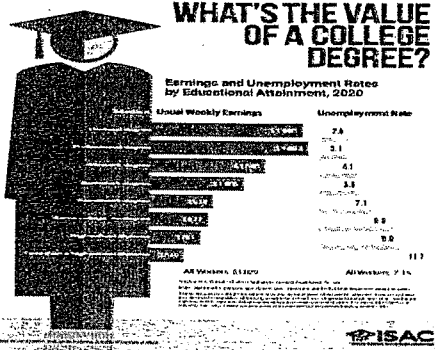



# The Financial Aid Process



**WHAT'S THE VALUE OF A COLLEGE DEGREE?**  
Earnings and Unemployment Rates by Educational Attainment, 2020


Educational Attainment	Usual Weekly Earnings	Unemployment Rate
High School Graduate	\$28	11.1%
Some College	\$31	8.8%
Associate's Degree	\$33	8.0%
Bachelor's Degree	\$41	7.3%
Master's Degree	\$48	6.8%
Professional Degree	\$58	6.0%
Doctorate Degree	\$68	5.0%

All Workers: \$3300      All Workers: 7.1%



"Providing Illinois students with information and assistance to help make education beyond high school accessible and affordable." –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.



## Planning for College

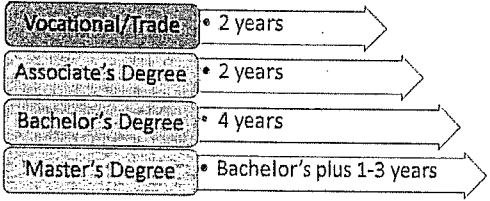
- There are lots of things to *think* about and many questions you need to *ask*.
- Can I afford college?
- How much will it cost?
- What is financial aid?
- What is a FAFSA?
- When and how do I apply?
- Where can I get help?

Ask questions...




## 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.




- Vocational/Trade • 2 years
- Associate's Degree • 2 years
- Bachelor's Degree • 4 years
- Master's Degree • Bachelor's plus 1-3 years



## 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

```

    graph LR
      GA[Gift Aid] --- G[Grants]
      GA --- S[Scholarships]
      SHA[Self-Help Aid] --- L[Loans]
      SHA --- WS[Work-Study]
    
```

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### Sources of Financial Aid

- The "Must-Get-to-Know" financial aid sources

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### 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

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### The Big Grants

- Maximum award amounts for 2021-22

- MAP Grant Up to \$5,496 (est.)
- Pell Grant Up to \$6,495

- Total = \$11,991

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### Sources of Financial Aid

- Financial aid comes from a variety of sources

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### Illinois Student Assistance Commission

Programs	2021-2022 Award
Monetary Award Program (MAP)	Up to \$5,496 (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
Teacher Programs	2021-2022 Award
Minority Teachers of Illinois Scholarship (MTI)	Up to \$5,000
Special Education Teacher Tuition Waiver (SETTW)	No annual minimum or maximum amounts

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### U.S. Department of Education

Federal Pell Grant	up to \$6,495
Iraq & Afghanistan Service Grant	up to \$6,124
TEACH Grant	up to \$3,772
Federal Supplemental Education Opportunity Grant (FSEOG)	\$100-\$4,000
Federal Work-Study	Colleges determine annual minimum or maximum amounts

 " "

### Federal Loan Programs 2021-22


Direct Subsidized (Undergraduate)	Need-based	3.73%	6 Months
Direct Unsubsidized (Undergraduate)	Not need-based	3.73%	6 Months
Direct Unsubsidized (Graduate)	Not need-based	5.28%	6 Months
Direct PLUS (Parent/Graduate)	Unsubsidized Credit-based	6.28%	Repayment Starts within 60 days

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### Loan Programs


- When evaluating loan options, consider the following:

Source of Loan	Subsidized vs. Unsubsidized
Interest Rate	Repayment Options & Grace Period

 " "

### Maximum Direct Loan Amounts


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)

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### Subsidized v. Unsubsidized


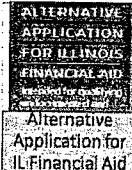
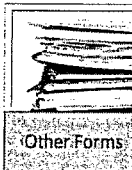
- To understand the difference between the two, consider this: *When will interest begin to accrue?*


<ul style="list-style-type: none"> <li>Need-based</li> <li>Interest is paid by the federal government:                             <ul style="list-style-type: none"> <li>While a student is in school at least 1/2 time</li> <li>During grace periods</li> <li>During deferment</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Not need-based</li> <li>A student is always responsible for paying the interest</li> </ul>
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### How to Apply for Financial Aid

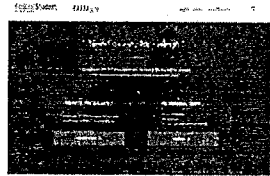
- To be considered for student aid, a student must complete all forms required by a college
- Communicate with each college to find out what is required for a complete application

