally-related expenses):

- Room and board .....\$2,472
- Books & Supplies.....\$2,220
- Transportation .....\$1,248
- Miscellaneous .....\$4,374

**Total Cost of Attendance: .....\$34,350**

### Gift Aid (no repayment needed)

- Federal Pell Grant.....\$5,550
- Federal Supplemental Educational Opportunity Grant .....\$0
- State Grant.....\$720
- Institutional Grant.....\$500
- Private Scholarships and Grants .....\$0

**Total Gift and Scholarship Aid.....\$6,770**

**Direct Costs After Gift Aid:.....\$17,266 (\$24,036 minus \$6,770)**

**Total Estimated Cost of Attendance After Gift Aid:.....\$27,580 (\$34,350 minus \$6,770)**

### Financing Options:

#### Student Work Options

- Federal Work-Study .....\$0
- State Work-Study .....\$0
- VA Work-Study .....\$0

#### Student Loans

- Federal Direct Subsidized Loan..... up to \$5,500
- Federal Direct Unsubsidized Loan..... up to \$3,000

#### Parent Loans

- Federal Parent PLUS Loan: up to remaining costs, see [www.uus.edu/student](http://www.uus.edu/student) for more information

#### No Fee 9 Month Payment Plan

### NEXT STEPS

Login to your student account at [www.ius.edu/student](http://www.ius.edu/student) and indicate which forms of financial aid you will accept. Additional important consumer information about IUS can be found at [www.ius.edu/consumer](http://www.ius.edu/consumer).

### ADDITIONAL RESOURCES

- U.S. Department of Education Student Loan Database: [www.nslds.ed.gov](http://www.nslds.ed.gov)
- U.S. Department of Education Loan Repayment Calculator & Interest Rates: [www.direct.ed.gov/calc.html](http://www.direct.ed.gov/calc.html)
- U.S. Department of Education Glossary of Financial Aid Terms: [studentaid.ed.gov/glossary](http://studentaid.ed.gov/glossary)
- Terms and Conditions of Federal Student Loans: [studentaid.ed.gov/types/loans](http://studentaid.ed.gov/types/loans)

### QUESTIONS?

Contact the IUS Financial Aid Office at

[financialaid@ius.edu](mailto:financialaid@ius.edu)

[www.ius.edu/financialaid](http://www.ius.edu/financialaid)

## ► Appendix C: Sample Questionnaire

Financial Aid Award Letter Focus Group Questionnaire: High School Students

*Please provide some basic information about yourself below:*

1. First name: \_\_\_\_\_

2. Are you planning to apply to college this year?  Yes  No

3. To which type of institution(s) are you planning to apply? (Please check all that apply)

- Community College  Four-year Public University  
 Four-year Private Liberal Arts College  For-profit Institution (i.e., DeVry, U. Phoenix)  
 Other : \_\_\_\_\_

4. How many college applications are you planning to submit? \_\_\_\_\_

5. Are you planning to apply for financial aid?  Yes  No

6. What type(s) of financial aid do you think you will need to cover the cost of college?

- Federal Pell Grant  Institutional grants/scholarships  
 Loans (federal or private)  Work-study (federally-funded)  
 Other : \_\_\_\_\_

7. Please provide any comments about your financial aid application experiences so far:

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*The remaining questions refer to the financial aid award letter products you have just reviewed. Please respond to the best of your ability based on your initial impressions.*

8. Please respond to the following questions about the amounts presented in each scenario:

	Letter A	Letter B	Letter C
a) What is the total cost of attendance in each scenario before any financial aid is taken into account?			
b) How much does each letter estimate the student will spend on indirect expenses?			
c) How much grant or scholarship aid is available in each scenario? (i.e., gift aid that does not need to be repaid)			
d) How much would the student in each scenario owe the institution after taking into account grants and scholarships? (i.e., aid that does not need to be repaid)			
e) How much remaining cost would the student need to cover in non-grant aid (i.e. loans, work-study) or other resources (i.e., cash payments, etc.)?			

9. Please answer the following about each letter:

	Letter A	Letter B	Letter C
a) Is the student in each scenario being offered enough financial aid to cover direct costs?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
b) Is the student in each scenario being offered enough financial aid to cover all direct and indirect costs?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

10. Please rate each letter on the following (1=Strongly Agree, 2=Agree, 3=Disagree, 4=Strongly Disagree)

	Letter A	Letter B	Letter C
a) The letter is clear and easy to understand	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4
b) A student would be able to make an informed decision about his/her school finances after reading this letter	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4
c) The letter clearly states where to find additional information about the financial aid process	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4

11. In your opinion, which of the three letters do you think is the most clear and easy to understand?

Letter A       Letter B       Letter C

## ▶ Appendix D: Focus Group Protocol

### **Intro:**

Thank you all for taking the time to participate in this focus group today. I am with JBL Associates, an independent research firm based outside of Washington, DC, and we are conducting this focus group on behalf of a national education association. The purpose of this study is to collect your feedback on three different financial aid award letters. The information you provide will play an important role in helping us advocate for the most useful and easy-to-understand financial aid award letter for students like you.

