ISAC
Illinois Student Assistance Commission

The Financial Aid Process

“Providing Illinois students with information and assistance to help make education beyond high school accessible and affordable.” –ISAC Mission Statement

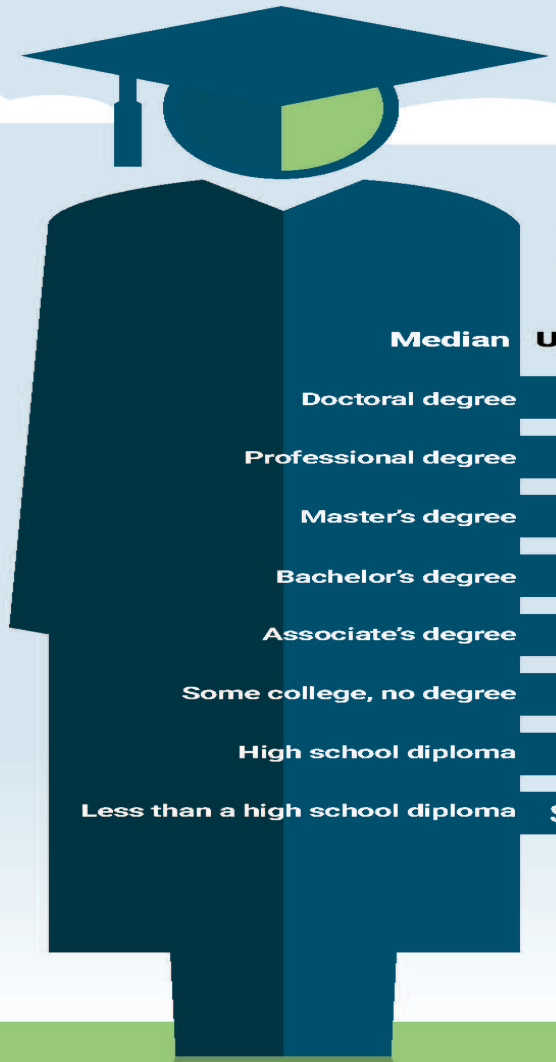
The Illinois Student Assistance Commission (ISAC) is the college access and financial aid agency in the state of Illinois that administers scholarship, grant, prepaid tuition, and student loan repayment/ forgiveness programs.

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, 2018

Median	Usual Weekly Earnings	Unemployment Rate
Doctoral degree	$1,825	1.6
Professional degree	$1,884	1.5
Master's degree	$1,434	2.1
Bachelor's degree	$1,198	2.2
Associate's degree	$862	2.8
Some college, no degree	$802	3.7
High school diploma	$730	4.1
Less than a high school diploma	$553	5.6
	All Workers: $932	All Workers: 3.2%

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

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/documentation/education-training-system.htm.

ISAC #F3528 04/20 (17-069PP 30M 04/20) Printed by authority of the State of Illinois

ISAC
Illinois Student Assistance Commission

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…

What is Financial Aid?

