

The Financial Aid Process

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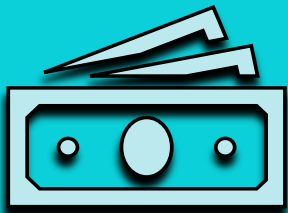
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About ISAC



Our Mission Statement

“Providing Illinois students with information and assistance to help make education beyond high school accessible and affordable”



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

Ask Questions!



There are many things to *think* about and many questions to *ask*. Ask me – I'm here to help!



Common questions

- How much does college cost?
- Can I afford it?
- What is financial aid?
- When and how do I apply?



What other questions come to mind when you think about college?

College

- An institution of higher education that awards a degree or credential post-high school graduation.
- Includes, but is not limited to, universities, colleges, and trade schools.

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?

Money from ***various sources*** to help you pay for college

Makes college ***affordable***

Helps cover the gap between what you can afford to pay and the cost of college

Can be ***given, borrowed, or earned***

Types of Financial Aid



**Gift
Aid**
(Given)

- Grants
- Scholarships



**Self-Help
Aid**
(Borrowed/earned)

- Federal Student Loans
- Federal Work-Study

Grants

Usually need-based

A Free Application for Federal Student Aid (FAFSA) is required for federal grants

Some state grants may also require a FAFSA

Funding may be limited (depends on grant)

Scholarships

Can be need-based or merit-based, but not always

Eligibility varies by scholarship program

Available for different ages and grade levels (start early!)

Local scholarships tend to have smaller applicant pools

Federal Student Loans

A FAFSA is required

Must be repaid

Students are responsible for repaying

Maximum borrowing limits apply

Federal Work-Study

Need-based employment program

A student must earn these funds

Funds are limited (i.e., first-come, first-served)

Campus-based; available only at participating institutions

Sources of Financial Aid

Federal
Government

State
Government

Colleges
&
Universities

Private

Must-Know Sources of Financial Aid

Illinois Student Assistance Commission



www.ISAC.org

- Grants
- Scholarships
- Prepaid tuition
- Loan repayment & forgiveness programs

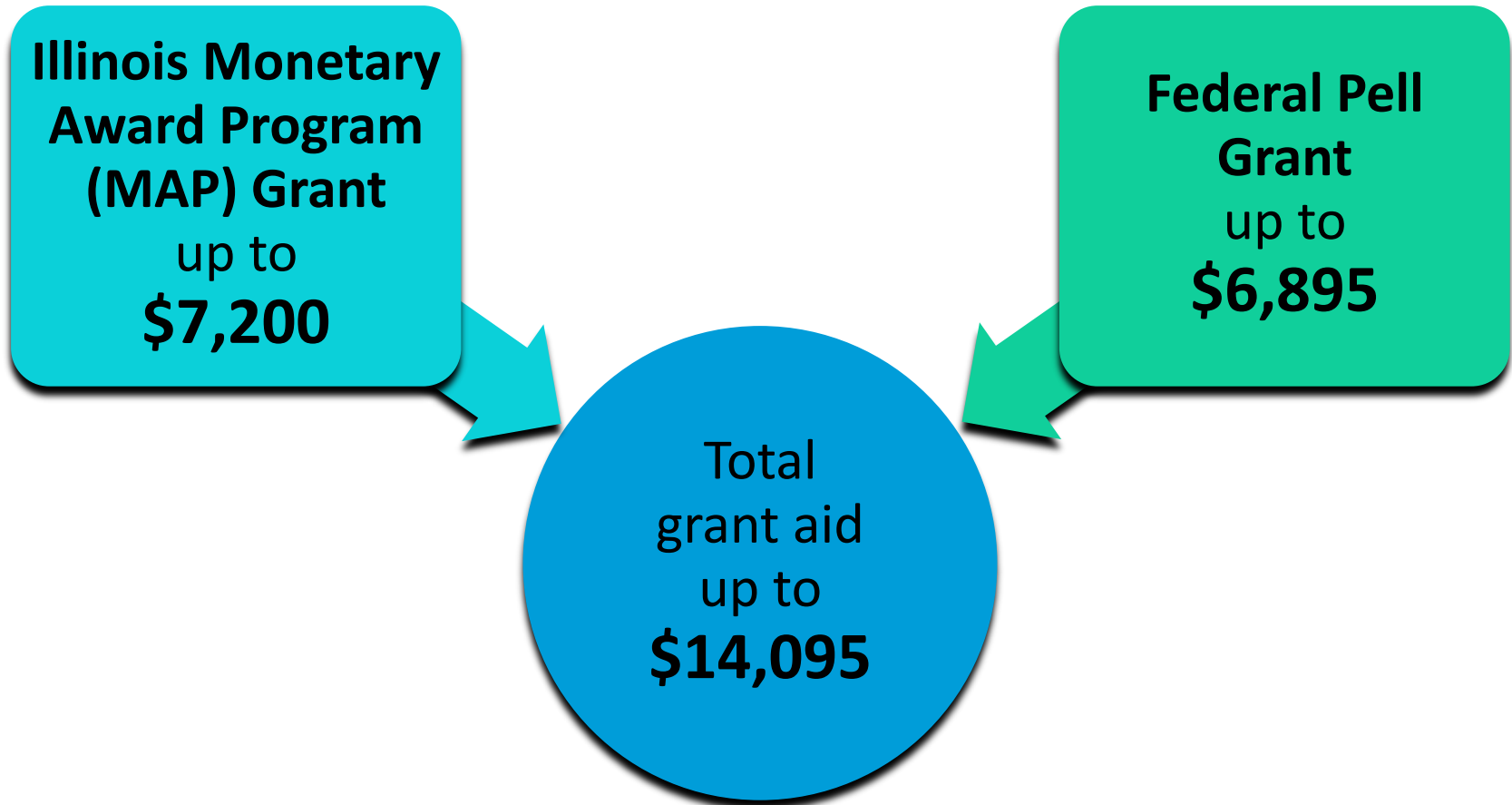
U.S. Department of Education Office of Federal Student Aid



