

The Financial Aid Process

Paying for College



“Making college accessible and affordable for Illinois students.”

- Mission Statement

The Illinois Student Assistance Commission (ISAC) is the college access and financial aid agency in the state of Illinois that administers scholarship, grant, prepaid tuition, and student loan repayment/forgiveness programs.

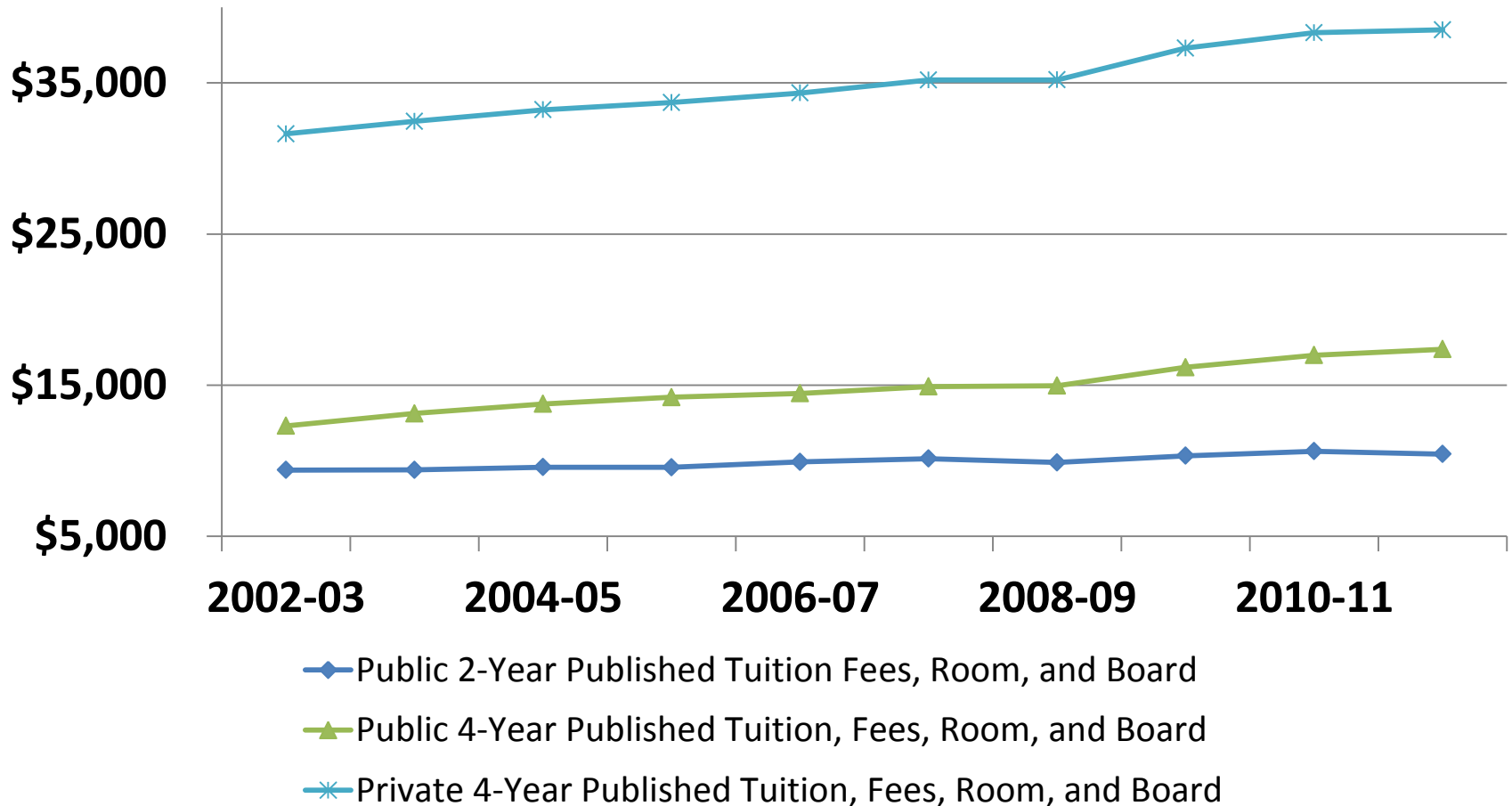