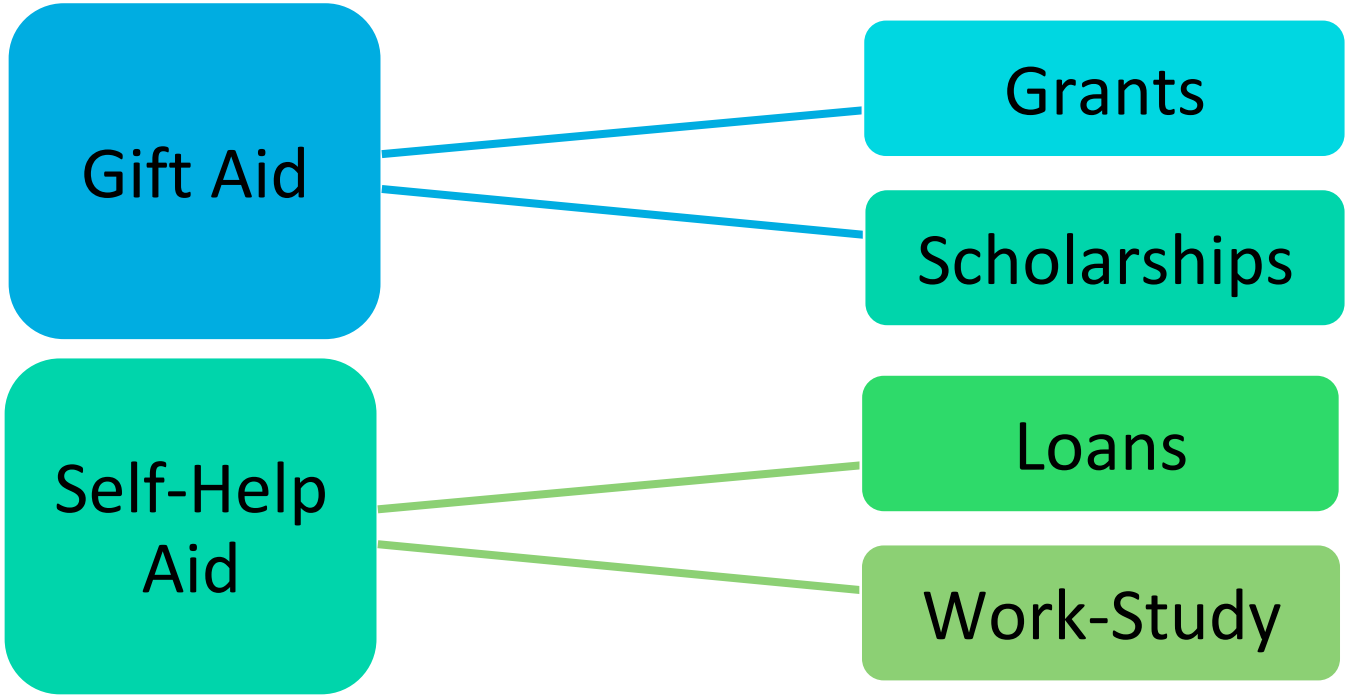
- It is ***borrowed*, *given*, or *earned*** money that can be obtained from various sources to help pay for college
- Financial aid makes college affordable for you
- It is intended to make up the difference between what your family can afford to pay and what college costs.

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



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

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

Agency in Illinois that administers state scholarship, grant, prepaid tuition, and student loan repayment and forgiveness programs.

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

www.StudentAid.gov

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

The Big Grants

- Maximum award amounts for 2020-21

MAP Grant

Up to $5,340 (est.)

Pell Grant

Up to $6,345

- Total = $11,685

Illinois Student Assistance Commission

Grant Programs	2020-2021 Award
Monetary Award Program (MAP)	Up to $5,340 (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

Teaching Programs	2020-2021 Award
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

Federal Grant Program	2020-2021 Award
Federal Pell Grant	up to $6,345
Iraq & Afghanistan Service Grant	up to $5,970
TEACH Grant	up to $3,764

Campus-Based Program	2020-2021 Award
Federal Supplemental Education Opportunity Grant (FSEOG)	$100-$4,000
Federal Work-Study	Colleges determine annual minimum or maximum amounts

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

Federal Loan Programs 2020-21

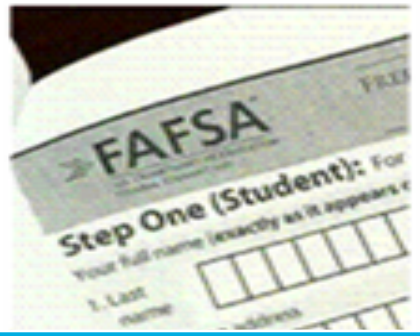
Loan	Type	Interest Rate	Grace Period
Direct Subsidized (Undergraduate)	Need-based	2.75% Fixed	6 Months
Direct Unsubsidized (Undergraduate)	Not need-based	2.75% Fixed	6 Months
Direct Unsubsidized (Graduate)	Not need-based	4.30% Fixed	6 Months
Direct PLUS (Parent/Graduate)	Unsubsidized Credit-based	5.30% Fixed	Repayment Starts within 60 days

