7 Assets Can Affect Your Financial Aid Eligibility

1. Retirement accounts

- The value of your 401(k) and Roth and traditional IRA accounts are **not** counted Although you can take a penalty-free withdrawal from a Roth IRA to pay for college, the entire amount you withdraw will count as income on the following year's FAFSA

2. Equity in your home

- This amount is **not** counted as an asset (equity is the difference between the appraised value of your home & the amount you owe on it)

3. UGMA/UTMA accounts

- Custodial accounts are considered a student's assets
- 20% of a student's assets are counted
- Any interest, dividends, or capital gains reported on the student's tax return is also counted & assessed at 50%

4. Family-owned businesses

- The value of your family business is **not** counted when more than 50% is owned & controlled by your family & there are less than 100 full-time employees

5. Value of insurance policies and annuities

- Cash values of whole life insurance policies & annuities are **not** reported
- Non-qualified annuities are counted as assets on the CSS Profile

6. Mutual fund assets

- The value of a mutual fund will count as an asset
- Distributions from a mutual funds (to pay for college) will count as income
- Dividends & capital gains that are reported on the tax return will also be counted as income on the FAFSA

7. 529 College Savings Plans & Coverdell ESAs

- Funds in 529 plans & ESAs are always counted as parental assets
- Only up to 5.64% of a parent's assets are considered available funds to pay for college (compared to 20% of a student's assets)
- Withdrawals used to pay for college are **not** included, except when the account is owned by a grandparent or other third party