

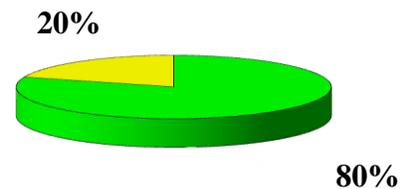
# Effect of Student Asset Contribution on EFC

If a student has an asset (cash, checking, savings, investments) that has the student's name and Social Security number on it, and the student can access the account without a parent or someone else also signing off on the account, potentially the account is subject to a 20% hit on the asset(s) and thus a Student Asset Contribution. (Accounts where a parent is the custodian of the account are considered a parent asset, not a student asset.)

## Points to Remember:

- ✓ 20% contribution expected from all student assets each academic year of assets considered under the formula
- ✓ All assets in the student's name are considered (exceptions: 529 and Coverdell ESA's owned by the student)
- ✓ Assets are possibly considered if student has their Social Security number assigned to the asset and they are able to access that asset without a parent or someone else signing off on the account.

## Student Asset Treatment Under the Formula



■ Remaining Percentage of Student Asset

*Below is an example of how Student Asset Contribution can affect the EFC:*

**Assumption:** Student has \$1,000 in assets

<b>Cost of Attendance:</b> \$15,000	<b>Cost of Attendance:</b> \$15,000
<b>Your EFC:</b> \$ 4,000	<b>EFC after Asset Contribution:</b> \$ 4,200
<b>Financial Need:</b> \$11,000	<b>Financial Need:</b> <b>\$10,800</b>

Your EFC is increased and your financial need is decreased, meaning you are potentially expected to contribute more \$

***Important Note:*** Depending on parent income, the federal tax form filed and some exceptions under the federal formula, some students' assets are protected under the federal formula.