

The Financial Aid Process

Paying for College



“Making college accessible and affordable for all Illinois students.”

- Mission Statement

The Illinois Student Assistance Commission (ISAC) is the financial aid agency in the state of Illinois that administers scholarship, grant and prepaid tuition programs.



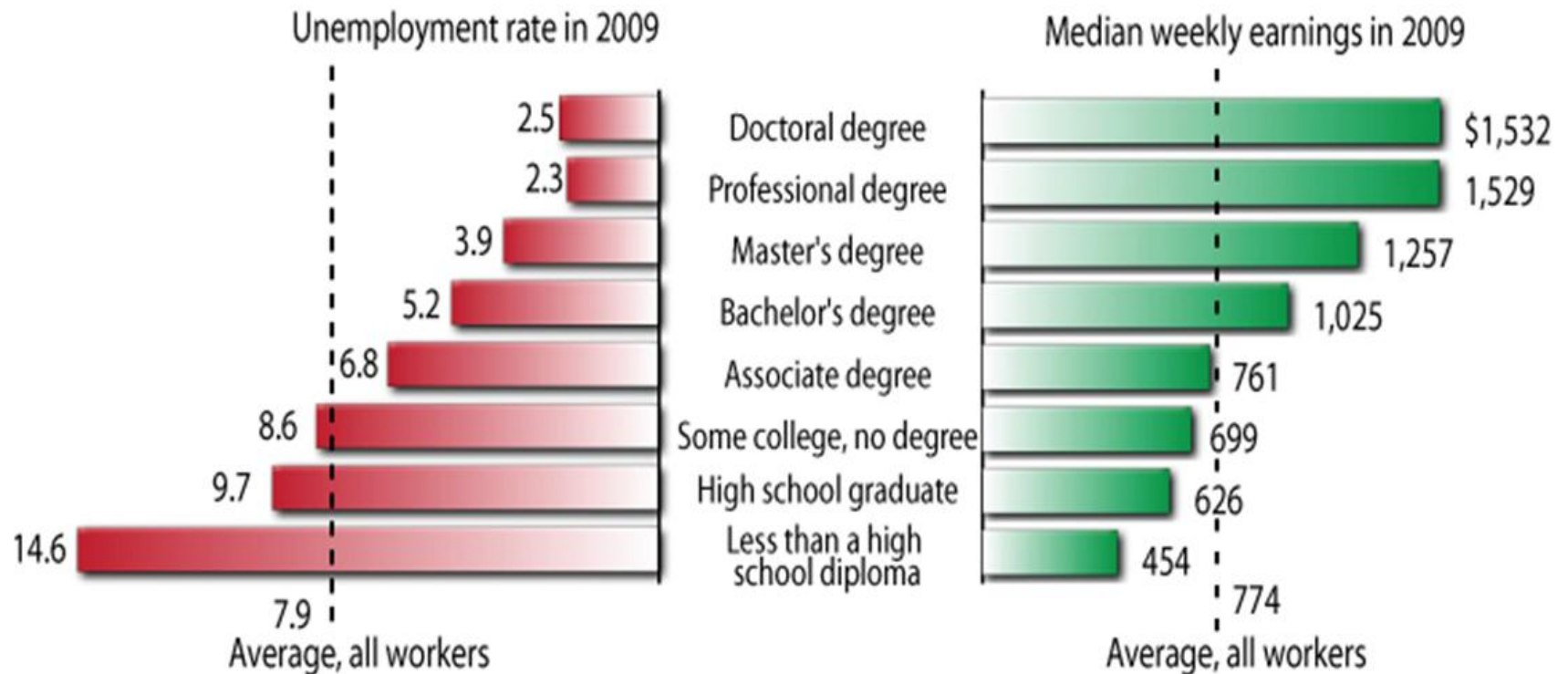
Illinois
Student
Assistance
Commission

KnowHow2GOIllinois.org

Education Pays

Is a college education worth the cost?

Education pays in higher earnings and lower unemployment rates.



