



# The Financial Aid Process



“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 \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

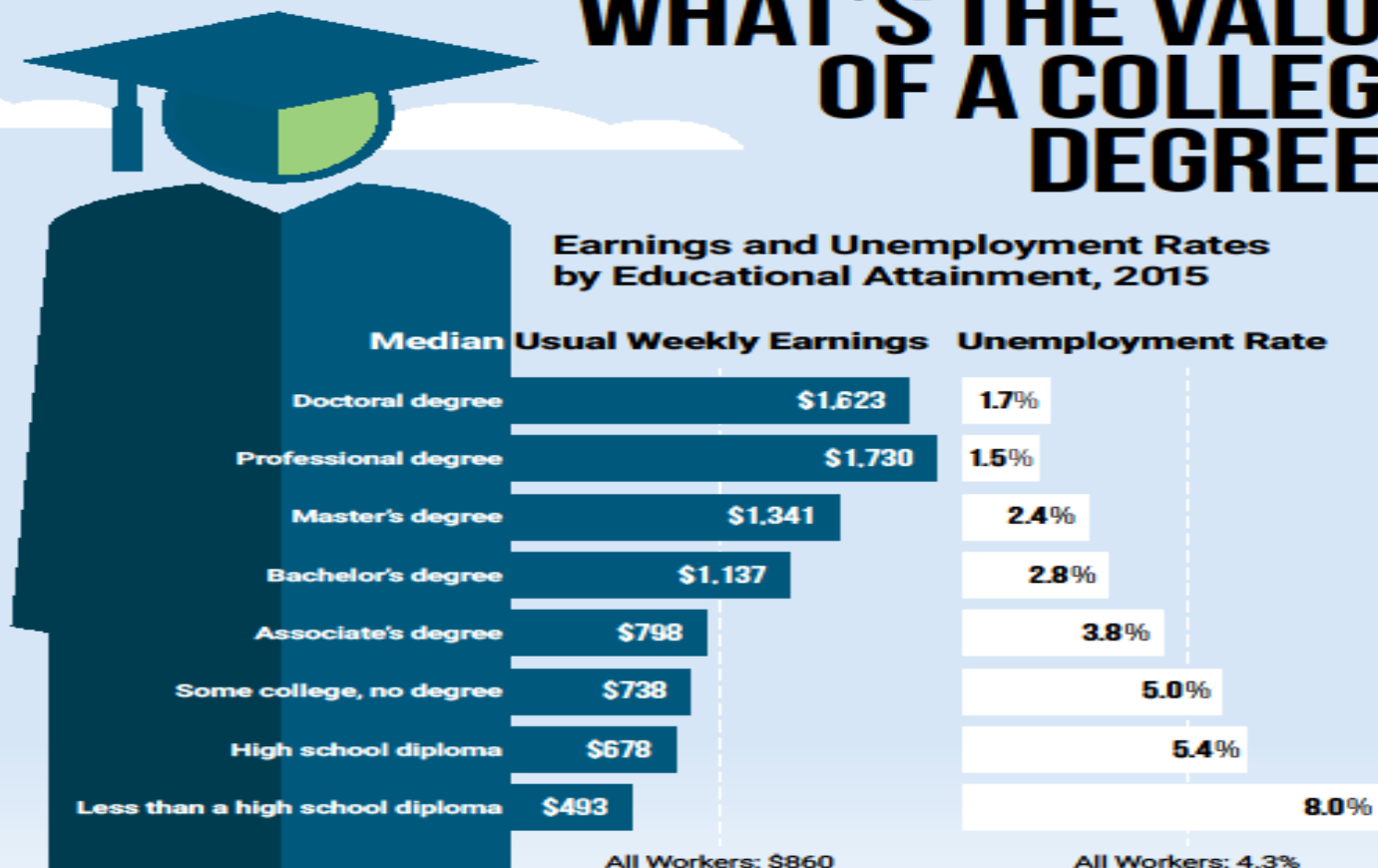
- 4 years

Master's Degree

- Bachelor's plus 1-3 years

# WHAT'S THE VALUE OF A COLLEGE DEGREE?

## Earnings and Unemployment Rates by Educational Attainment, 2015



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...

