



# The Financial Aid Process



# Disclaimer

While I am not an employee of the Illinois Student Assistance Commission (ISAC), I present this information with ISAC's permission. The information in this presentation is solely for informational purposes and is a FREE public service to help families navigate the college planning process. The information provided is believed to be accurate and reliable as of the last updated date reflected below. You can contact ISAC at 800-899-4722 for additional information.

# “Making college accessible and affordable for Illinois students.” – ISAC 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.

# Col•lege \kä-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.

Vocational/Trade

- 2 years

Associate's Degree

- 2 years

Bachelor's Degree

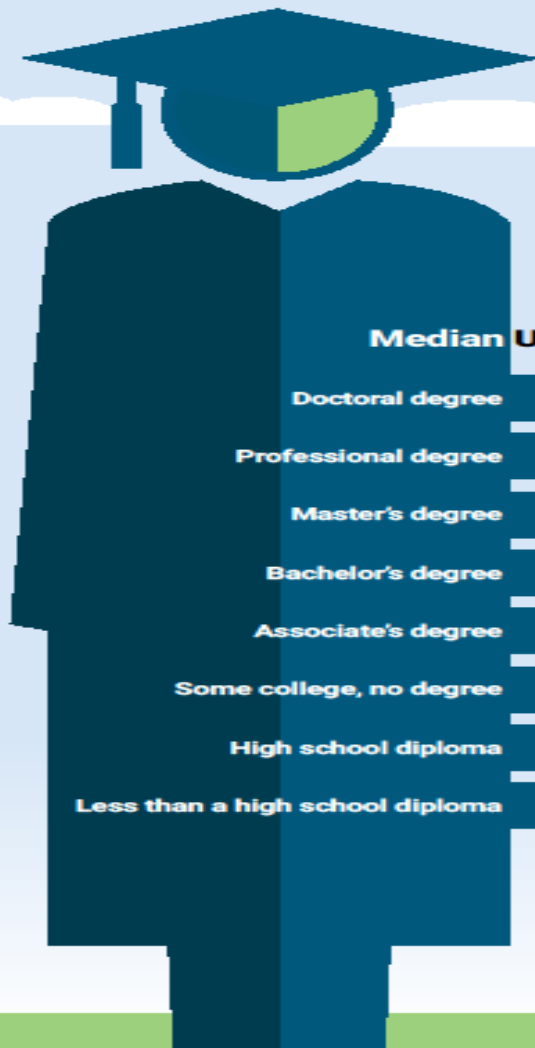
- 4 years

Master's Degree

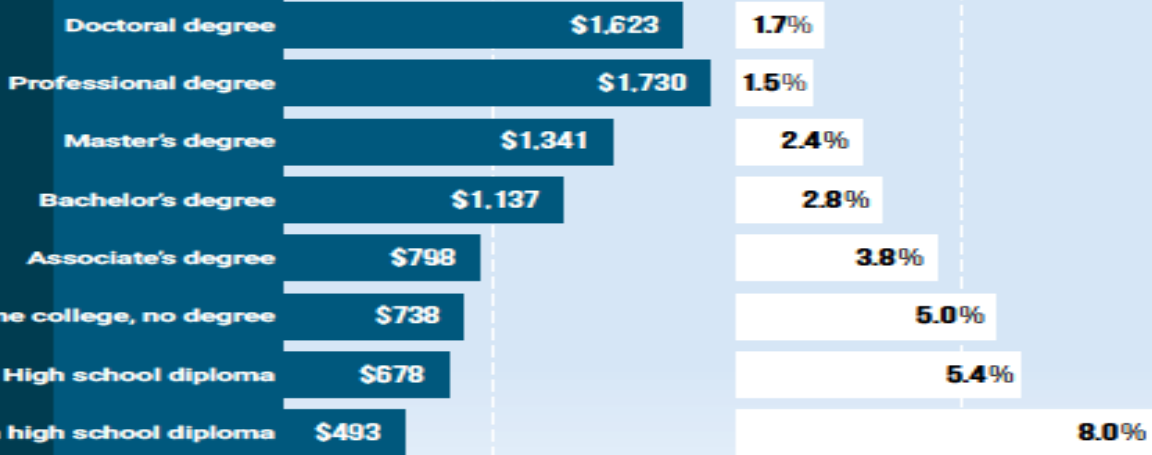
- Bachelor's plus 1-3 years

# WHAT'S THE VALUE OF A COLLEGE DEGREE?

## Earnings and Unemployment Rates by Educational Attainment, 2015



**Median Usual Weekly Earnings      Unemployment Rate**



All Workers: \$860

All Workers: 4.3%

Source: United States Department of Labor, Bureau of Labor Statistics [http://www.bls.gov/emp/ep\\_chart\\_001.htm](http://www.bls.gov/emp/ep_chart_001.htm)

Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers. These education categories reflect only the highest level of education attained. They do not take into account completion of training programs in the form of apprenticeships and other on-the-job training, which may also influence earnings and unemployment rates. For more information on training, see: [http://www.bls.gov/emp/ep\\_education\\_training\\_system.htm](http://www.bls.gov/emp/ep_education_training_system.htm).



# Planning for College

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

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

Ask questions...

# How Much Does College Cost?

Tuition & Fees	<i>Direct Expenses</i>
+ Room & Board	<i>Direct or Indirect Expenses</i>
+ Transportation	<i>Indirect Expenses</i>
+ Books & Supplies	
+ Miscellaneous Living Expenses	
<b>= Cost of Attendance (COA)</b>	

# What is Financial Aid?

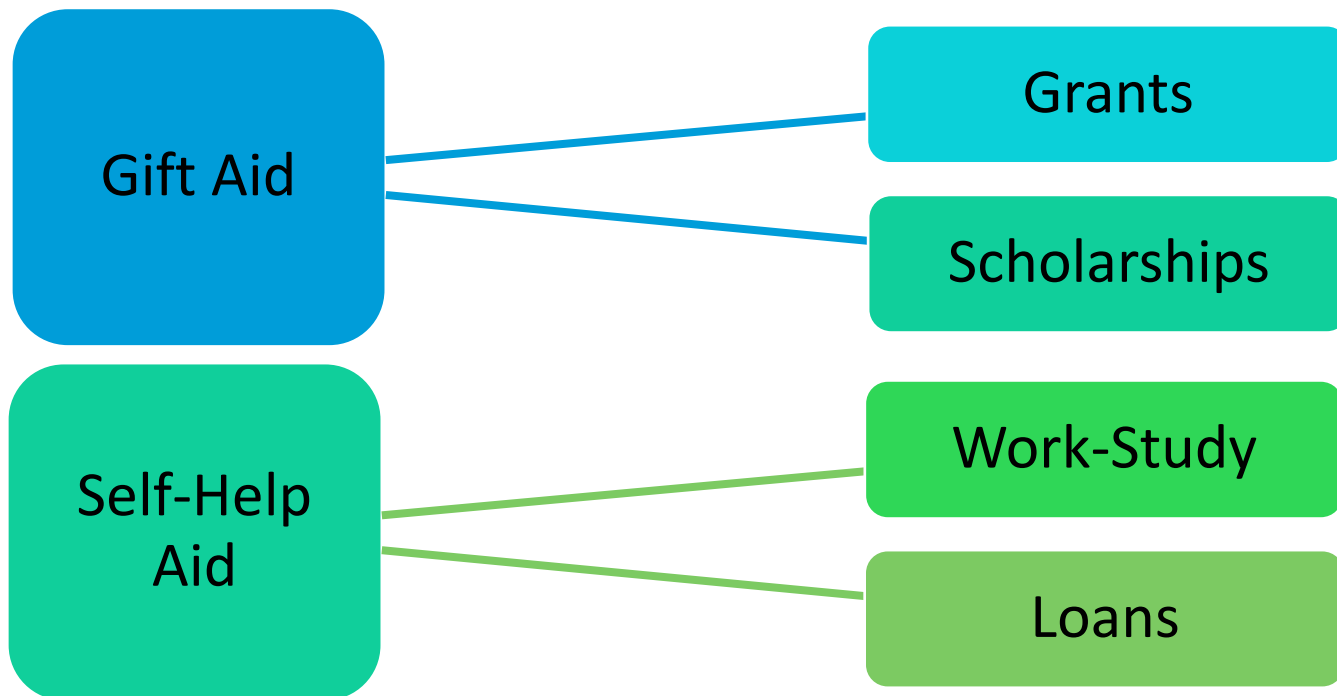
- It is ***borrowed, given, or earned*** money that can be obtained from various sources to help pay for college
- Financial aid makes college affordable for you
- It is intended to make up the difference between what your family can afford to pay and what college costs.