Maximum Direct Loan Amounts

Year	Dependent Students	Independent Students
1st Year	$5,500 Max. $3,500 subsidized	$9,500 Max. $3,500 subsidized
2nd Year	$6,500 Max. $4,500 subsidized	$10,500 Max. $4,500 subsidized
3rd 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



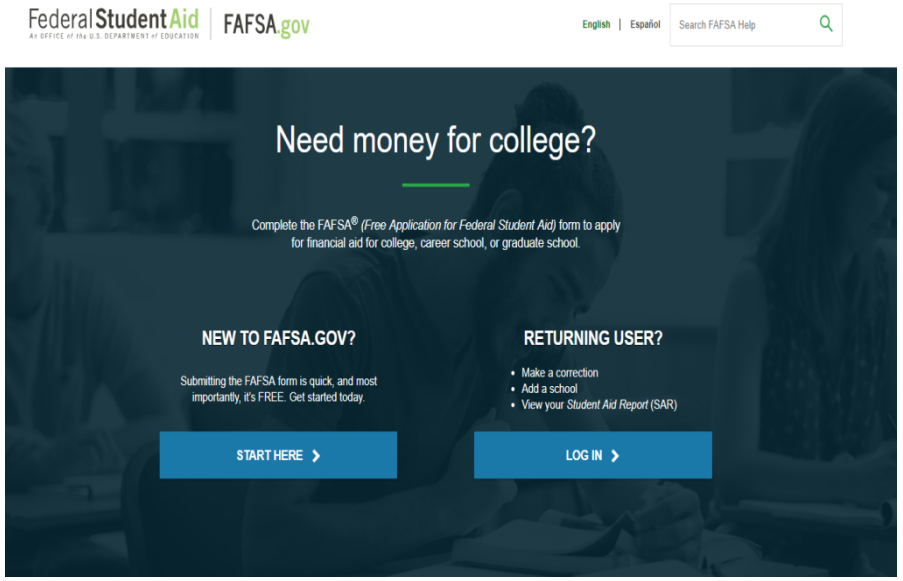
FAFSA

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**



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**

2021-22 Financial Aid Applications

WHEN

- As soon as possible after October 1st
  (Check with colleges for specific deadlines)

WHO

- High school seniors and college students

HOW

- FAFSA: www.fafsa.gov
- Alternative App: www.isac.org/alternativeapp

WHY

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

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

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

- 2019 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

Electronic Signature

FAFSA

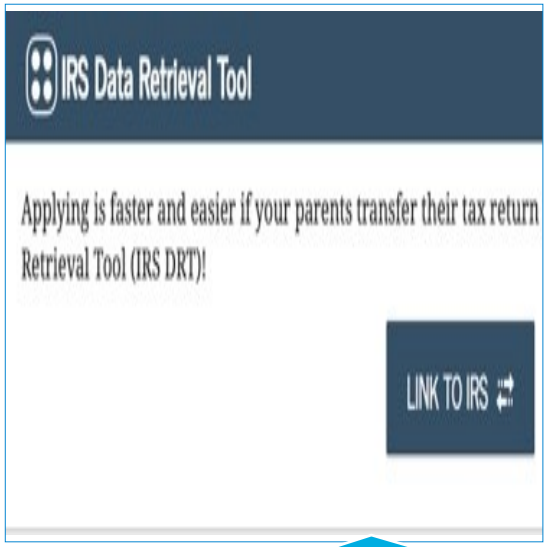
- An FSA ID is needed to sign the FAFSA electronically
- Students and parents must each have their own FSA ID
- The FSA ID is needed to renew the FAFSA every year
- ***Note:*** Parents who do not have a SSN cannot obtain an FSA ID but can print a **signature page** instead

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



Link to IRS

Look up tax data

Transfer to FAFSA

Expected Family Contribution (EFC)

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

What is it?

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

Why does it matter?