**Illinois
Student
Assistance
Commission**

Col•lege \kă-lij\

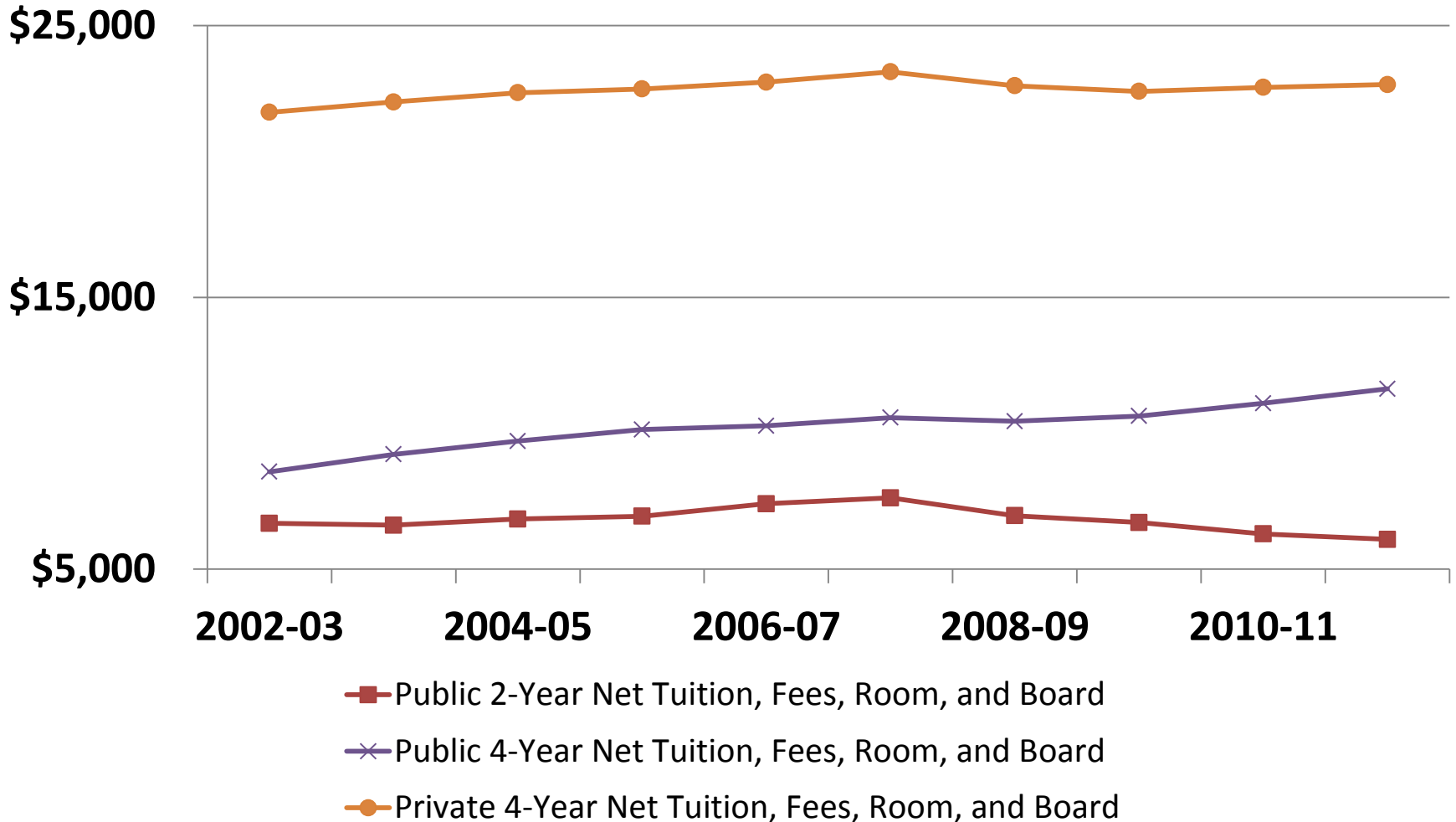
Noun: Any institution of higher education that awards a degree or credential post-high school graduation. This includes, but is not limited to, universities, community colleges, trade schools and more.

College Tuition, Fees, Room, and Board – “Sticker Price”