**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
- Funds may be merit-based, need-based, or non need-based



# Avoid Scholarship Scams

- While most scholarship services are legitimate, some may be fraudulent and could charge a lot of money for little information
- View with caution any service that requires you to pay

## Report Scams

Better  
Business  
Bureau

High School  
Counselor

Financial Aid  
Office

Friends

Federal Trade Commission

[www.ftc.gov/scholarshipscams](http://www.ftc.gov/scholarshipscams)

# Sources of Financial Aid

- Financial aid comes from a variety of sources

Federal  
Government

State  
Government

College  
(Institutional Aid)

Outside/  
Private  
Sources

# Sources of Financial Aid

- The “Must-Get-to-Know” financial aid sources



**Illinois Student  
Assistance Commission**

**[www.ISAC.org](http://www.ISAC.org)**

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](http://www.StudentAid.gov)**

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 2017-18



**MAP Grant**  
Up to \$4,869

**Pell Grant**  
Up to \$5,920

**FSEOG Grant**  
Up to \$4,000

- Total = \$14,789



# Illinois Student Assistance Commission

<b>Grant Programs</b>	<b>2017-2018 Award</b>
Monetary Award Program (MAP)	Up to \$4,869 (est.)
Illinois Veteran Grant (IVG)	Tuition & Mandatory Fees
Illinois National Guard Grant (ING)	Tuition & Mandatory Fees
Grant for Dependents of Police/Fire/Correctional Officers	Tuition & Mandatory Fees

<b>Teaching Programs</b>	<b>2017-2018 Award</b>
Minority Teachers of Illinois Scholarship (MTI)	Up to \$5,000
Special Education Teacher Tuition Waiver (SETTW)	No annual minimum or maximum amounts



# U.S. Department of Education

<b>Federal Grant Program</b>	<b>2017-2018 Award</b>
Federal Pell Grant	up to \$5,920
Iraq & Afghanistan Service Grant	up to \$5,419
TEACH Grant	up to \$3,728;

<b>Campus-Based Program</b>	<b>2017-2018 Award</b>
Federal Supplemental Education Opportunity Grant	\$100-\$4,000
Federal Work-Study	Colleges determine annual minimum or maximum amounts



# Federal Work-Study

- It is 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

# Subsidized v. Unsubsidized

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

## Direct Subsidized Loan

- Need-based
- Interest is paid by the federal government:
  - While a student is in school at least ½ time
  - During grace periods
  - During deferment

## Direct Unsubsidized Loan

- Not need-based
- A student is always responsible for paying the interest

# Federal Loan Programs 2017-18



Loan	Type	Interest Rate	Grace Period
Direct Subsidized (Undergraduate)	Need-based	4.45% Fixed	6 Months
Direct Unsubsidized (Undergraduate)	Not need-based	4.45% Fixed	6 Months
Direct Unsubsidized (Graduate)	Not need-based	6% Fixed	6 Months
Direct PLUS (Parent/Graduate)	Unsubsidized Credit-based	7% Fixed	Repayment Starts Within 60 days

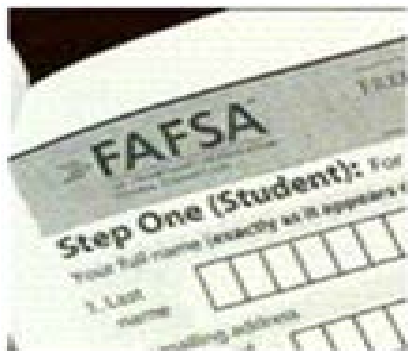


# Maximum Direct Loan Amounts

Year	Dependent Students	Independent Students
1 <sup>st</sup> Year	\$5,500 Max. \$3,500 subsidized	\$9,500 Max. \$3,500 subsidized
2 <sup>nd</sup> Year	\$6,500 Max. \$4,500 subsidized	\$10,500 Max. \$4,500 subsidized
3 <sup>rd</sup> Year and Beyond	\$7,500 Max. \$5,500 subsidized	\$12,500 Max. \$5,500 subsidized
Graduate or Professional	Not Applicable	\$20,500 (unsubsidized only)

# How to Apply for Financial Aid

- To be considered for student aid, a student must complete all forms required by a college
- Communicate with each college to find out what is required for a complete application



FAFSA



Institutional  
Forms



Other Forms

# Free Application for Federal Student Aid (FAFSA)

- The FAFSA is the first step in the financial aid process. It 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 cost.



