

Financial Aid Advice for Divorced or Separated Parents



Brought to you by:
Payless For College
Port St. Lucie, FL

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772.800.5757

Divorced or Separated Parents

There are several factors that come into play when determining financial aid. One of them is the designation of the *custodial* parent, the one who will receive the financial aid package and the bill for the student. This presents a unique opportunity in a separation or divorce situation, as only the **designated custodial** parent's income and assets need to be listed on any financial aid applications. Therefore, the designation of the *custodial* parent ultimately determines a family's financial aid eligibility. In order to take advantage of this situation, you must first understand who the custodial parent is or isn't.

Although they are not necessarily the court designated custodial parent, during the high school and college years, this designation in the financial aid formulas is determined by the following criteria:

- The Custodial Parent
- The Non-custodial Parent
- The "Unambiguous" Non-custodial Parent
- The "Ambiguous" Non-custodial Parent™

-2-

The Custodial Parent

During High School:

That parent, whether remarried or not, with whom the student spent **more** than 50% of their time in the past twelve months.

During College:

- a) If the student lives on or off campus, then **either** parent, regardless of where they live can qualify as the custodial parent as long as the student can substantiate residency at that parent's address, i.e. telephone in student's name and receives mail at that address.
- b) If the student commutes to college and **both** parents live within driving distance, then **either** parent can be considered the custodial parent.

The Non-custodial Parent

During High School:

That parent, whether remarried or not, with whom the student spent **less** than 50% of their time during the past twelve months.

During College:

- a) If the student lives on or off campus, then **either** parent, regardless of where they live can qualify as the non-custodial parent as long as the student can substantiate residency at the other parent's address as described previously.
- b) If the student commutes to college and **both** parents live within driving distance, then **either** parent can be considered the non-custodial parent.

-3-

The “Unambiguous” Non-custodial Parent

During High School:

That parent who lives outside the boundaries of the school district while the student attends a public high school. Since the student must live within the boundaries of the school district, this parent cannot in any way be the custodial parent. However, after high school graduation, the student could move in, thereby giving *custodial* status to this parent.

During College:

Only when the student commutes will this come into play. The unambiguous non-custodial parent is that parent who lives too far from campus for the student to commute.

The “Ambiguous” Non-custodial Parent™

During High School:

This can be *either* parent when:

Both parents live in the same school district while the student attends a **public** high school.

Both parents live within driving distance while the student commutes to private school.

Either parent could qualify as the *ambiguous non-custodial parent™* if the student boards at a private boarding school

The “Ambiguous” Non-custodial Parent™ (con’t.)

During College:

a) If the student lives on or off campus, then **either** parent, regardless of where they live, can qualify as the ambiguous non-custodial parent™ as long as the student can substantiate residency as previously described.

b) If the student commutes to college and **both** parents live within driving distance, then **either** parent can be considered the ambiguous non-custodial parent™.

The Ambiguous Non-custodial Parent Strategy™ need only be considered when one parent’s income and assets far exceeds the other, whether remarried or not, as the lower earning parent would have a much greater financial need and therefore qualify for more financial aid. Separated or divorced parents who share the same address will complicate this strategy, making it next to impossible for it to work!

If the custodial parent is co-habiting, their partner should definitely **not** be listed as a household member on the CSS or any other school questionnaires if that partner can claim another residence. Otherwise, it might raise the suspicions of an FAO to ask questions about that person, and this can of worms should not be opened.

Go in’ To The Chapel – Don’t!

The divorced custodial parent who is planning to remarry needs to be aware that their new spouse’s income and assets will be added into the formulas when applying for financial aid. The new spouse will be considered the “other” parent, not the biological parent. This could prove to be very costly, if the new parent has a substantial income or a large asset base. **-5-**

How to Contact Us

If you need help planning your strategy for your child’s college financial aid, you can contact Reecy Aresty for a **FREE** consultation.

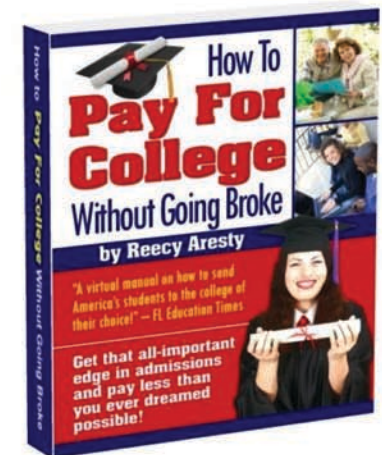
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