www.StudentAid.gov

- Grants
- Scholarships
- Work-study
- Student Loans

The Big Grants for 2023-24



2023-24

ISAC Grant Programs

MAP Grant

- Need-based
- Up to \$7,200 for tuition & fees

Illinois Veteran Grant (IVG)

- Covers tuition & mandatory fees

Illinois National Guard (ING) Grant

- Covers tuition & mandatory fees

Grant for Dependents of Police, Fire, & Correctional Officers

- Covers tuition & mandatory fees

2023-24

ISAC Teaching Programs

Minority Teachers of Illinois (MTI) Scholarship

- Up to \$7,500 for tuition, fees, room, board
- Certain teaching requirements must be met

Illinois Special Education Teacher Tuition Waiver (SETTW)

- Tuition waiver at public universities (no annual minimum or maximum amounts)
- Certain teaching requirements must be met

Early Childhood Access Consortium for Equity (ECACE) Scholarship

- Covers cost of attendance after other financial aid received



2023-24 Federal Grant Programs

Pell Grant

- Up to \$6,895
- Can be used for anything in cost of attendance

Iraq and Afghanistan Service Grant

- Up to \$6,501
- Can be used for anything in cost of attendance

TEACH Grant

- Up to \$3,772
- Can be used for anything in cost of attendance
- Certain teaching requirements must be met



2023-24

Campus-Based Programs

Federal Supplemental Education Opportunity Grant (FSEOG)

- \$100 - \$4,000 for anything in cost of attendance

Federal Work-Study

- Amounts are determined by college for anything in cost of attendance

Should I consider student loans?

Evaluate your loan options by considering the following:

Source of the Loan

- Know where the money comes from
- Federal vs. private loans

Interest Rate

- Know your rate
- Is it variable? Fixed?

Repayment & Grace Period

- When are you required to start paying?
- What repayment options do you have?

Subsidized vs. Unsubsidized

- Subsidized loans are generally more desirable
- When does the interest begin to accrue?

What are sub/unsubsidized loans?

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

2023-24 Federal Student Loans



	Type of Loan	Interest Rate	Grace Period
Direct Subsidized (Undergraduate)	• Need-based	4.99% Fixed	• 6 months
Direct Unsubsidized (Undergraduate)	• Not need-based	4.99% Fixed	• 6 months
Direct Unsubsidized (Graduate)	• Not need-based	6.54% Fixed	• 6 months
PLUS (Parent or Graduate)	• Credit-based • Unsubsidized	7.54% Fixed	• No grace period • Repayment starts within 60 days