The screenshot shows the homepage of the Federal Student Aid website. At the top, it features the logo for Federal Student Aid, a proud sponsor of the American Mind, and the text 'Free Application for Federal Student Aid' and 'FAFSA™'. Below the logo is a navigation bar with icons for Home, About Us, PIN Site, StudentAid.gov, and Help, along with a search bar and language options for English and Español. The main heading reads 'Get help paying for college' with the subtext 'Submit a Free Application for Federal Student Aid (FAFSA)'. Below this is a banner image of diverse students. The page is divided into two main sections: 'New to the FAFSA?' with a 'Start A New FAFSA' button, and 'Returning User?' with a list of actions (Make a correction, Add a school, View your Student Aid Report (SAR), and more...) and a 'Login' button. At the bottom, there are sections for 'Deadlines', 'School Code Search', 'FAFSA Filing Options', 'Announcements', and 'Thinking About College?'.

# 2018-19 FAFSA

## WHEN

- As soon as possible after October 1<sup>st</sup> (First day to submit FAFSA)

## WHO

- High school seniors and college students
- U.S. citizens and eligible non-citizens

## HOW

- Available on-line at [www.fafsa.gov](http://www.fafsa.gov)

## WHY

- Determine eligibility for federal and state aid programs
- Some institutions use it to award institutional aid

# Important Dates 2018-19

## FAFSA

- October 1, 2017  
(first date to submit FAFSA)

## College

- Dates vary by college/university  
(check with each college)

## MAP Grant

- As soon as possible after October 1, 2017

## Federal Pell Grant

- June 30, 2019  
(end of the academic year)



# Information Needed for the FAFSA

What information is needed?

- **Social Security Number** – Be sure it is correct!
- **Alien Registration Number** – if not a U.S. citizen.
- **Records of income** – 2016 Federal Income Tax Return (1040, 1040A, or 1040EZ), W-2s, other records of income earned from work, business, child support paid or received, and any other untaxed income.
- **Information about assets** – Savings, certificates of deposit, stock options, bonds, 529 plans and other college savings programs, and investment real estate, business, and farms
- **An FSA ID to sign electronically**

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**Note:** A student must report parental information until the age of 24 unless they meet the criteria to file as an independent student as determined by the FAFSA.

# Income to be Reported on FAFSA

- Which year's income information needs to be reported?

<b>Academic Year Student Will Be in College</b>	<b>Dates a Student Can Submit a FAFSA</b>	<b>Year of Income Information Required</b>
2017-2018	October 1, 2016 – June 30, 2018	2015
2018-2019	October 1, 2017 – June 30, 2019	2016
2019-2020	October 1, 2018 – June 30, 2020	2017

# IRS Data Retrieval Tool

- Transferring IRS tax information onto the FAFSA is faster and more accurate

The screenshot shows the 'Student Tax Information' section of the FAFSA application. A green box at the top indicates 'Application was successfully saved'. Below this, there are questions about 2015 tax returns. A red box highlights a section titled 'To determine if you can use the IRS Data Retrieval Tool to transfer your tax return information from the IRS into your FAFSA, answer the following question(s)'. This section includes three questions with radio button options for 'Yes' and 'No'. Below the questions, there is a 'Link To IRS' button and a 'Forgot Username / Forgot Password' link. At the bottom of the form, there are buttons for 'PREVIOUS', 'NEXT', 'NEED HELP?', 'SAVE', 'CLEAR ALL DATA', 'VIEW FAFSA SUMMARY', and 'EXIT'.

