



The Financial Aid Process

Start time: 7:00 pm
(all attendees will be on mute)



“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.

What's Your Path?

- No one path that is right for all students
- Each student will have a path that is right for them
- Which path will it be for you?

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



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>.

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...

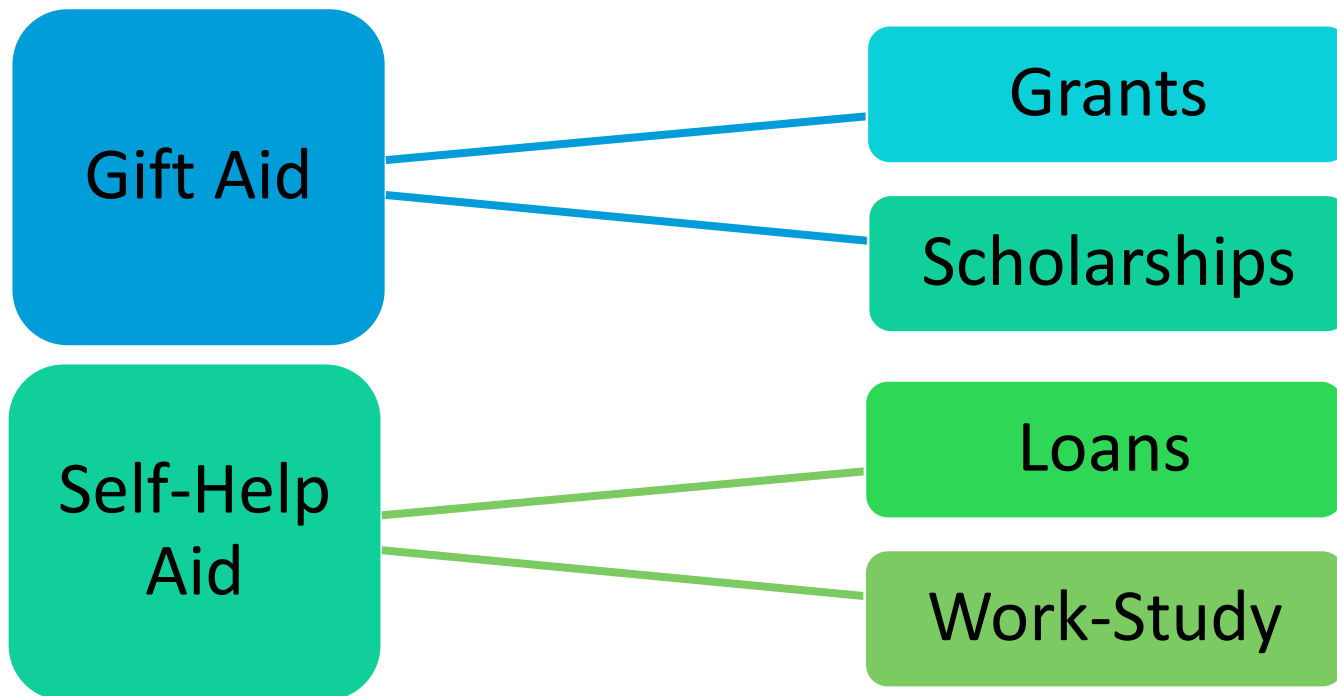
What is Financial Aid?

- 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

- 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 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
1 st Year	\$5,500 Max. \$3,500 subsidized	\$9,500 Max. \$3,500 subsidized
2 nd Year	\$6,500 Max. \$4,500 subsidized	\$10,500 Max. \$4,500 subsidized
3 rd 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

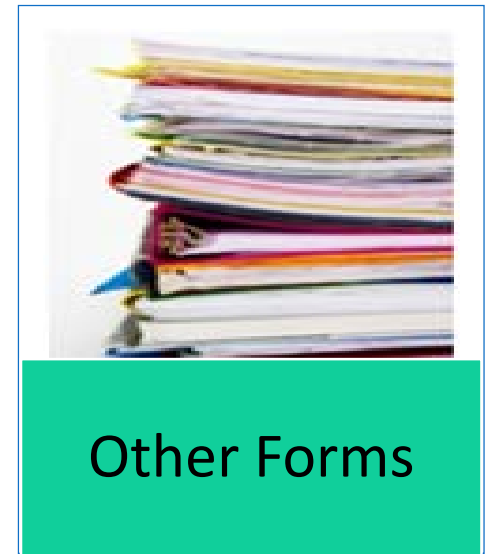
- To be considered for student aid, a student must complete all forms required by a college
- Communicate with each college to find out what is required for a complete application