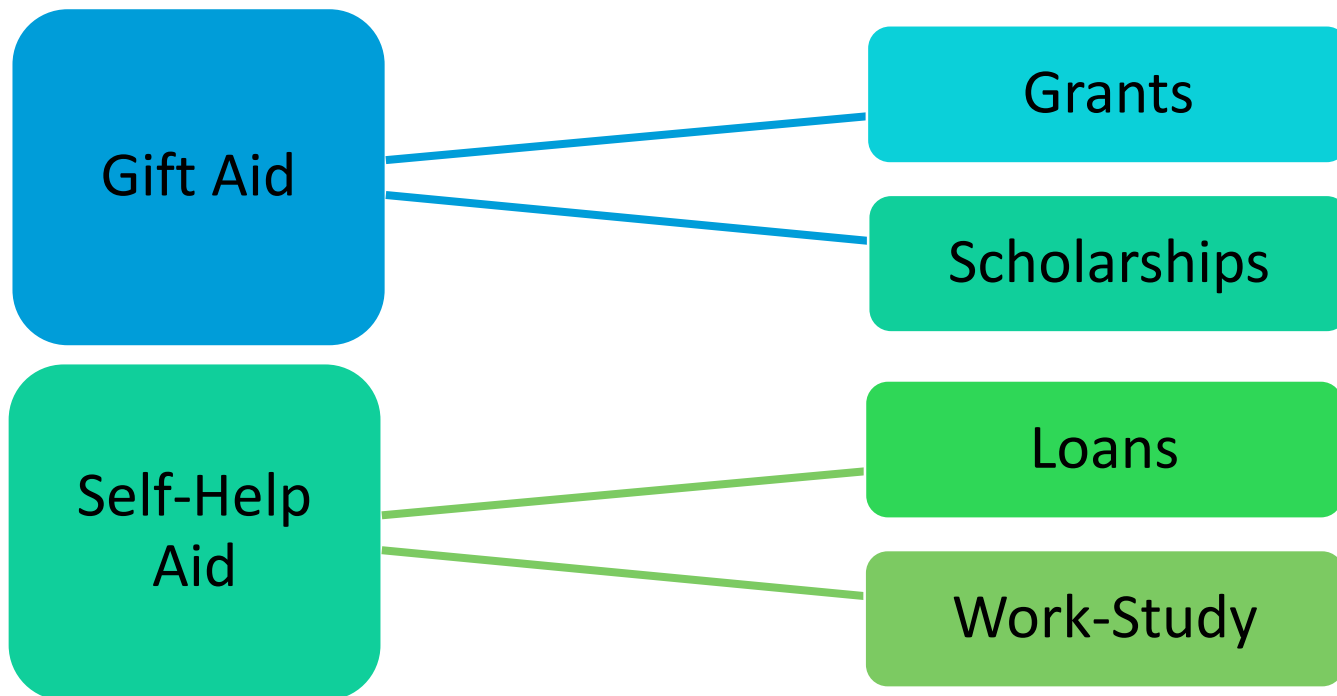
# What is Financial Aid?

- 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](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 Grants

- Maximum award amounts for 2019-20



**MAP Grant**  
Up to \$5,340 (est.)

**Pell Grant**  
Up to \$6,195

- Total = \$11,535

# Illinois Student Assistance Commission



<b>Grant Programs</b>	<b>2019-2020 Award</b>
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
<b>Teaching Programs</b>	<b>2019-2020 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>2019-2020 Award</b>
Federal Pell Grant	up to \$6,195
Iraq & Afghanistan Service Grant	up to \$5,829
TEACH Grant	up to \$3,764

<b>Campus-Based Program</b>	<b>2019-2020 Award</b>
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

- 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 2019-20



Loan	Type	Interest Rate	Grace Period
Direct Subsidized (Undergraduate)	Need-based	4.53% Fixed	6 Months
Direct Unsubsidized (Undergraduate)	Not need-based	4.53% Fixed	6 Months
Direct Unsubsidized (Graduate)	Not need-based	6.08% Fixed	6 Months
Direct PLUS (Parent/Graduate)	Unsubsidized Credit-based	7.08% Fixed	Repayment Starts Within 60 days