The screenshot shows the 'Get My Federal Income Tax Information' page on IRS.gov. The page includes a header with the IRS logo and navigation links for 'Return to FAFSA', 'Log Out', and 'Help'. Below the header, there is a section for 'Enter the following information from your 2015 Federal Income Tax Return'. A table contains the following information:

First Name *	Dependent
Last Name *	Data
Social Security Number *	*** - ** - 2581
Date of Birth *	01 / 01 / 1994
Filing Status *	Single
Address - Must match your 2015 Federal Income Tax Return. ?	
Street Address *	
P.O. Box (Required if entered on your tax return) ?	
Apt. Number (Required if entered on your tax return)	
County *	United States
City, Town or Post Office *	
State/U.S. Territory *	Select One
ZIP Code *	

Below the table, there are instructions: 'Select the button below to exit the IRS system and return to your FAFSA.' and 'By submitting this information, you certify that you are the person identified. Use of this system to access another person's information may result in civil and criminal penalties.' At the bottom, there are buttons for 'Return to FAFSA' and 'Submit'.

# Federal Student Aid ID (FSA ID)

- The FSA ID is your electronic signature for the FAFSA
- Students and parents must each have their own FSA ID
- You will need your FSA ID to renew the FAFSA every year
- Parents who do not have a Social Security Number cannot obtain an FSA ID but can print a signature page instead

## FSA ID Requirements

- Username
- Password
  - Uppercase letters
  - Lowercase letters
  - Numbers
  - Special Characters
- Challenge questions

# Expected Family Contribution (EFC)

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

What?	Why?	Where?
The amount a family can be expected to contribute in one academic year	Used to determine a student's eligibility for most federal and state aid programs	Shown on the Student Aid Report (SAR)

# Financial Need

- How much aid can a student receive?



# Three Examples

	COA		EFC		Financial Need
College <b>A</b>	\$10,000	—	\$3,000	=	\$7,000
College <b>B</b>	\$20,000	—	\$3,000	=	\$17,000
College <b>C</b>	\$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.
- Use ISAC's Financial Aid Comparison Worksheet at: **[studentportal.isac.org/finaid](http://studentportal.isac.org/finaid)** to make an informed decision.

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



# Other Things to Know

Complete the FAFSA as soon as possible after October 1

Information reported on the FAFSA is confidential and only used to determine financial aid eligibility

You may be asked to submit documentation to the financial aid office for verification purposes

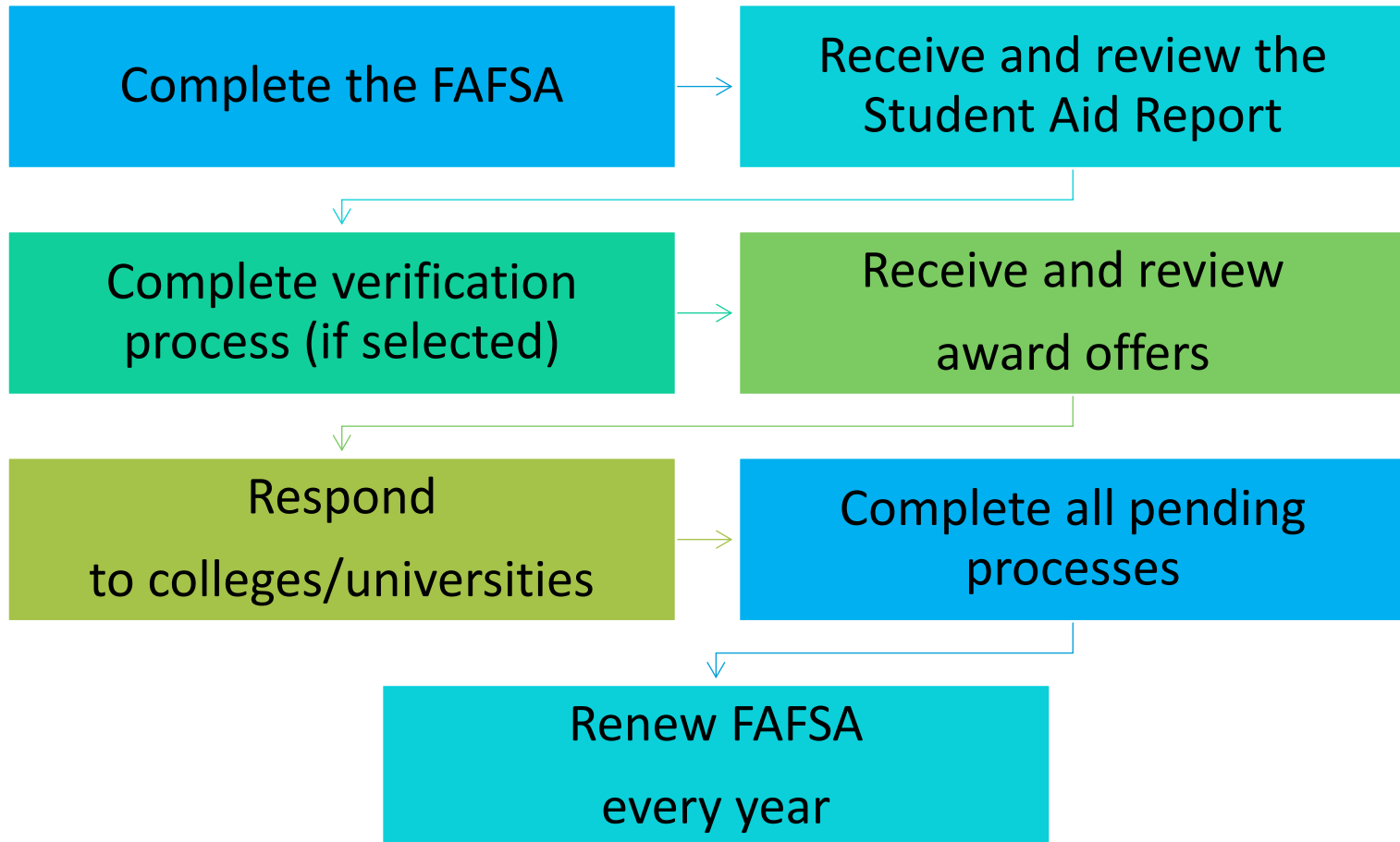
Supplemental applications or forms may be required