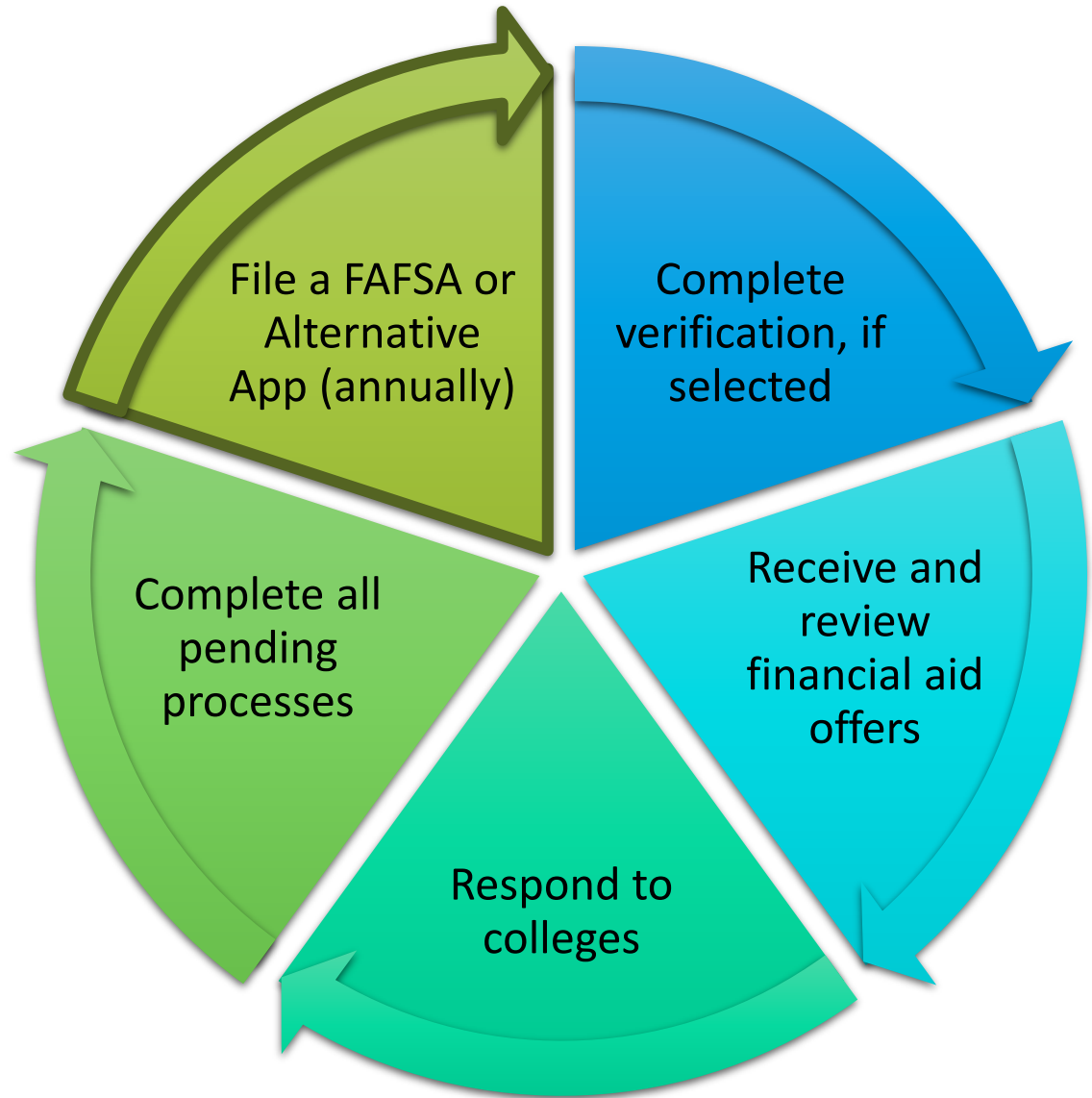


How much can I borrow?

	Dependent Limits	Independent Limits*
1 st year Undergraduate	\$5,500 total (max. \$3,500 subsidized)	\$9,500 total (max \$3,500 subsidized)
2 nd year Undergraduate	\$6,500 total (max. \$4,500 subsidized)	\$10,500 total (max \$4,500 subsidized)
3 rd year & beyond Undergraduate	\$7,500 total (max. \$5,500 subsidized)	\$12,500 total (max \$5,500 subsidized)
Graduate & Professional	Not applicable (subsidized loans only for undergraduate students)	\$20,500 total (unsubsidized only)

*Independent limits also apply to dependent students whose parents are not eligible for PLUS Loans

Overview of the Financial Aid Process



How do I apply for financial aid?