Source: *Trends in College Pricing 2012*, The College Board

College Tuition, Fees, Room, and Board After Aid – Net-Price

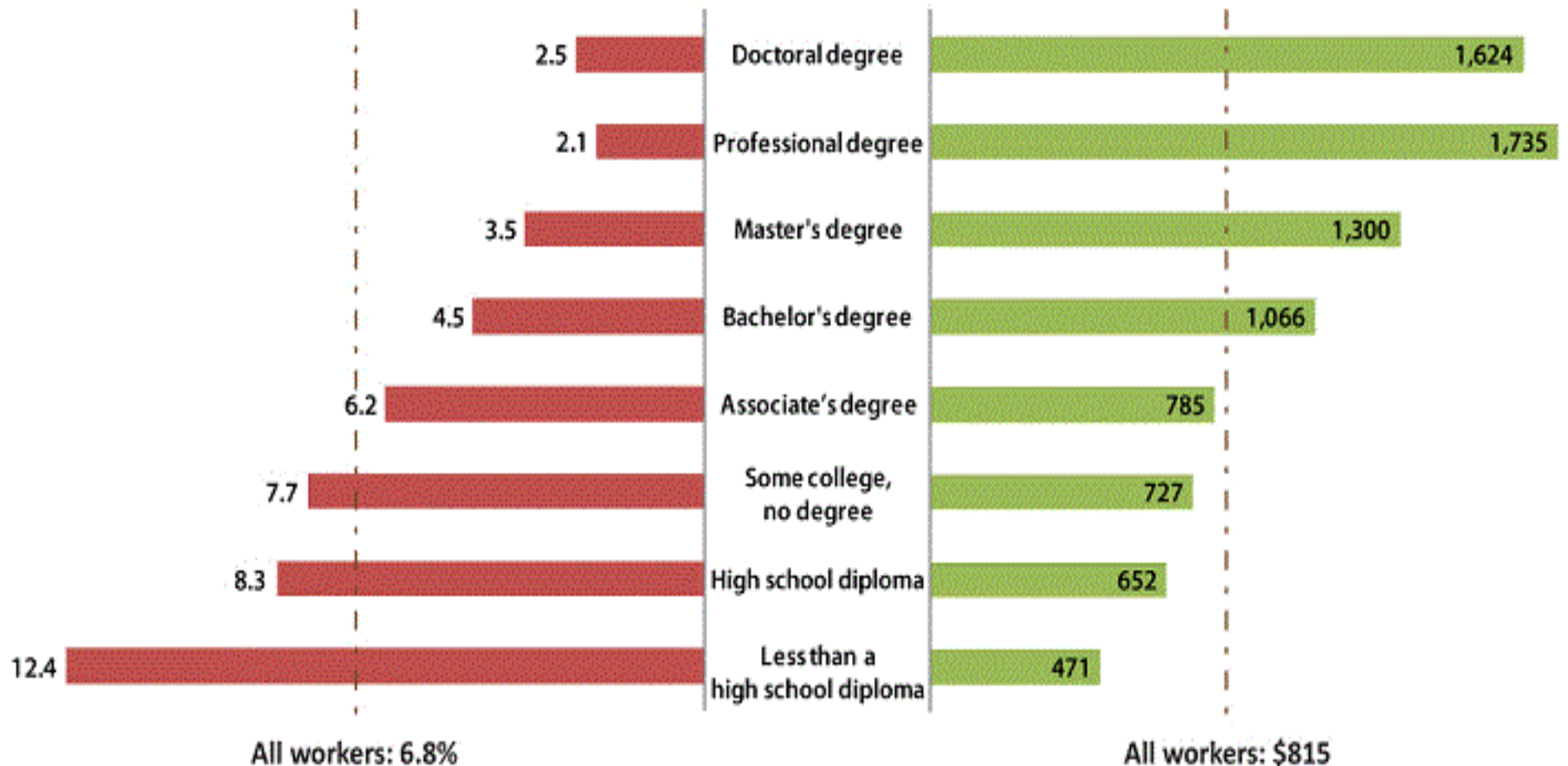


Source: ⁵*Trends in College Pricing 2012*, The College Board

Earnings and unemployment rates by educational attainment

Unemployment rate in 2012 (%)

Median weekly earnings in 2012 (\$)



Source: Bureau of Labor Statistics, Current Population Survey

Plan to go to college

There are lots of things to *think* about and many questions you need to *ask*.

- How much will it cost?
- Can I afford college?
- What is financial aid?
- What is a FAFSA?
- When and how do I apply?
- Where can I get help?



Ask questions...

Ways to Finance College

- Financial Aid Programs
- 529 Savings & Prepaid Tuition Programs
- Employer Tuition Benefits
- Tuition Payment Plans



Know your options...

What is financial aid?

Financial aid makes college affordable for you.

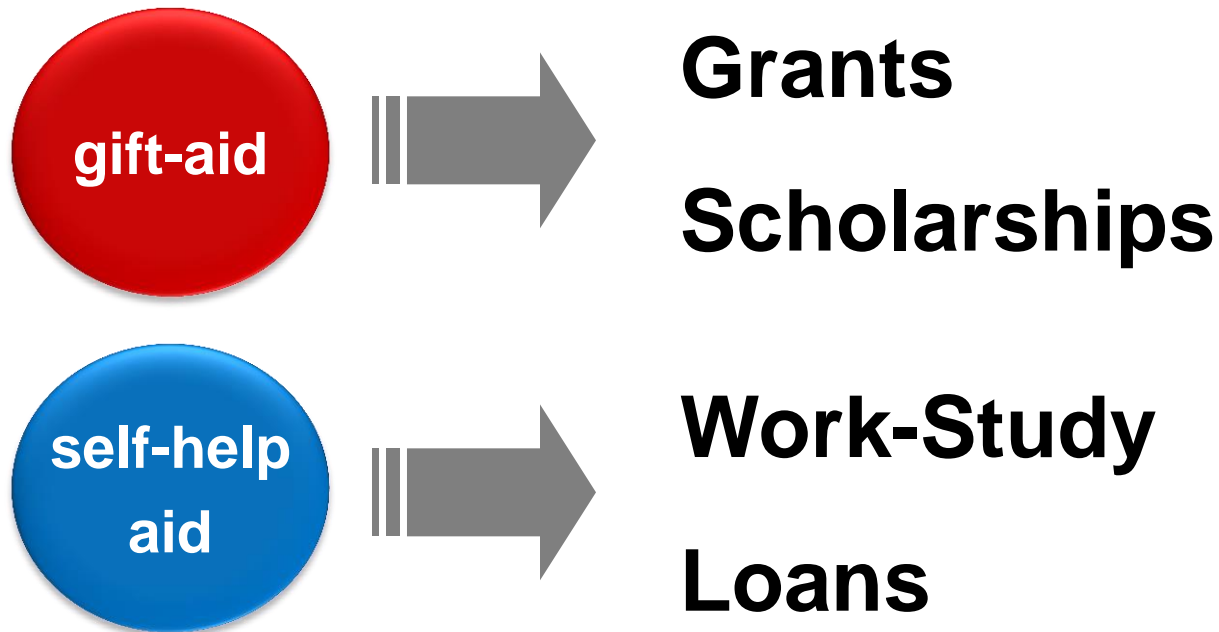
- Financial aid refers to specific *borrowed, given, or earned* money that can be obtained from various sources to help pay for college.
- It is intended to make up the difference between what your family can afford to pay and what college costs.