FAFSA



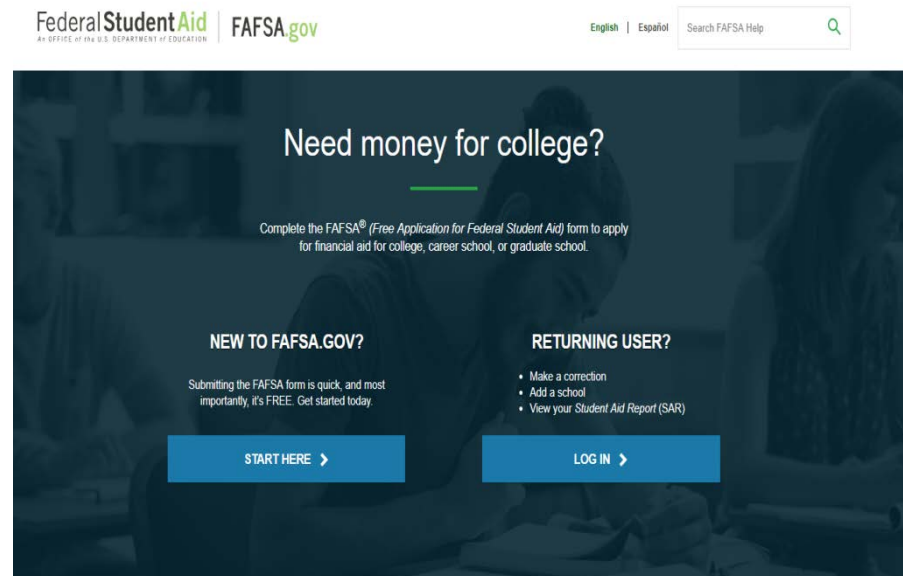
Alternative Application for IL Financial Aid



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**

The screenshot shows the homepage of the Alternative Application for Illinois Financial Aid. On the left, a green box contains the text: "ALTERNATIVE APPLICATION FOR ILLINOIS FINANCIAL AID Intended for qualifying undocumented and transgender students". To the right, a blue box contains the heading "Alternative Application to apply for 2020-2021 Illinois MAP Grants" and a paragraph explaining that the application allows qualifying undocumented and transgender students to apply for Illinois Monetary Award Program (MAP) grants. Below this, there is a link to "See our User Guide & Resources for this program >>". At the bottom, there are three columns: "First-Time Applicants" with a "START" button, "Returning Applicants" with "Forgot Username?" and "Forgot Password?" links and a "LOGIN" button, and "Submit Parent Signature" with a "PARENT SIGNATURE" button.

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

Information Needed for the FAFSA

Do **not** include the following in the FAFSA:

- Primary residence of parent(s) listed in the FAFSA
- Value of retirement plans (i.e. IRA, 401k, pension plan)
- Family owned business if it has 100 or fewer fulltime employees

Do include the value of all 529 plans owned by the *parent(s)* listed on the FAFSA, if student is providing parental information

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

The screenshot shows the "Get My Federal Income Tax Information" form. The title is "Get My Federal Income Tax Information" with a sub-header "See our Privacy Notice regarding our request for your personal information." Below the title, it says "Enter the following information from your 2018 Federal Income Tax Return." and "All fields are required unless marked otherwise." The form contains several input fields: "First Name", "Last Name", "Social Security Number" (with a note "No input required"), "Date of Birth" (with a calendar icon), "Filing Status" (a dropdown menu), "Street Address" (with a note "Must match your 2018 Federal Income Tax Return"), "P.O. Box" (with a note "Required if entered on your tax return"), "Apartment Number" (with a note "Required if entered on your tax return"), "Country" (a dropdown menu), "City, Town or Post Office", "State / U.S. Territory" (a dropdown menu), "Zip Code", and "ZIP Code". At the bottom of the form is a blue "SUBMIT" button.

Look up tax data

The screenshot shows the "2018 Federal Income Tax Information" page. The title is "2018 Federal Income Tax Information". Below the title, it says "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 U.S. Department of Education (ED) to populate any applicable FAFSA® questions." It also states: "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 form." Below this, it says "The data retrieved from your tax return is limited to the items listed below as you reported to the IRS:" and lists several categories of tax information: "Tax Year", "Type of Return Filed", "Unearned Portion of IRA Distributions & Pensions/Annuities", "Names(s)", "Adjusted Gross Income", "Tax-exempt Interest Income", "Social Security Number", "Income Earned from Work", "IRA Deductions and Payments", "Filing Status", "Income Tax", "Status of Amended Returns Received", "IRS Exemptions", and "Education Credits". Below the list, it says "Refer to your tax records if you have a question about the values you reported." There are two buttons: "TRANSFER NOW" and "DO NOT TRANSFER".

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	<i>Direct Expenses</i>
+ Room & Board	<i>Direct or Indirect Expenses</i>
+ Transportation	<i>Indirect Expenses</i>
+ Books & Supplies	
+ Miscellaneous Living Expenses	
= Cost of Attendance (COA)	

Financial Need

- How much aid can a student receive?



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

- 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.
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- 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?
-

Planning Ahead

- College Board's "Big Future EFC Calculator"
 - Get an estimated EFC before completing the FAFSA
 - Change variables to see how the EFC will fluctuate
- Net Price Calculator
 - Each college has one
 - Good way to get a "feel" for how much will be given by college
- Start saving early
 - Can decrease amount of Parent PLUS loans taken
 - Can make more colleges financially palatable
- Talk to your student
 - Will student be expected to contribute a certain percentage?
 - How much are parents willing to pay each year for each child?
 - How much are the parents willing to borrow or not borrow?