		
FAFSA	Alternative Application for IL Financial Aid	Other Forms

 " "

## Free Application for Federal Student Aid (FAFSA)

- The FAFSA is the first step in the financial aid process for most students
- It is used to apply for state and federal financial aid programs
- Some colleges use it to award institutional aid
- The application is available at no cost

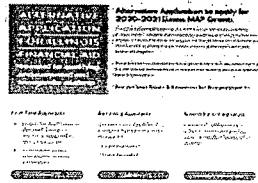


## Parent Information

- Most students must report parental information until the age of 24
- For financial aid purposes, there are only three types of parents:
  - Biological parents
  - Adoptive parents
  - Stepparents (if married to biological parent)
- No one else should provide information on the FAFSA or Alternative App
- Legal guardians are not considered parents for financial aid purposes
- If parents are divorced, report information about the parent the student lived with most in the past 12 months

## Alternative Application for Illinois Financial Aid (Alternative App)

- This application is only for state financial aid
- It is open to qualifying undocumented students and transgender students who are not eligible to complete a FAFSA
- Some colleges use it to award institutional aid
- The application is available at no cost



Note: Students should complete either the FAFSA or Alternative App, but not both

## Information Needed

### FAFSA Only

- Social Security Number
  - Parents who do not have a SSN must enter 000-00-0000
- Alien Registration Number, if student is not a U.S. Citizen
- Federal Student Aid (FSA) ID to sign electronically

### FAFSA & Alternative Application

- Federal tax returns, W-2s, and other records of income
- Banking statements and records of investments (if applicable)
- Records of untaxed income (if applicable)
- List of colleges student would like to attend

## 2022-23 Financial Aid Applications

- As soon as possible after October 1<sup>st</sup> (Check with colleges for specific deadlines)
- High school seniors and college students
- FAFSA: [www.fafsa.gov](http://www.fafsa.gov)  
• Alternative App: [www.isac.org/alternativeapp](http://www.isac.org/alternativeapp)
- Determine eligibility for federal and state aid programs  
• Some institutions use these to award institutional aid

## Electronic Signature

### FAFSA

- An FSA ID is needed to sign the FAFSA electronically
- Students and parents must each have their own FSA ID
- The FSA ID is needed to renew the FAFSA every year
- Note: Parents who do not have a SSN cannot obtain an FSA ID but can print a signature page instead

### Alternative App

- A PIN is needed to sign the Alternative App electronically
- Students and parents must have their own PIN
- The PIN will be generated and sent via email by ISAC
- A PIN is needed every time you renew the Alternative App
- To obtain a PIN, parents only need to provide an email

### IRS Data Retrieval Tool

- Allows the transfer of individual tax data onto the FAFSA

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### How Much Does College Cost?

Tuition & Fees	\$1,200
+ Room & Board	\$4,800
+ Transportation	\$200
+ Books & Supplies	\$1,000
+ Miscellaneous Living Expenses	\$1,000
<b>Cost of Attendance (COA)</b>	<b>\$8,200</b>

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### Expected Family Contribution (EFC)

- The FAFSA/Alternative App will generate a number called the EFC

The amount a student and family can be expected to contribute in one academic year

Used to determine a student's eligibility for most federal and state aid programs

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### Financial Need

- How much aid can a student receive?

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### Verification

- This is a process used by schools to confirm that data reported on the FAFSA or Alternative App is accurate
- If you are selected for verification:
  - You may be asked to submit additional documentation
    - e.g., tax return transcripts, W-2s, income information, list of members of the household
  - Do not be alarmed – this is a common process
  - Provide only the information requested
  - Submit all documents on time!

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### Three Examples

	COA	–	EFC	=	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

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### Financial Aid Offers

- The financial aid administrator at the college will package all available aid and send a financial aid 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.

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- 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?

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### ISAC Student Portal

The ISAC Student Portal has all the tools you need to help you with college planning, financial aid, student loans, and money management, and more. (more information and job search) all here and just a click away!

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### FAFSA Tips and Reminders

- Complete the FAFSA/Alternative App ASAP 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

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### 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.org/alternativeapp](http://isac.org/alternativeapp)

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### The Financial Aid Process

```

    graph TD
      A[Complete the FAFSA or Alternative Application] --> B[Review application data]
      B --> C[Complete verification process (if selected)]
      C --> D[Receive and review Financial Aid Offers]
      D --> E[Respond to colleges/universities]
      E --> F[Complete all pending processes]
      F --> G[Renew FAFSA or Alternative App every year]
  
```

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### Find Answers to Your Questions

- Questions about financial aid?
- Questions about going 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

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Questions?

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