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

Verification

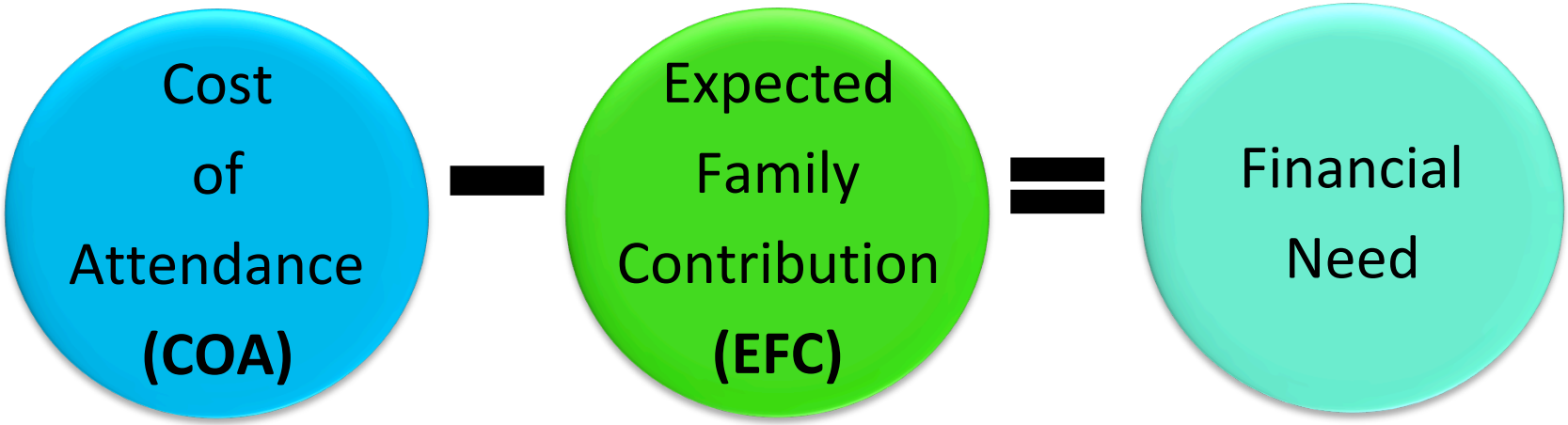
- This is a process used by schools to confirm that data reported on the FAFSA or Alternative App is accurate
- If you are selected for verification:
  - You may be asked to submit additional documentation
    - e.g., tax return transcripts, W-2s, income information, list of members of the household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

How Much Does College Cost?