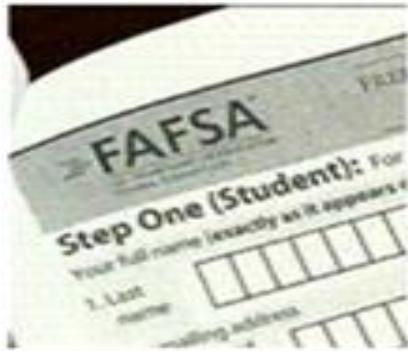


# Maximum Direct Loan Amounts

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 FAFSA.gov website homepage. At the top left, it says "Federal Student Aid" and "FAFSA.gov" with a small logo. To the right, there are links for "English" and "Español", and a search bar labeled "Search FAFSA Help". The main content area has a dark blue background with the text "Need money for college?" in white. Below this, it says "Complete the FAFSA® (Free Application for Federal Student Aid) form to apply for financial aid for college, career school, or graduate school." There are two main sections: "NEW TO FAFSA.GOV?" and "RETURNING USER?". The "NEW TO FAFSA.GOV?" section includes the text "Submitting the FAFSA form is quick, and most importantly, it's FREE. Get started today." and a blue button labeled "START HERE >". The "RETURNING USER?" section includes a list of options: "Make a correction", "Add a school", and "View your Student Aid Report (SAR)", and a blue button labeled "LOG IN >".

# 2019-20 FAFSA

## WHEN

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

## 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

# Parent Information

- Most students must report parental information until the age of 24
- For purposes of the FAFSA, 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
- Legal guardians are not considered parents for FAFSA
- If parents are divorced, report information about the parent the student lived with most in the past 12 months

# Information Needed for the FAFSA

What information is needed?

- **Social Security Number** – Be sure it is correct!
  - Parents who do not have a SSN must enter 000-00-0000 on the FAFSA
- **Alien Registration Number**, if you (student) are not a U.S. Citizen
- **2018 federal tax returns, W-2s, and other records of income**
- **Banking statements and records of investments (if applicable)**
- **Records of untaxed income (if applicable)**
- **FSA ID to sign electronically** – This can be created beforehand at [fsaid.ed.gov](https://fsaid.ed.gov), or at the time of application
- **List of colleges you would like to attend**

# 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
- **Note:** Parents who do not have a SSN 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

# IRS Data Retrieval Tool

Allows you to transfer your tax data onto the FAFSA

Did you file a Puerto Rican or foreign tax return?

Yes  No

 Applying is faster and easier if you transfer your tax return information into this FAFSA with the IRS Data Retrieval Tool (IRS DRT)

[LINK TO IRS](#)

Link to IRS

IRS.gov Return to FAFSA | Log Out | Help Español

### Get My Federal Income Tax Information

See our [FAQs](#) regarding our request for your personal information.

Enter the following information from your 2015 Federal Income Tax Return. <sup>?</sup> Required fields \*

First Name *	Dependent
Last Name *	Date
Social Security Number *	*** - ** - 2561
Date of Birth *	01 / 01 / 1994
Filing Status *	Single *
Address - Must match your 2015 Federal Income Tax Return <sup>?</sup>	
Street Address *	
P.O. Box (Required if entered on your tax return) <sup>?</sup>	
Apt. Number (Required if entered on your tax return)	
Country *	United States *
City, Town or Post Office *	
State/U.S. Territory *	Select One *
ZIP Code *	

Submit

Look up tax data

IRS.gov Return to FAFSA | Log Out | Help Español

### Federal Income Tax Information

Get Data

Based on the information you provided, the Internal Revenue Service (IRS) located your income tax return. With your permission below, the IRS will securely transfer your tax information to the Department of Education (ED) to populate any applicable FAFSA<sup>®</sup> questions. For your protection, the IRS will not display your tax information and will further encrypt any tax information transferred using the IRS DRT; therefore, ED is unable to display your tax information on your FAFSA.

The data retrieved from your tax return is limited to the items listed below as you reported to the IRS:

Tax Year (Name(s))	Type of Return Filed	Untaxed Pensions
Social Security Number	Adjusted Gross Income	Untaxed IRA Distributions
Filing Status	Income Earned from Work	Tax-exempt Interest Income
IRS Exemptions	Income Tax	IRA Deductions and Payments
	Education Credits	Status of Amended Returns Received

Refer to your tax records if you have a question about the values you reported.

