



# Ohio Association of Student Financial Aid Administrators

## Financial Need and Expected Family Contribution (EFC)

Aid for most programs is awarded based on financial need (except for **unsubsidized Stafford Loans, PLUS Loans, and TEACH Grants**). The EFC is the number used to determine the student's eligibility for federal student aid.

The EFC is calculated from the information the student reported on the FAFSA and according to a formula established by law. The student's family income (taxable and untaxed) and assets are considered in determining your EFC. The student's family size and the number of family members who will be attending a college or career school also are considered. The student's EFC will appear on the **Student Aid Report (SAR)** they receive from the Department of Education after filing their FAFSA. To determine the student's financial need for federal student aid programs (except for an unsubsidized Stafford Loan), the student's school subtracts the Expected Family Contribution (EFC) from their cost of attendance.

### Calculating Financial Need

**Expected Family Contribution (EFC) is used  
to determine financial need:  
Cost of Attendance  
– Expected Family Contribution (EFC)  
= Financial Need**

The school also uses federal grants and other financial aid to meet your financial need. Because the EFC formula must be applied to each family's financial information, it can't be stated here whether you will be eligible for federal student aid or estimate how much aid you might receive. However, if you'd like to get an early estimate of your financial aid award use *FAFSA4caster* at **www.fafsa.gov**; but, to find out exactly what you will be eligible to receive, you must apply for financial aid. To see how the EFC formula works, you can get detailed worksheets from **www.studentaid.ed.gov/pubs**. Click on the year under The EFC Formula or you can call the Federal Student Aid Information Center at **1-800-4-FED-AID (1-800-433-3243)**.

After the student receives their SAR, he/she also will receive an **award letter** from the school(s) listed on their FAFSA that offered the student admission. Contact the financial aid office at the school(s) that sent an award letter to the student if there are questions about the student's financial aid award.

### Unusual family circumstances

The EFC formula is basically the same for all applicants; however, if a student's family has unusual circumstances, a **financial aid administrator (FAA)** can use professional judgment authority to adjust the cost of attendance or the information used to calculate the EFC. These circumstances could include the family's unusual medical expenses, tuition expenses, or unemployment. The FAA must have good reasons to use professional judgment to make adjustments because of unusual circumstances. The student will have to provide documentation to support any adjustments. The FAA's decision as to whether to make changes is final and can't be appealed to the Department. Additional examples of unusual circumstances that FAAs may consider as factors in making an adjustment in the **expected family contribution** calculation or to the cost of attendance are:

- nursing home expenses not covered by insurance;
- dependent care costs;
- a student or family member who is a dislocated worker; and
- a change in housing status that results in homelessness.