Complete all forms required by a college, for example:



Free Application for Federal Student Aid (FAFSA)

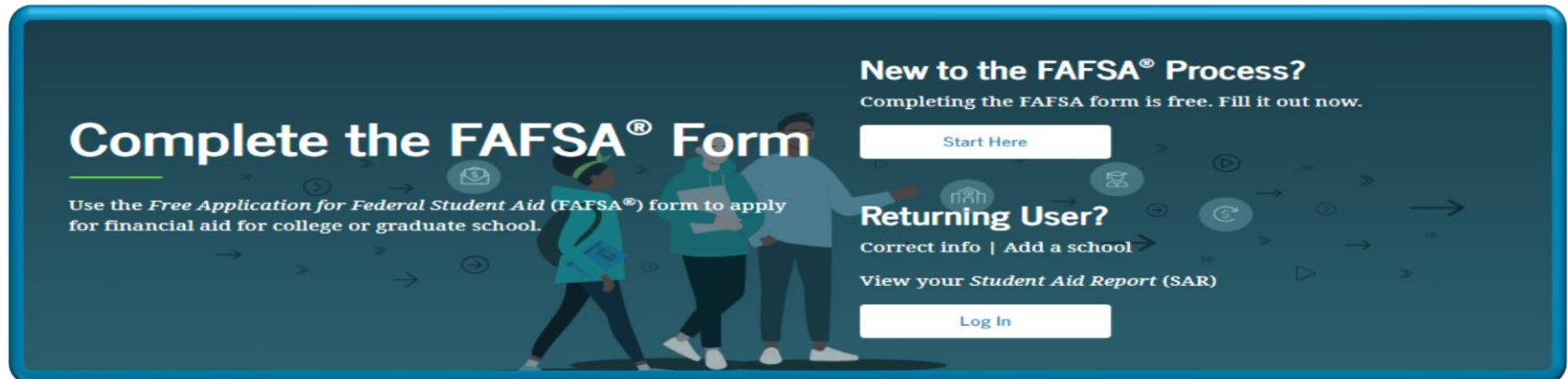


Alternative Application for Illinois Financial Aid (Alternative App)



Other forms
(e.g., institutional forms, CSS Profile, etc.)

Free Application for Federal Student Aid (FAFSA)



The application is available at no cost

It is the first step in the financial aid process for most students

Used to apply for **federal financial aid** programs

Some states use it to apply for state financial aid programs

Some colleges use it to award institutional aid

Alternative Application for Illinois Financial Aid (Alternative App)

ALTERNATIVE APPLICATION FOR ILLINOIS FINANCIAL AID

Intended for qualifying
undocumented and
transgender students

Alternative Application to apply for 2022-2023 Illinois MAP Grants

The Alternative Application for Illinois Financial Aid allows qualifying undocumented students and transgender students who are not otherwise eligible for federal financial aid to apply for Illinois Monetary Award Program (MAP) grants to attend eligible Illinois colleges, universities, and career education programs.

The pre-screening questions in this application will help you determine if you are a qualifying undocumented or transgender student who is not eligible for federal financial aid.

[See our User Guide & Resources for this program >>](#)

This application is available at **no cost**

This application is **only for Illinois state financial aid**

For qualifying undocumented students

Some colleges use it to award institutional aid

The 5 Ws of the Financial Aid Process

Who?

- High school seniors
- College students

What?

- Financial aid applications

Where?

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

When?

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

Why?

- To determine eligibility for federal/state aid
- Some colleges use these for institutional aid

Do I need parent information?

- Most students must report parental (demographic and financial) information until the age of 24
- This applies even if the student does not live with the parent
- Only parents should provide information on the FAFSA or Alternative App

Who's considered a parent?

Parents

- Biological
- Adoptive
- Stepparent, if married to a biological or adoptive parent

Not Parents

- Legal guardians
- Foster parents
- Grandparents
- Siblings
- Aunts/uncles
- Friends
- Other relatives
- Other people claiming student on their taxes

What if my parents are unmarried?

- If both parents (biological or adoptive) are unmarried but living together, report information for both parents
- If parents are divorced or separated, report information about the parent the student lived with most in the past 12 months
 - If the time spent with each parent was equal, report the information for the parent who provided the most financial support in the past 12 months

What information do I need?

FAFSA Only

- Social Security Number (SSN)
 - Parents who do not have an 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 **from 2021**
- Banking statements and records of investments (if applicable)
- Records of untaxed income (if applicable)
- List of colleges student would like to attend

What is the IRS Data Retrieval Tool?