If you think you can't afford college, think again. There's lots of aid out there.



Types of Financial Aid

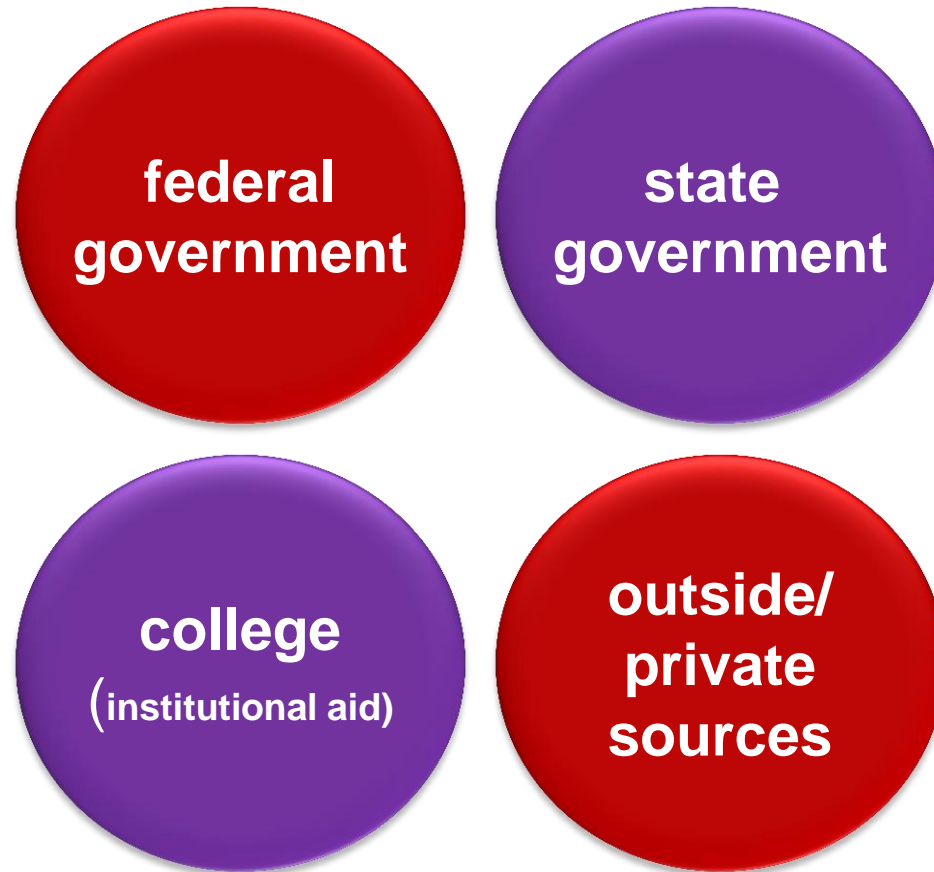
There are many types of financial aid.



These funds may be merit-based, need-based, or non need-based.

Sources of Financial Aid

Financial aid comes from a variety of sources.



Sources of Financial Aid

The “Must-Get-To-Know” Financial Aid Sources



Illinois Student Assistance Commission

www.ISAC.org

The college access and financial aid agency in the state of Illinois that administers scholarship, grant, prepaid tuition, and student loan repayment/forgiveness programs.



U.S. Department of Education's Office of *Federal Student Aid*

www.StudentAid.gov

The federal agency that provides college funding in the form of grant, scholarship, work-study, and educational loan programs.

The Big Three

Maximum Award Amounts for 2013-14



Up to
\$4,720*

Up to
\$5,645

Up to
\$4,000

— State of Illinois
Monetary Award
Program (MAP)

— Federal Pell Grant

— Federal Supplemental
Education Opportunity
Grant (FSEOG)

Total = \$14,365

* Based on funding as of publication date. Announced grant awards could increase or decrease throughout the academic year.