Note: Data are 2009 annual averages for persons age 25 and over. Earnings are for full-time wage and salary workers.
Source: Bureau of Labor Statistics, *Current Population Survey* (May 27, 2010).

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.

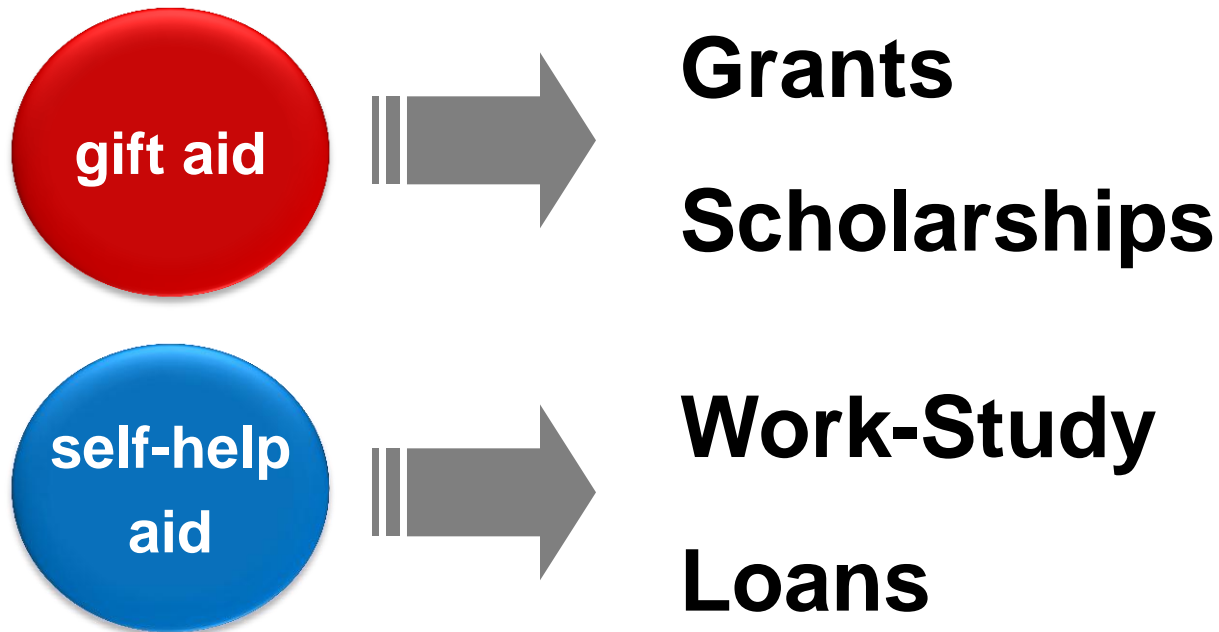
- Financial aid refers to specific *borrowed, given or earned* money that can be obtained from various sources to help pay for college.
- It is intended to make up the difference between what your family can afford to pay and what college costs.

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.