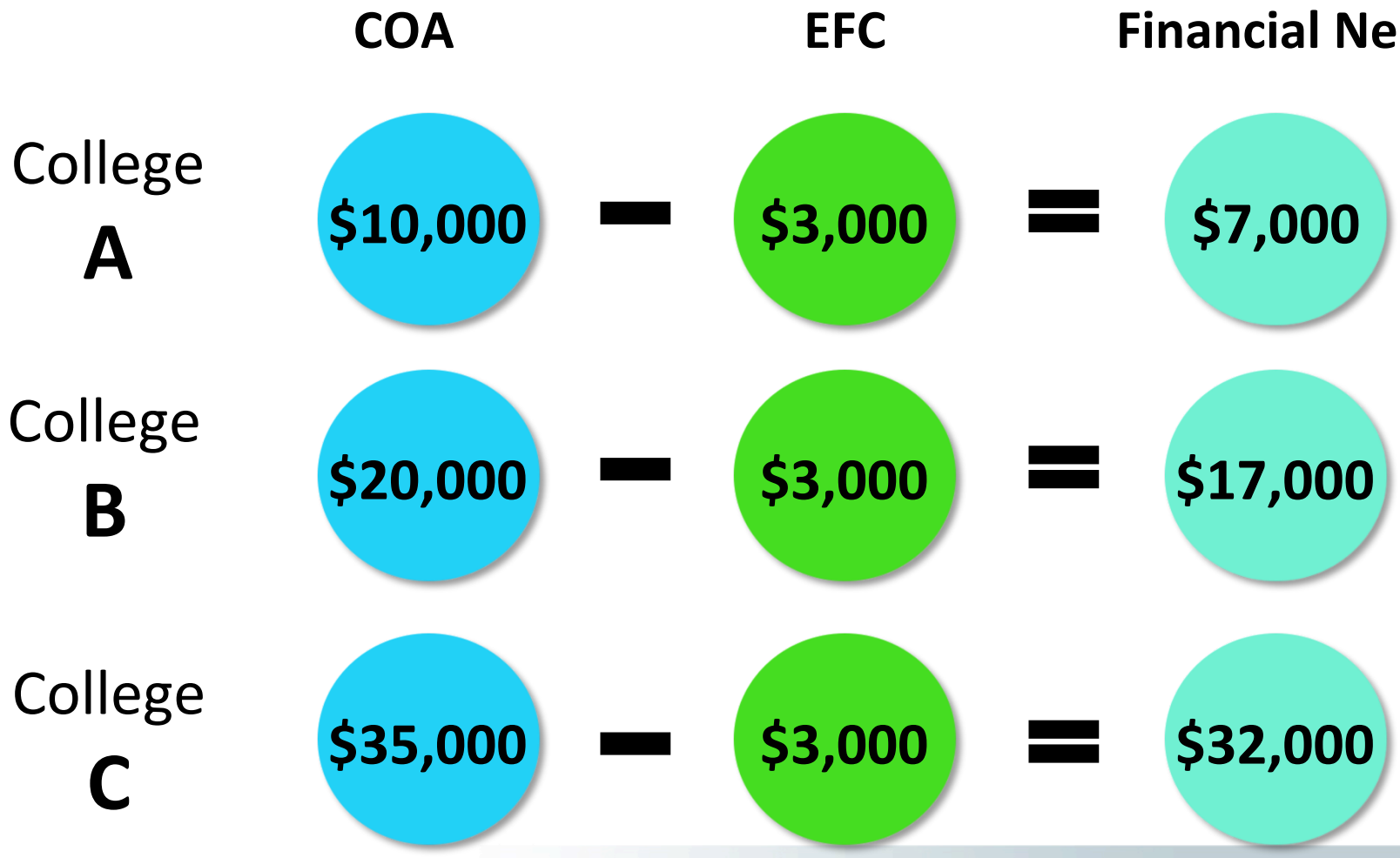
Tuition & Fees	*Direct Expenses*
+ Room & Board	*Direct or Indirect Expenses*
+ Transportation	*Indirect Expenses*
+ Books & Supplies	
+ Miscellaneous Living Expenses	
= Cost of Attendance (COA)	

Financial Need

- How much aid can a student receive?