Illinois Student Assistance Commission

Grant and Scholarship Programs



Program	Acronym	Type of Aid	2013-2014 Benefit
Monetary Award Program	MAP	Grant; Need-based; Appropriation	up to \$4,720
Silas Purnell IL Incentive for Access	IIA	Grant; Need-based; Appropriation	up to \$1,000 (<i>Not funded</i>)
Illinois Veteran Grant	IVG	Grant; Entitlement	maximum 12 units per term, up to 120 units cumulative
Illinois National Guard Grant	ING	Grant; Entitlement	maximum 12 units per term, up to 120 units cumulative
Grant Program for Dependents of Police, Fire, or Correctional Officers		Grant; Appropriation	up to 8 semesters or 12 quarters
Bonus Incentive Grant (BIG) Program	BIG	Grant; Appropriation	\$40 to \$440 (<i>Not funded</i>)
Illinois State Scholars Program	ISSP	Certificate of Achievement, Scholarship, Appropriation	\$1,000 (<i>Not funded</i>)
Merit Recognition Scholarship	MRS	Scholarship; Merit-Based; Appropriation	\$1,000 (<i>Not funded</i>)

Teacher Programs

Program	Acronym	Type of Aid	2013-2014 Benefit
Minority Teachers of Illinois Scholarship	MTI	Scholarship; Appropriation	up to \$5,000
IL Special Ed. Teacher Tuition Waiver	SETTW	Waiver	up to 4 yrs

U. S. Department of Education



Federal Grant Programs

Program	Acronym	Type of Aid	2013-2014 Award
Federal Pell Grant		Grant; Need-based	up to \$5,645
Iraq and Afghanistan Service Grant		Grant	up to \$5,080*
Federal TEACH Grant Program	TEACH	Grant	up to \$3,760 a yr; total amount may not exceed \$16,000*

Campus-Based Programs

Program	Acronym	Type of Aid	2013-2014 Award
Federal Supplemental Education Opportunity Grant	FSEOG	Grant Exceptional Need	\$100-\$4,000
Federal Work-Study	FWS	Need-based Employment	no annual minimum or maximum amounts; at least minimum wage
Perkins Loans		Need-based Loan	up to \$5,500 for undergraduates and up to \$8,000 for graduate students

***NOTE:** Award amounts will be affected by federal sequestration

Federal Work-Study

A need-based employment program that provides on- and off-campus jobs to students.



A completed FAFSA is required

It is a campus-based financial aid program; **funds are limited** and available only at *participating* postsecondary institutions

Priority **deadlines** may apply

Compensation is at least the **current federal minimum wage**

A student **must earn these funds**

Loan Programs

When evaluating loan options, consider the following:

**Source
of
Loan**

**Subsidized
vs.
Unsubsidized**

**Interest
Rate**

**Repayment
Options
&
Grace
Period**

Start by knowing your rights and responsibilities.

Subsidized vs. Unsubsidized

To understand the difference between the two, consider this: *When will interest begin to accrue?*

Type	Need or No Need	Interest
Subsidized Stafford Loan	A need-based loan	Interest is paid by the federal government while a student is in school at least ½ time and during authorized periods of deferment
Unsubsidized Stafford Loan	NOT a need-based loan	A student is always responsible for paying interest

U. S. Department of Education

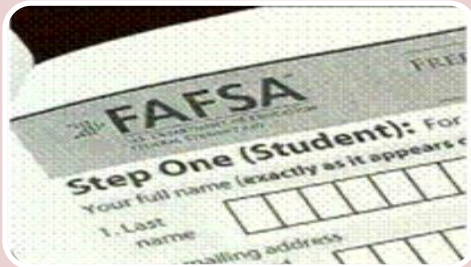
Federal Loan Programs, 2013-14



	Type	Rate	Amount	Grace
Perkins	Subsidized	5% Fixed	\$5,500 per year	9 Months
Stafford (2013-2014)	Subsidized	3.86% Fixed	\$3,500 first-year undergraduate	6 Months
	Unsubsidized	3.86% fixed	\$2,000 first-year for dependents, \$6,000 for independents first-year undergraduate	6 Months
PLUS Graduate PLUS	Credit-based Unsubsidized	6.41% fixed	Depends on remaining financial need.	Within first 60 days

How to Apply

To be considered for student aid, a student must complete all forms required by a college.



*Free
Application for
Federal
Student Aid
(FAFSA)*

**Institutional
Forms**

Other
as required

Note: Communicate with each college to find out what is required for a complete application.