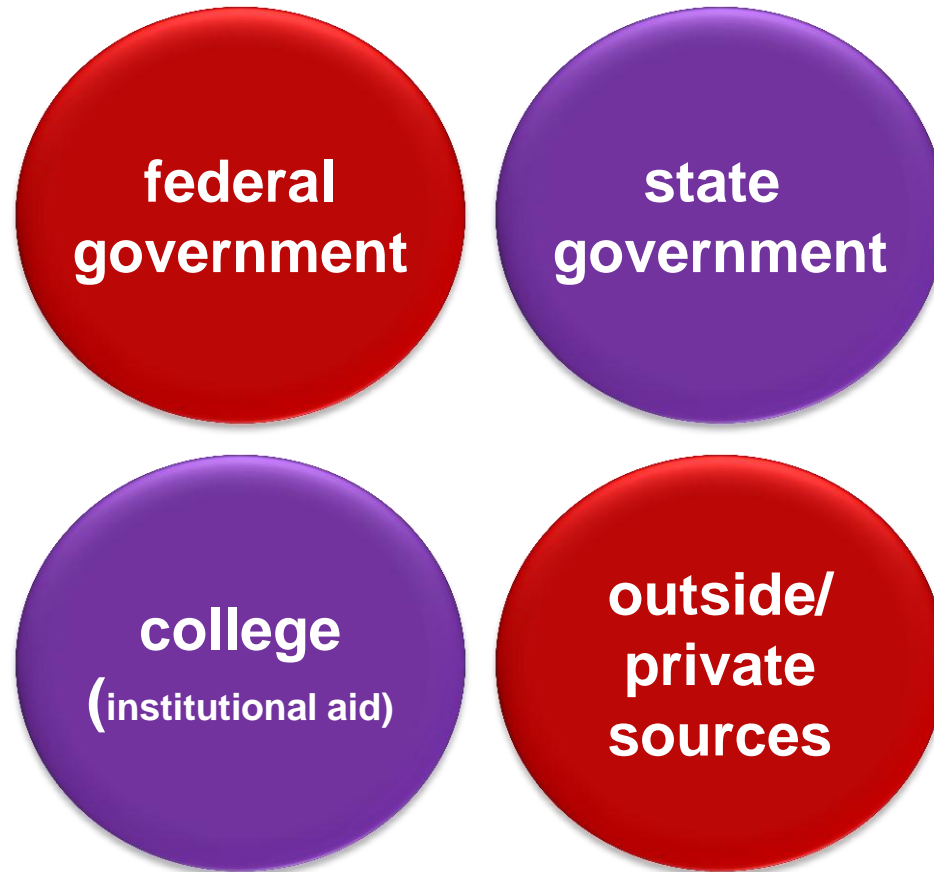


These funds may be merit-based, need-based, or non need-based.



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.collegezone.com

The agency in the State of Illinois that administers state and federal grant, scholarship and prepaid tuition programs.



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

www.FederalStudentAid.ed.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 2010-11



Up to
\$4,968

Up to
\$5,550

Up to
\$4,000

- State of Illinois Monetary Award Program (MAP)
- Federal Pell Grant
- Federal Supplemental Education Opportunity Grant (FSEOG)

Total = \$14,518



Illinois Student Assistance Commission

Grant and Scholarship Programs



Program		Type of Aid	2010-2011 Benefit
Monetary Award Program	MAP	Grant; Need-based; Appropriation	up to \$4,968
Silas Purnell IL Incentive for Access	IIA	Grant; Need-based; Appropriation	up to \$500 (<i>Not funded</i>)
IL Veteran Grant	IVG	Grant; Entitlement	maximum 12 units per term, up to 120 units cumulative
IL National Guard Grant	ING	Grant; Entitlement	maximum 12 units per term, up to 120 units cumulative
Grants for Dependents of Police, Fire & Correctional Officers		Grant; Appropriation	up to 8 semesters or 12 quarters
Bonus Incentive Grant (BIG) Program	BIG	Grant; Appropriation	\$40 to \$440
Robert C. Byrd Honors Scholarship		Scholarship, Merit-Based; <i>Federally Funded Appropriation</i>	up to \$1,500 (<i>Renewable</i>)
IL State Scholars Program	ISSP	Certificate of Achievement	\$1,000 (<i>Not funded</i>)
Merit Recognition Scholarship	MRS	Grant; Merit-Based; Appropriation	\$1,000 (<i>Not funded</i>)

Teacher Programs

Program		Type of Aid	2010-2011 Benefit
IL Future Teacher Corps Program	IFTC	Scholarship; Appropriation	up to \$5,000 or \$10,000
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	2010-2011 Award
Federal Pell Grant		Grant; Need-based	up to \$5,550
Iraq and Afghanistan Service Grant		Grant	maximum is same as Pell maximum; payment adjusted for less-than-full-time study
Federal Academic Competitiveness Grant	ACG	Grant	up to \$750 yr1; up to \$1300 yr2
Federal Science & Mathematics Access to Retain Talent Grant	SMART	Grant	up to \$4,000 a yr
Federal TEACH Grant Program	TEACH	Grant	up to \$4,000 a yr; total amount may not exceed \$16,000.