[Print this page for your records before choosing an option below.](#)

**Transfer My Tax Information into the FAFSA <sup>?</sup>**

The tax information provided to FOTW will populate the answers to the appropriate FAFSA questions. After the FAFSA is populated your IRS session will end and you will return to your FAFSA. Check this box if you are choosing to transfer your information.

**Do Not Transfer My Tax Information and Return to the FAFSA <sup>?</sup>**

By clicking the "Do Not Transfer" button, you are choosing not to transfer your tax information electronically. Your IRS session will end and you will return to your FAFSA.

[IRS Privacy Policy](#)

Transfer to FAFSA



# Expected Family Contribution (EFC)

- The FAFSA 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

## Where do I find it?

- Confirmation page
- Student Aid Report (SAR)

# Verification

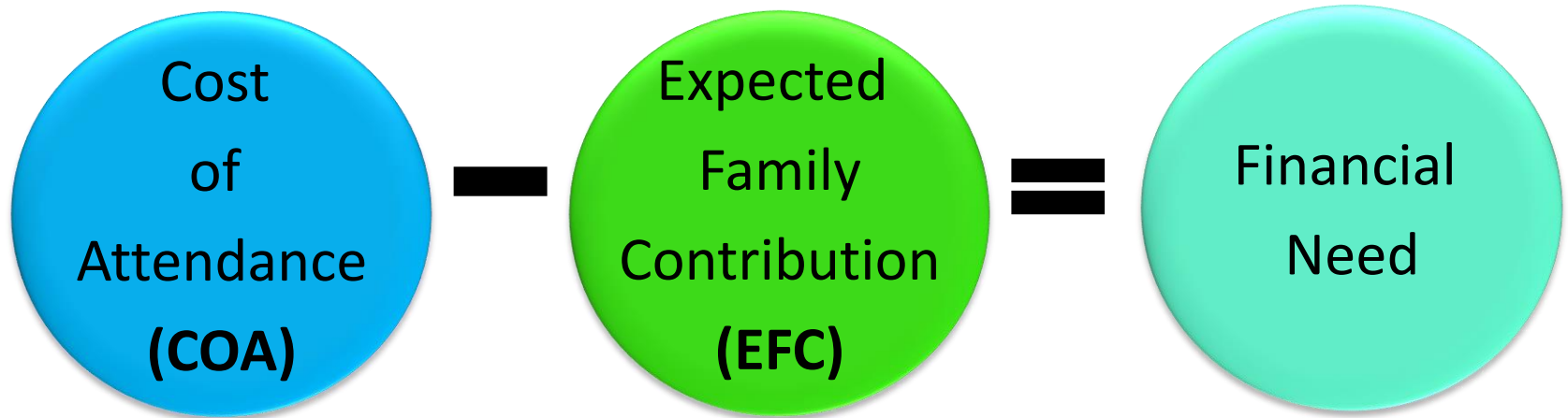
- This is a process used by schools to confirm that data reported on the FAFSA is accurate
- If you are selected for verification:
  - You may be asked to submit additional documentation
    - e.g., tax return transcripts, W-2s, income information, list of members of the household
  - Do not be alarmed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