Three Examples



Financial Aid Offers

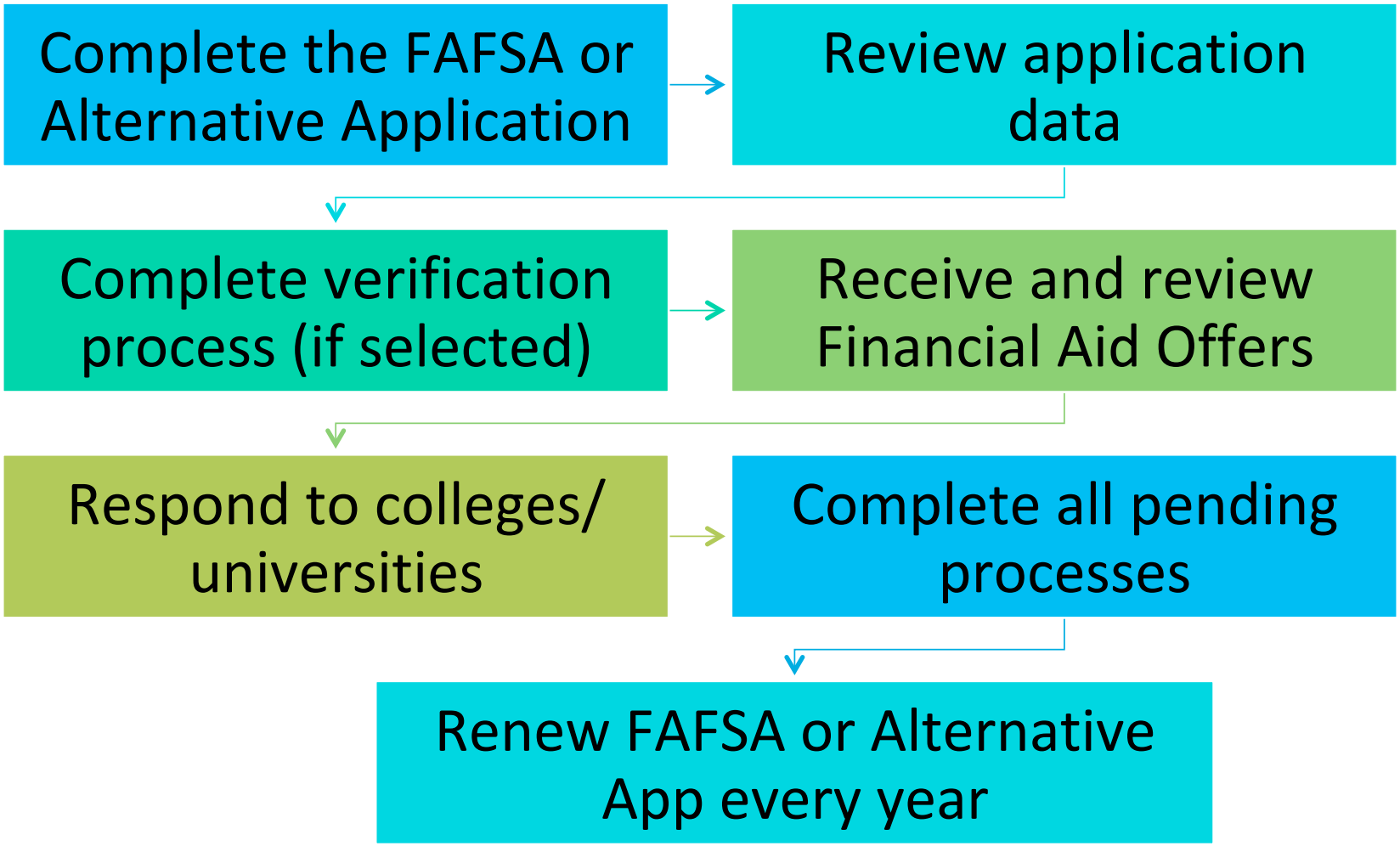
- The financial aid administrator at the college will package all available aid and send a financial aid offer for consideration.
- Use ISAC's Financial Aid Comparison Worksheet at: **studentportal.isac.org/finaid** to make an informed decision.

- 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?