Campus-Based Programs

Program	Acronym	Type of Aid	2010-2011 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 \$4,000

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 a 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, during grace period, 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, 2010-11



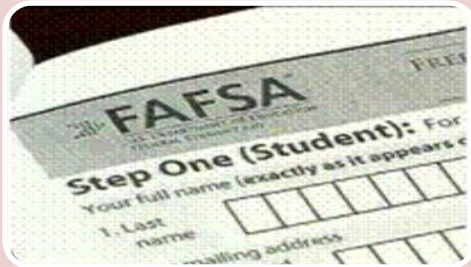
	Type	Rate	Grace
Perkins	Subsidized	5% Fixed	9 Months
Stafford* (2010-2011)	Subsidized	4.5% Fixed	6 Months
	Unsubsidized	6.8% fixed	6 Months
PLUS Graduate PLUS	Credit-based	7.9% fixed	Within first 60 days

***Note:** Stafford Loans (both subsidized and unsubsidized) for Graduate students have a fixed interest rate of 6.8% through 2013.

****FAFSA and Program Application(s) are Required**

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

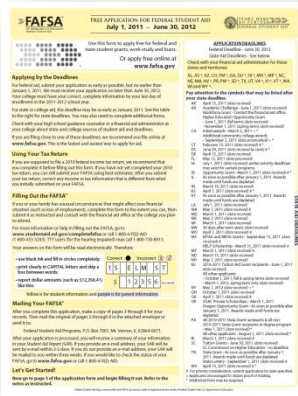
Note: Communicate with each college to inquire about steps to a complete application.

Free Application for Federal Student Aid

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

FAFSA on the Web

.pdf FAFSA

1-800-4-FED-AID

www.FAFSA.gov

www.FSA.ed.gov

When to Apply

Important Dates

FAFSA

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

College

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

MAP Grant

- **As soon as possible after January 1, 2010. Awards made until funds are depleted.***

Federal Pell Grant

- **June 30, 2011** (at the end of the academic year)

*** Note:** In Illinois, grants and dollar amounts are subject to appropriations by the Illinois General Assembly and approved by 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 2011-2012 FAFSA, refer to 2010 tax information.

Personal Identification Number

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

PIN Checklist

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

Dependency Status

Whose information is required on a FAFSA?

For financial aid purposes, questions on the FAFSA will determine the filing status of the student.

Status based on FAFSA

Dependent

Independent

Report income and assets

Parents

Student

Student

Spouse



What are the costs?

Tuition & Fees

Room & Board

Transportation

Books & Supplies

Miscellaneous Living Expenses

+

Cost of Attendance (COA)

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)

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 'Financial Need'. The form also includes a 'Total Cost of Attendance' section and a 'Financial Aid Offer' section. The form is titled 'Financial Aid Package Comparison Worksheet' and includes the ISAC logo. The form is a grid with columns for 'Name of College', 'Cost of Attendance', 'Expected Family Contribution', 'Financial Aid Offer', and 'Financial Need'. The form is titled 'Financial Aid Package Comparison Worksheet' and includes the ISAC logo. The form is a grid with columns for 'Name of College', 'Cost of Attendance', 'Expected Family Contribution', 'Financial Aid Offer', and 'Financial Need'. The form is titled 'Financial Aid Package Comparison Worksheet' and includes the ISAC logo.

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.