# How Much Does College Cost?

Tuition & Fees	<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>	

# 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?

# FAFSA Tips and Reminders

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

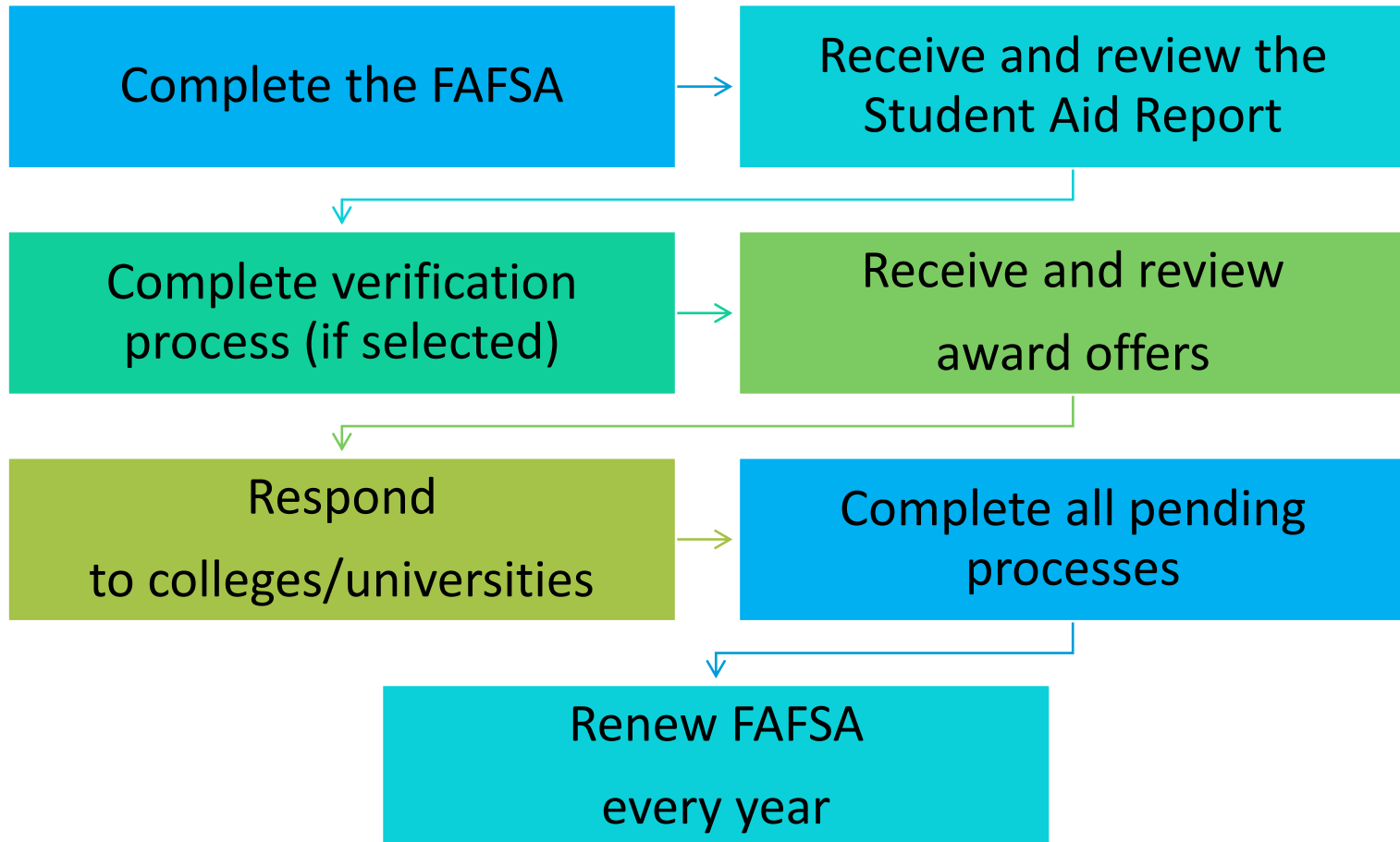
Supplemental applications or forms may be required

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



### COLLEGE AND SCHOLARSHIP SEARCH

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



### 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 **Calculators** to determine your eligibility for aid, and compare your **Financial Aid Award Letters** with our easy-to-use online tool.



### MONEY MANAGEMENT

Play **Claim Your Future™**, a game that lets you explore education and training after high school, future careers, and money management.



### CAREERS AND JOBS

With ISAC partner **Illinois workNet®** you can explore careers and salaries, build a resume and search for jobs. And if you are looking for a summer job or internship in Illinois, check out the regularly updated listings on the **Student Job Board**.



### COLLEGE PLANNING TIPS

In high school and just starting to think about the whole college process? Use our handy online **College Checklist** to stay on top of all the steps you need to take in planning for college.



**ISAC Program Applications/Status** Create a student profile on the Portal to apply for the Illinois Veteran Grant (IVG) and Illinois National Guard Grant (ING), and to check your IVG and ING units used. Are you a current MAP recipient? You can also use the Portal to check your MAP paid credit hours.



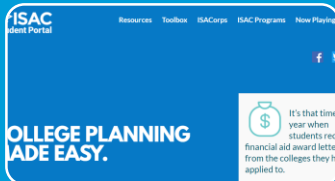
**Need some in-person help with the process?** Use the Portal to find a workshop in your area or to contact your local **ISAC Corps College Mentor** for free in-person assistance with the college-going and financial aid process.

**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)

# 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?

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