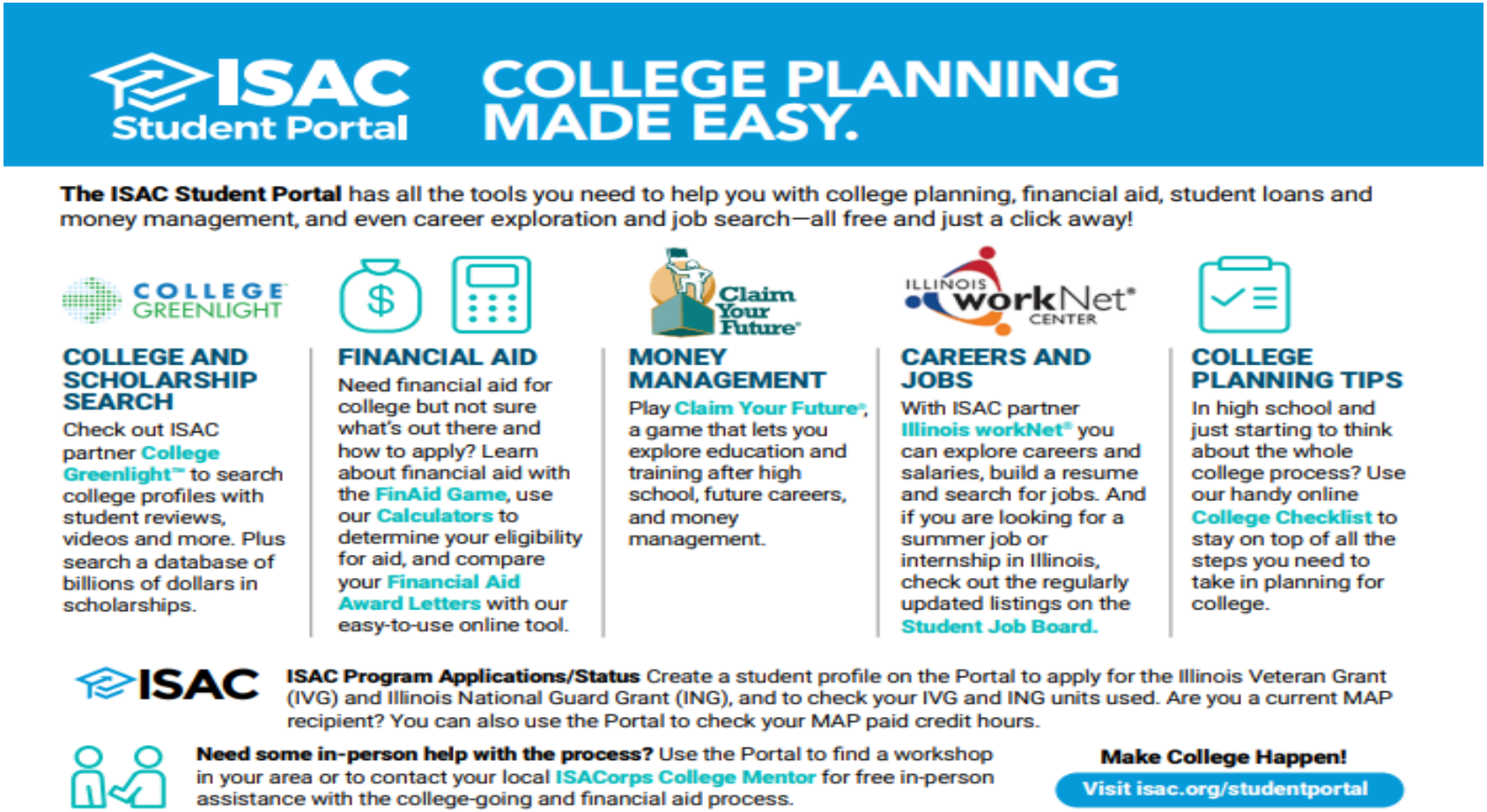
FAFSA Tips and Reminders

- 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

The Financial Aid Process

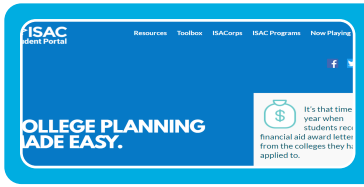


ISAC Student Portal

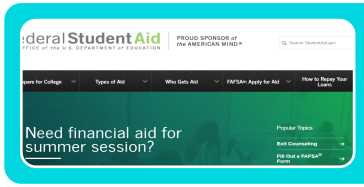


Trusted Websites

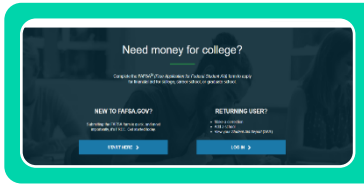
- Learn what you need to know and stay up-to-date with accurate and trusted sources of information



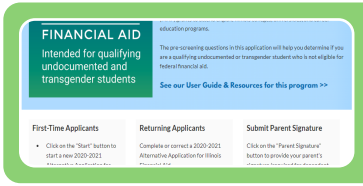
studentportal.isac.org



studentaid.gov



fafsa.gov



isac.org/alternativeapp

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

Questions?

Daina Sauls
Daina.Sauls@illinois.gov
(815) 354-0733

This presentation is available under the Creative Commons Attribution-NonCommercial-NoDerivatives License. Copyright 2016 Illinois Student Assistance Commission.