- Online tool that simplifies the process of reporting tax data by importing it directly from the IRS onto the FAFSA
- Not available for the Alternative App

The screenshot shows the 'Student Leaving Your FAFSA Form' page. At the top, there are four green checkmarks for 'School Selection', 'Dependency Status', 'Parent Demographics', and 'Parent Financials'. A blue tab labeled '6 Student Financials' is active. The main heading is 'STUDENT INFORMATION' followed by 'Student Leaving Your FAFSA® Form'. The text explains that the user has entered answers to income questions and that their FAFSA form will be deleted and replaced with information from their tax return. It also states that the user is now leaving their FAFSA form and will be transferred to the IRS website. At the bottom, there are two buttons: 'Skip IRS DRT and Complete Manually' and 'Proceed to the IRS'.

Link to IRS

The screenshot shows the IRS 'Get My Federal Income Tax Information' page. The heading is 'Get My Federal Income Tax Information' with a subheading 'See our Privacy Notice regarding our request for your personal information.' Below this, it says 'Enter the following information from your 2020 Federal Income Tax Return.' A note states 'All fields are required unless marked otherwise.' The form includes fields for 'First Name', 'Last Name', 'Social Security Number', 'Date of Birth', 'Filing Status', 'Street Address', and 'P.O. Box'. There are also links for 'Return to FAFSA', 'Help', 'Logout', and 'Español' at the top right.

Look up tax data

The screenshot shows the IRS '2020 Federal Income Tax Information' page. The heading is '2020 Federal Income Tax Information' with a subheading 'Get Data'. The text explains that the IRS will securely transfer tax information to the U.S. Department of Education (ED) to populate FAFSA questions. It also states that the IRS will not display tax information and will further encrypt any tax information transferred. Below this, there is a table with three columns: 'Tax Year', 'Type of Return Filed', and 'Unrecovered Portion of IRA Distributions & Pensions/Annuities'. The table lists various tax items such as 'Adjusted Gross Income', 'Income Earned from Vioxx', 'IRA Deductions and Payments', 'Status of Amended Returns Received', and 'Schedule 1 Evaluation'. At the bottom, there are two buttons: 'TRANSFER NOW' and 'DO NOT TRANSFER'.

Transfer to FAFSA

How do I sign my online application?

FAFSA

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

Alternative App

- A personal identification number (PIN) is needed
- Students and parents must have their own PIN
- PINs will be auto-generated and sent via email by ISAC
- A PIN is needed to renew the Alternative App every year

What happens if I am selected for verification?

- Do not be alarmed!
- This is a common process used by schools to confirm the data on your application 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
 - Provide only the information requested
 - Submit all documents **on time!**

Expected Family Contribution (EFC)

What is it?

- A number generated by the FAFSA or Alternative App
- It is the amount a student and family can be expected to contribute in one academic year

Why does it matter?

- The EFC is used to determine eligibility for most federal and state aid programs
- Some colleges use it for institutional aid eligibility