Free Application for Federal Student Aid (FAFSA)

WHEN

- **January 1** (First date to submit FAFSA) and as close to this date as possible
- **Must be renewed every year**

WHO

- Available to H.S. seniors, college students, returning adults
- U.S. citizens and eligible non-citizens

HOW

- Available on-line (preferred way) www.fafsa.gov
- Paper and pdf form

WHY

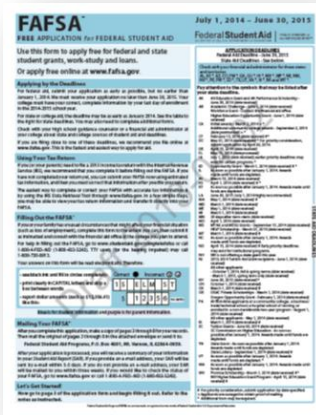
- Determines eligibility for federal and state financial aid programs
- Used by colleges and universities to award institutional aid

Free Application for Federal Student Aid (FAFSA)

What is a FAFSA?

It is the first step in the financial aid process. A FAFSA is used to apply for state and federal financial aid programs. In addition, some colleges use it to award institutional aid. The application is available at *no fee*.

Three Ways to Access a FAFSA



Paper FAFSA

1-800-4-FED-AID



FAFSA on the Web

www.FAFSA.gov



.pdf FAFSA

www.FAFSA.gov

When to Apply for the FAFSA?

Important Dates:

2013-2014 Academic Year

FAFSA

- **January 1, 2013** (First date to submit FAFSA)

MAP Grant

- **As soon as possible after January 1, 2013. Awards made until funds are depleted.***

College

- **Dates vary by college**
(Check with each college)

Federal Pell Grant

- **June 30, 2014** (at the end of the academic year)

2014-2015 Academic Year

FAFSA

- **January 1, 2014** (First date to submit FAFSA)

MAP Grant

- **As soon as possible after January 1, 2014. Awards made until funds are depleted.***

College

- **Dates vary by college**
(Check with each college)

Federal Pell Grant

- **June 30, 2015** (at the end of the academic year)

*** Note:** In Illinois, grants and dollar amounts are subject to appropriations by the Illinois General Assembly and the Governor.

Completing the FAFSA

What information is needed?

- **Social Security Number.** Be sure that it is correct!
- **Records of income**, such as income earned from work and business, child support paid or received, and any other untaxed income. If available, refer to the W-2 Forms and the Federal Income Tax Return IRS 1040, 1040A, or 1040EZ.
- **Information about assets**, such as savings, certificates of deposit, stock options, bonds, 529 plans and other college savings programs, and investment real estate, business, and farm.
- **Driver's license number**, if the student has one.
- **Alien Registration Number**, if not a U.S. citizen.

NOTES:

- Parental information is *required* unless a student is at least 24 years of age or meets the criteria for filing as an *independent* student as described on the *Free Application for Federal Student Aid*. Refer to www.FAFSA.gov.
- A student must report his or her *income* and *assets* and those of the parents (if a dependent student) or spouse (if married).
- Use income records for the year prior to the academic year for which a student is applying: for instance, if filling the 2014-2015 FAFSA, refer to 2013 tax information.

Personal Identification Number (PIN)

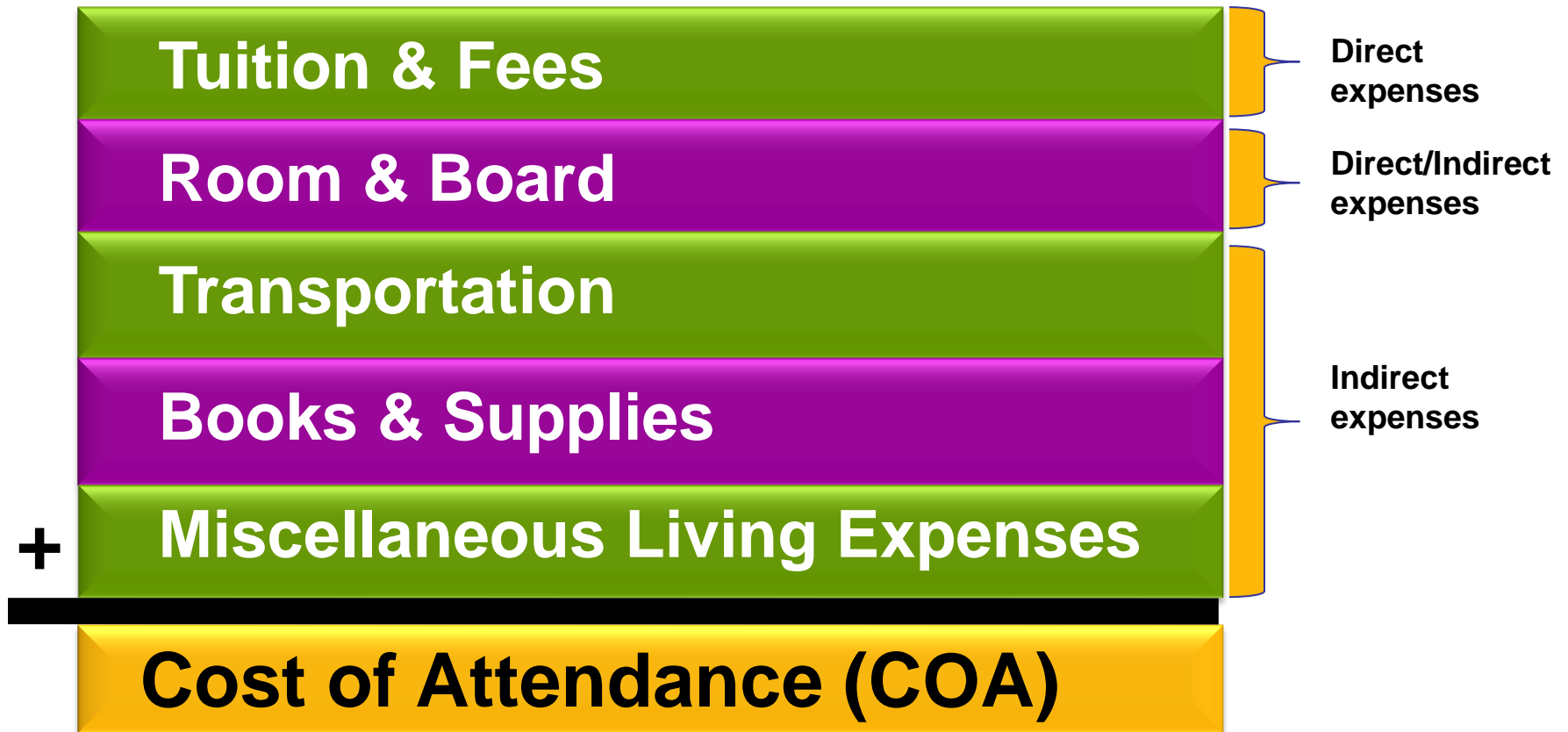
A **PIN**, along with other identifiers, gives Internet access to information on the Federal Student Aid systems.