First, we are going to ask you to independently review 3 different award letters, and answer some written questions about each letter. Then, we will come together as a group to discuss your impressions of each letter and some of the specific concepts in each letter.

### **Please note:**

- The scenarios presented in each letter are typical financial aid awards from these types of institutions (we didn't make up the numbers).
- We will ask for your first names and some information about where you are (or your student is) in the college application process during the focus group, but want to assure you that no personally identifying individual information about you or the school will be used in the final report.
- We are not financial aid advisors, but would be happy to refer you to additional help for your financial aid process and will be able to answer the questions we are presenting to you about financial aid concepts after we've concluded the focus group.

### **Ice Breaker:**

#### **High School Seniors/Parents**

- Please tell us your first name, and which college(s)/universities you are thinking of applying to.
- What do you estimate will be the total cost of attendance for you next year? How will you pay?

#### **College students/Parents**

- Please tell us your first name and you (or your student's) year in school
- Did you consider information about financial aid when deciding to enroll here? What other factor(s) did you consider?

Before we move forward, is everyone here familiar with the concept of financial aid? Do you have a general understanding of the financial aid process? Please don't hesitate to ask if you have any questions at the end.

**Scoring Sheet Instructions:** Please take about 25 minutes total, or approximately 5 minutes to carefully review each letter and 10 additional minutes to complete the questionnaire. I will then ask you to come together as a group with your responses. Please do not hesitate to ask if you have any questions.

**Focus group instructions:** Thank you for taking the time to complete the questionnaire. Now we will discuss the 3 letters as a group.

### **Specific award letter questions:**

1. What did you think of the three products you just reviewed? You may refer to your scoring sheets.

*Prompt if needed:*

- a. What did you like/not like about each product?
- b. Which did you find to be the most helpful/clear?
- c. What information do you think is necessary to include in each letter? Which information do you think you would read if it came in the mail? Would these letters be read if sent by email rather than mail?

2. What do you think is the purpose of each letter?

- a. Letter A
- b. Letter B
- c. Letter C

*I'm going to ask some specific questions about the financial aid scenario in each letter. Please refer back to each letter.*

3. Can you explain what are direct and indirect costs? What items are included in each? Do you think it is important to know the difference? Which letter explained this best?

4. What financial aid options are available to the student in each scenario:

- a. Letter A
- b. Letter B
- c. Letter C

5. Can you explain what are scholarships and loans? Do you think it is important to know the difference? Which letter explained this best? What are examples of other types of aid?

6. What is the total amount of loans available to the student in each scenario:

- a. Letter A
- b. Letter B
- c. Letter C

7. Do you know the difference between subsidized and unsubsidized loans? If so, how? If not, where would you go to find this information?

8. How much does the student owe in each scenario when grants and scholarships are taken into account?

- a. Letter A
- b. Letter B
- c. Letter C

9. Do you know whether the cost and aid estimates presented in each letter are based on full-time or part-time attendance?

- a. Letter A
- b. Letter B
- c. Letter C

10. Do you understand the meaning of the term "net cost"? If so, how do you know this – from reading the letters or another source? Have you come across this term before?

*o If no response: What do you think this means? Can you understand by reading any of the letters? If so, which?*

11. Letter A provides some additional information about the institution – graduation rates, loan default rates, and median borrowing. Do you understand these terms? Do you find this information to be useful in your decision making? What about this information is/is not useful? When do you think would be most useful to obtain this type of information (before/after financial award letter)? Do you know where else to find this type of information?

12. Is there anything else you would like to know about financial aid options or the institution that is not included in each letter?
13. How would you improve each letter?
14. Based on the information provided in each letter, where would you go next for additional information?

**Follow-up questions:**

**High School Seniors/Parents**

- What information about financial aid have you received already, if any? What have you found to be helpful?
- Will the cost of attendance be a determining factor in where you/your student enrolls?

**First-year students/Parents**

- What did you recall to be helpful in the financial aid award letter you received? What was most confusing? Was any information not included that would have been helpful? Do you see anything about these letters that is more or less helpful than what you received?
- What additional sources (other than the institution's financial aid letter), if any, did you use to learn about financial aid?
- Is anything still unclear about your financial aid package?

**Closing**

We thank you all for taking the time to meet with us today and share your impressions about each letter. The information you provided today will enable us to better advocate for you to make the financial aid process easier to understand. We will share the results of this study with your school/institution (or your child's). Please let us know if you have any questions or concerns about the financial aid process, individually if you do not feel comfortable as a group, and we would be glad to point you in the right direction. You can reach us at (write contact information on white board).

## ► Appendix E: References

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## About NASFAA

The National Association of Student Financial Aid Administrators (NASFAA) is nonprofit membership organization that represents more than 17,000 financial aid administrators who serve more than 16 million postsecondary students each year. Our membership spans more than 3,000 colleges and universities from across the nation. Collectively, NASFAA institutions serve 97 percent of all federal student aid recipients.

## About JBLA

JBL Associates, Inc. (JBLA) specializes in providing high-quality research and analysis to the education community. For over 30 years, JBLA has produced relevant and responsible research and analysis with a client-centered approach. We work with a wide variety of clients to meet their needs in a range of areas, including: education policy assessment, program development and evaluation, policy research, data collection and analysis, and strategic planning.



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