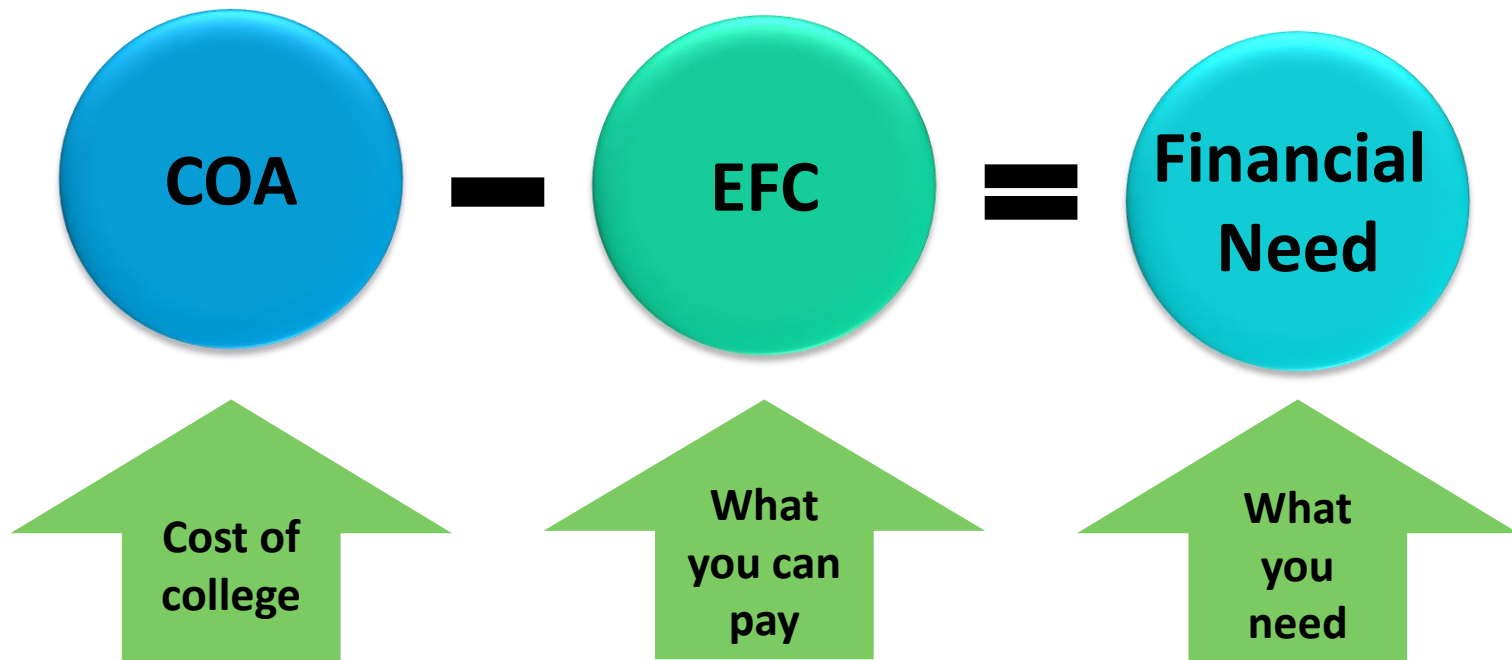
How much does college cost?

- Colleges create a budget that shows the full cost of attending the institution, known as the *cost of attendance*
 - Direct** expenses are those paid directly to the institution
 - Indirect** expenses are not always paid directly to the institution

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

How much financial aid can I receive?

- The amount of aid depends on your financial need
- Colleges will consider all available aid to try to meet your financial need, but it is not guaranteed



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

Financial Aid Offers

- Colleges will package available aid into a financial aid offer
- Review your offers to make an informed decision
- Keep these things in mind as you review the offers:

What is the cost of attendance?

What is my EFC?

What is my aid eligibility?

Was my financial need met?

What types of aid are included? (gift v. self-help)

What is my out-of-pocket cost?

FAFSA Tips and Reminders

Fill out the FAFSA
or Alternative App
ASAP after
October 1st

Your information is
confidential and
only used to
determine eligibility

Supplemental
applications
or forms
may be required

Keep track of
deadlines!

Keep copies
of everything you
submit

Reapply
every
year

ISAC Student Portal



COLLEGE PLANNING MADE EASY.

isac.org/studentportal

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 career exploration and job search—all free and just a click away!



COLLEGE AND SCHOLARSHIP SEARCH

Check out ISAC partner **Cappex** to search college profiles with student reviews, videos and more. Plus search a database of billions of dollars in scholarships.

Also check out



For more college/career search assistance focused on Illinois schools.



FINANCIAL AID

Need financial aid for college but not sure what's out there and how to apply? Learn about financial aid with the **FinAid Game**, use our **MAP Esitmtator** to determine your eligibility for a MAP grant, and compare your financial aid award letters with our easy-to-use, online **Financial Aid Comparison Worksheet**.



ISACorps

IN-PERSON AND ONLINE HELP WITH COLLEGE PLANNING AND FINANCIAL AID

Find a free in-person workshop in your area, an online workshop, or contact your local ISACorps member for free one-on-one assistance with college planning, college and financial aid applications, and more.

**Plus...more tools and
resources to assist you!**



**MONEY
MANAGEMENT**



**CAREERS AND
JOB SEARCH**

Trusted Websites

Stay up-to-date and learn more using these **free**, trusted sources of information



studentportal.isac.org



studentaid.gov



fafsa.gov



isac.org/alternativeapp

We can help!

- Our services are free!
- If you have questions about college or financial aid, text us!

Pick the area code closest to you and text your name

(773) 453-9520

(708) 252-3890

(847) 243-6470

(815) 242-4630

(309) 306-7066

(630) 216-4910

(217) 207-3265

(618) 223-6450

Thank you!

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