- Serves as an *electronic signature* and provides access to personal records
- Go to www.pin.ed.gov
Option 1: Create a four-digit PIN
Option 2: Have the site create PIN
- PIN is **conditional** until relevant information is verified with the *Social Security Administration* (1-3 days)
- PIN will not expire at the end of the year
- Parents and students need separate PINs to use the FAFSA on the Web

PIN Checklist

- Social Security Number
- Last Name
- First Name
- Middle Initial
- Date of Birth
- Address
- e-Mail address (*optional*)

What are the costs?



Expected Family Contribution



A need analysis formula established by Congress determines a student's **Expected Family Contribution**; using information reported on the FAFSA.

What?	Why?	Where?
A comparative measure of how much a family can be expected to contribute over the course of an academic year	Used to determine a student's eligibility for most federal and state assistance	Shown on the Student Aid Report (SAR), the output document sent to a student after the FAFSA is processed

Financial Need

How much aid can a student receive?



Three Examples

	COA (Cost of Attendance)		EFC (Expected Family Contribution)		Financial Need
College A	\$10,000	-	\$3,000	=	\$7,000
College B	\$20,000	-	\$3,000	=	\$17,000
College C	\$35,000	-	\$3,000	=	\$32,000

Financial Aid Awards

The financial aid administrator at the college will *package* all available aid and send an *award offer* for consideration.

Goal: To meet a student's need.

- What is the total *cost of attendance*?
- What is the *Expected Family Contribution*?
- What is a student's financial aid *eligibility*?
- What *types of financial aid* are included?
- Was *financial need* met?
- What is the *out-of-pocket cost*?

The image shows a 'Financial Aid Package Comparison Worksheet' from ISAC (Illinois Student Aid Council). The form is designed to help students compare financial aid packages from different colleges. It includes sections for 'Name of College', 'Cost of Attendance', 'Expected Family Contribution', 'Financial Aid Offer', and 'Total Financial Aid Offer'. There are also checkboxes for 'How is your financial need being met?' and 'Was your financial need met?'. The form is partially filled out with handwritten information.

Name of College	Cost of Attendance	Expected Family Contribution	Financial Aid Offer	Total Financial Aid Offer
College A	10,000	5,000	5,000	5,000
College B	12,000	6,000	6,000	6,000
College C	11,000	5,500	5,500	5,500

Other Things to Know



- Apply early
- Information reported on the FAFSA is confidential and is used ONLY to determine financial aid eligibility
- You may be asked to submit documentation to the financial aid office for **verification** purposes
- Supplemental applications or forms may be required
- Keep track of application DEADLINES!
- Keep a copy of everything you submit
- You must reapply every year



Avoid Scholarship Scams

View with *caution* any service that requires you to pay.

While most scholarship services are legitimate, some may be fraudulent and could charge a lot of money for little information.