Keep track of application DEADLINES!

Keep a copy of everything you submit

You must reapply every year

# The Financial Aid Process



# ISAC Student Portal



## COLLEGE PLANNING MADE EASY.

The **ISAC Student Portal** has all the tools you need to help you with college planning, financial aid, student loans and money management, and even careers and job search—all free and just a click away!



### COLLEGE AND SCHOLARSHIP SEARCH

Database of  
billions of \$\$ in  
local and national  
scholarships

College profiles  
and student  
reviews



### FINANCIAL AID

Financial aid game

Calculators for  
planning

Compare award  
letters



### MONEY MANAGEMENT

How to budget

Borrow smart

Student Loan  
Planning



### CAREERS AND JOBS

Interest Surveys

Explore careers and  
salaries

Build a resume

Search for jobs



### COLLEGE PLANNING TIPS

College planning  
check list to keep  
on track

Monthly blog for  
tips and advice



**ISAC Program Applications/Status** Are you a current MAP grant recipient? Create a student profile on the Portal to check your MAP paid credit hours. You can also use the Portal to apply for the Illinois National Guard Grant.



**Need some in-person help with the process?** Use the Portal to find a workshop in your area or to contact your local **ISACorps College Mentor** for free in-person assistance with the college-going and financial aid process.

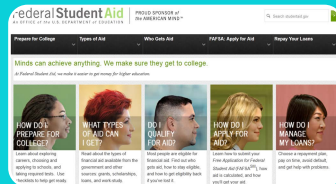
**Make College Happen!**  
Visit [isac.org/studentportal](https://isac.org/studentportal)

# Trusted Websites

- Learn what you need to know and stay up-to-date with accurate and trusted sources of information



[Studentportal.isac.org](http://Studentportal.isac.org)



[StudentAid.gov](http://StudentAid.gov)



[FAFSA.gov](http://FAFSA.gov)

# ISAC College Q & A

- Questions about financial aid?
- Questions about getting to college?
- Text with our experts!



Pick the area code closest to you and text us your name.

(217) 207-3265	(309) 306-7066
(618) 223-6450	(630) 216-4910
(708) 252-3890	(773) 453-9520
(815) 242-4630	(847) 243-6470

# Find Answers to Your Questions



**Illinois Student Assistance Commission**

800-899-ISAC (4722)

ISAC.org

isac.studentservices@illinois.gov



**U.S. Department of Education**

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

StudentAid.gov



# Questions?

Thank you!

Contact Info

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