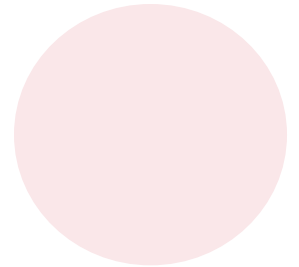
Report Scams

Better
Business
Bureau

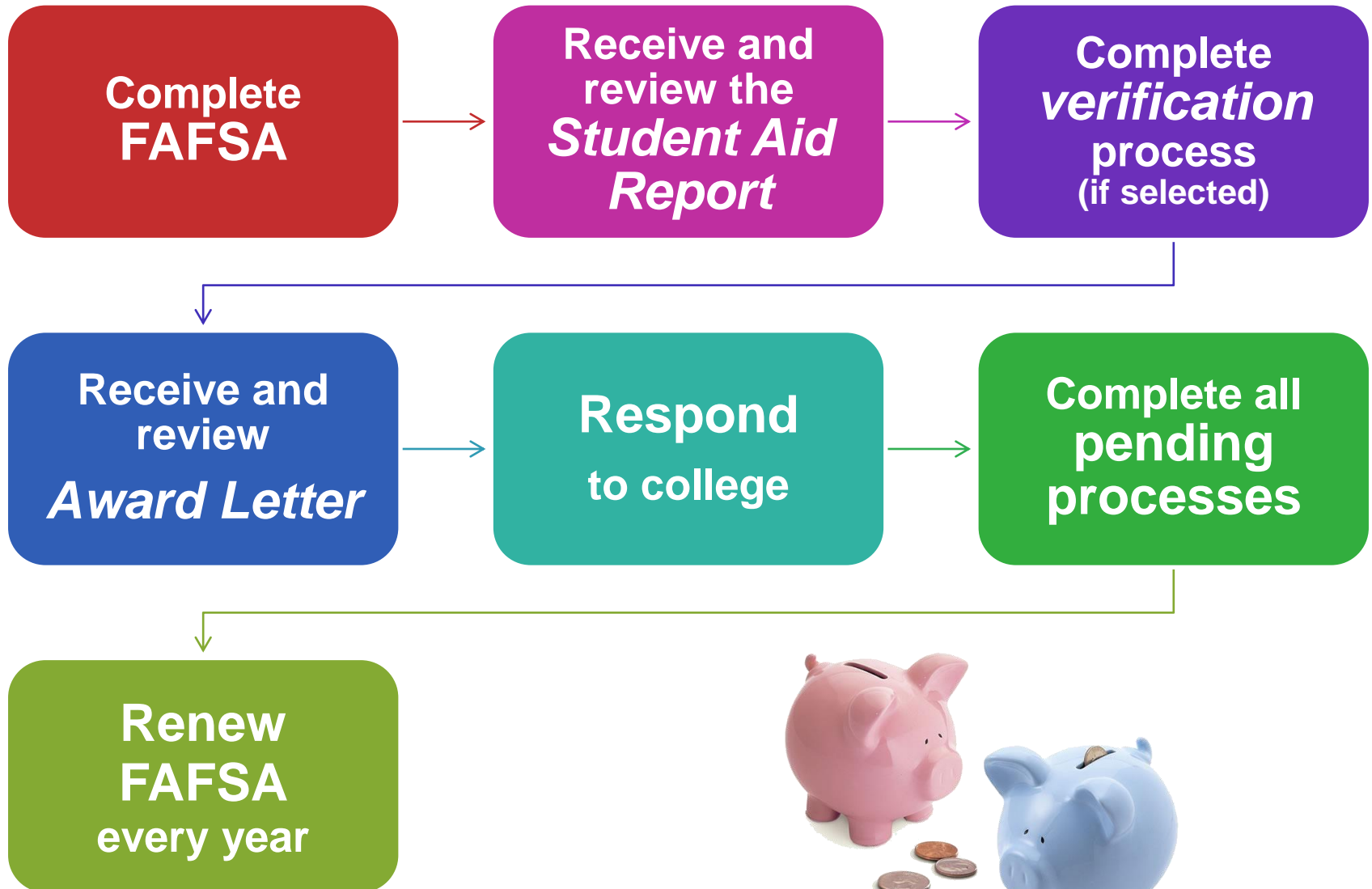
High School
Counselor

Financial
Aid Office

Friends



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.



KnowHow2GOIllinois.org



WhatsNextIllinois.org



CollegeZone.com



FederalStudentAid.ed.gov



FAFSA.gov



CollegeNavigator.ed.gov



PIN.ed.gov



Find answers to your questions



Illinois Student Assistance Commission

(800) 899-ISAC (4722)

collegezone.com

collegezone@isac.org

KnowHow2GOIllinois.org



U.S. Department of Education

(800) 4 FED AID

FederalStudentAid.ed.gov