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

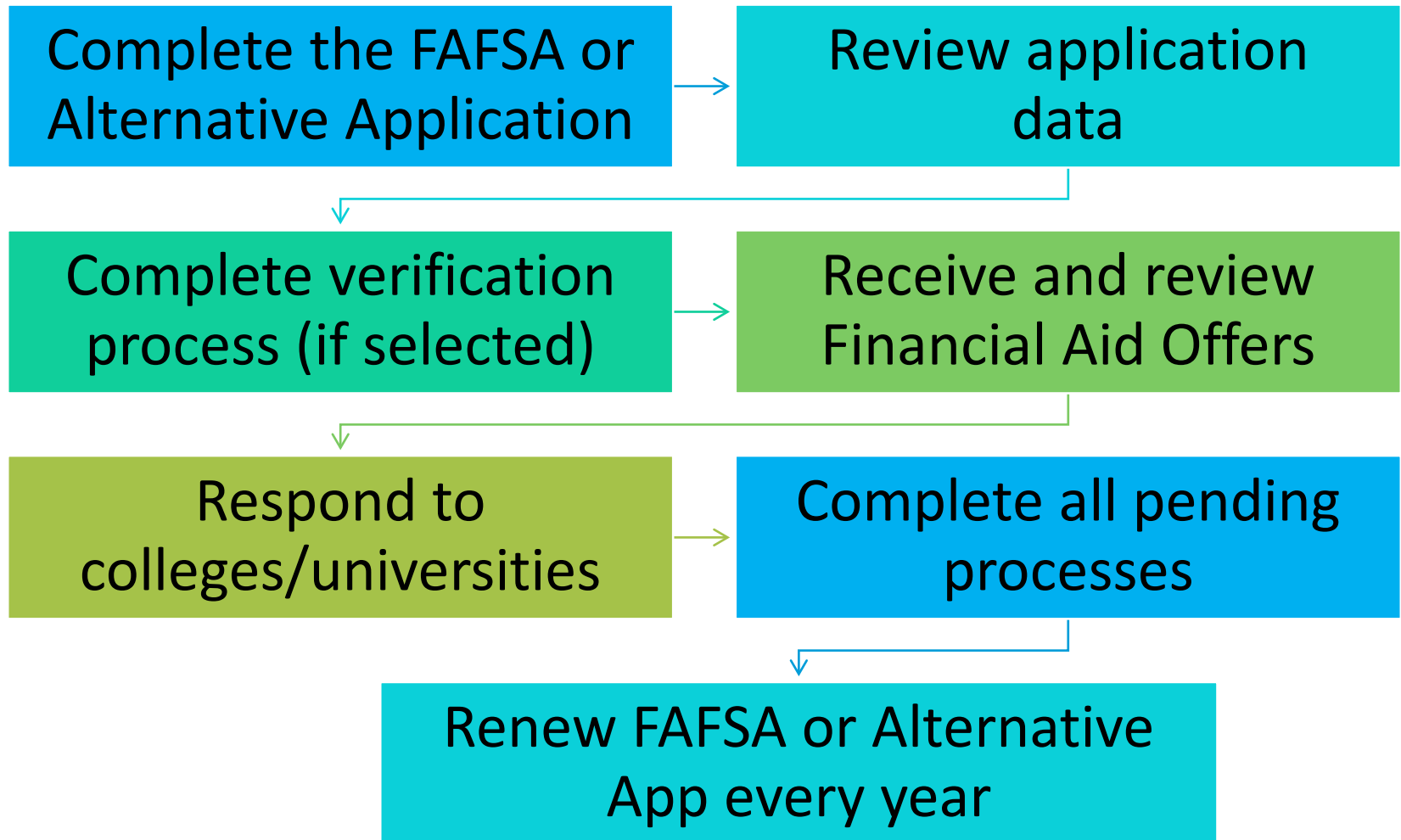
Supplemental applications or forms may be required

Keep track of application DEADLINES!

Keep a copy of everything you submit

You must reapply every year

The Financial Aid Process



ISAC Student Portal



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 **ISACorps College Mentor** for free in-person assistance with the college-going and financial aid process.

Make College Happen!

Visit isac.org/studentportal

Trusted Websites

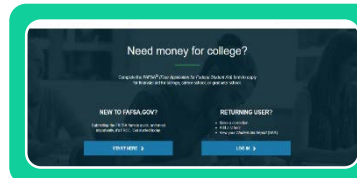
- Learn what you need to know and stay up-to-date with accurate and trusted sources of information



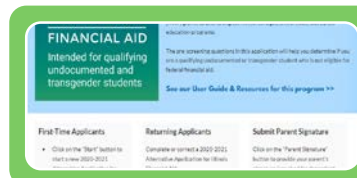
studentportal.isac.org



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 & 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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