Report Scams

Better
Business
Bureau

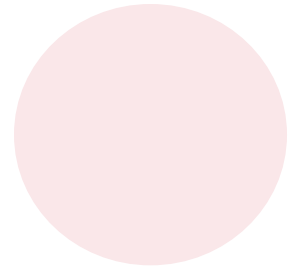
High School
Counselor

Financial
Aid Office

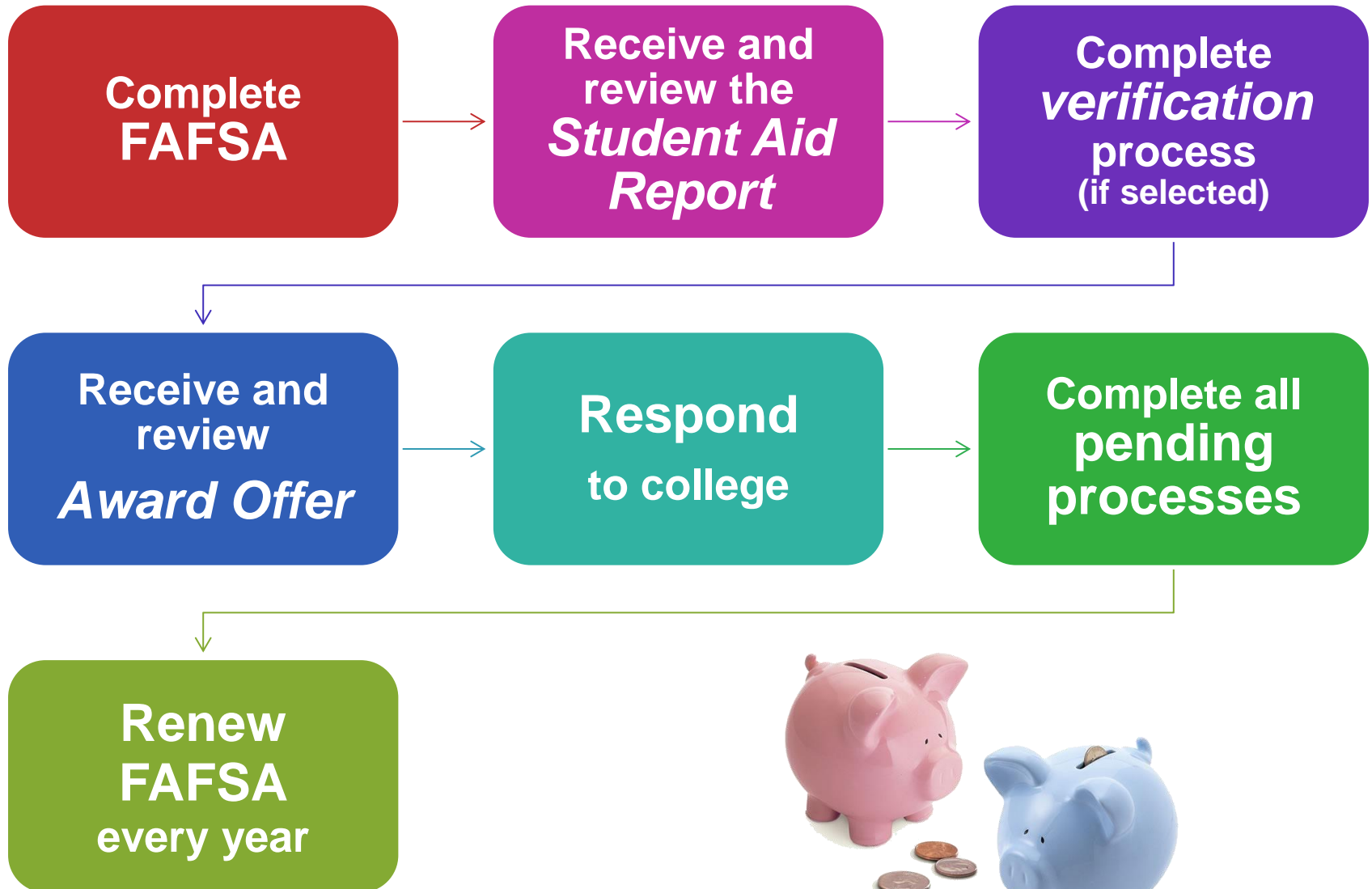
Friends

Federal Trade Commission

www.ftc.gov/scholarshipscams



The Financial Aid Process



Trusted Web Sites

Get your hands on up-to-date, accurate and trusted sources of information to learn what you need to know.



ISAC.org



StudentAid.gov



FAFSA.gov



PIN.ed.gov



nces.ed.gov/CollegeNavigator

Find answers to your questions



Illinois Student Assistance Commission

800-899-ISAC (4722)

ISAC.org

isac.studentservices@isac.illinois.gov



U.S. Department of Education

800-4-FED-AID (800-433-3243)

StudentAid.gov



Increase the proportion of Illinois adults with a postsecondary degree or credential to 60 percent by 2025

Deerfield
1755 Lake Cook Road
Deerfield, IL 60015-5209

Springfield
500 W. Monroe, 3rd Floor
Springfield, IL 62701-1876

Chicago
James R. Thompson Center
100 W. Randolph, Suite 3-200
Chicago, IL 60601-3219

800.899.ISAC (4722)

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 Facebook: facebook.com/collegechangeseverything

 Twitter: twitter.com/cce_illinois