

The Financial Aid Basics

**Sharon Carr
Illinois State University
Financial Aid Specialist**



What is Financial Aid?

Financial Aid refers to any funds **given, received, or borrowed** on behalf of the student

The goal of Financial Aid is to bridge that gap between what we can *afford* to pay for college and how much college *costs*.



Types of Aid

- » Grants
- » Scholarships
- » Loans
- » Student Employment

Sources of Aid

- » Federal government
- » State government
- » Institutions
- » Private/Outside Sources

The FAFSA will serve as the application for **most** federal and state programs, though not all programs. Contact your school to see what else may be available.



How do I complete the FAFSA?

- » Visit **www.fafsa.gov** to complete the application starting **October 1st**
- » Check your status with your college of choice
- » Review your award notice in March-April
- » Respond to your college of choice, typically by May 1st



Completing the FAFSA

What information is needed?

- » **Social Security Number.** Be sure that it is correct!
- » **Records of income**, such as income earned from work and business, child support paid or received, and any other untaxed income. If available, refer to the W-2 Forms and the Federal Income Tax Return IRS 1040, 1040A, or 1040EZ.
- » **Information about assets**, such as savings, certificates of deposit, stock options, bonds, 529 plans and other college savings programs, and investment real estate, business, and farm.
- » **Driver's license number**, if the student has one.



Completing the FAFSA

Who needs to provide information on the FAFSA?

- »The application is the student's application
- »**Parent information must be included**, even if the student is not claimed on the parent's taxes
- »Use the parent the student lives with and his/her spouse (if remarried)

Information excluded from the FAFSA:

- Legal guardian or foster parent information
- Parent 401(k) plans, non-education IRAs, the value of the family's home, the value of the family's farm if the family resides on the farm



Use the IRS Data Retrieval Tool

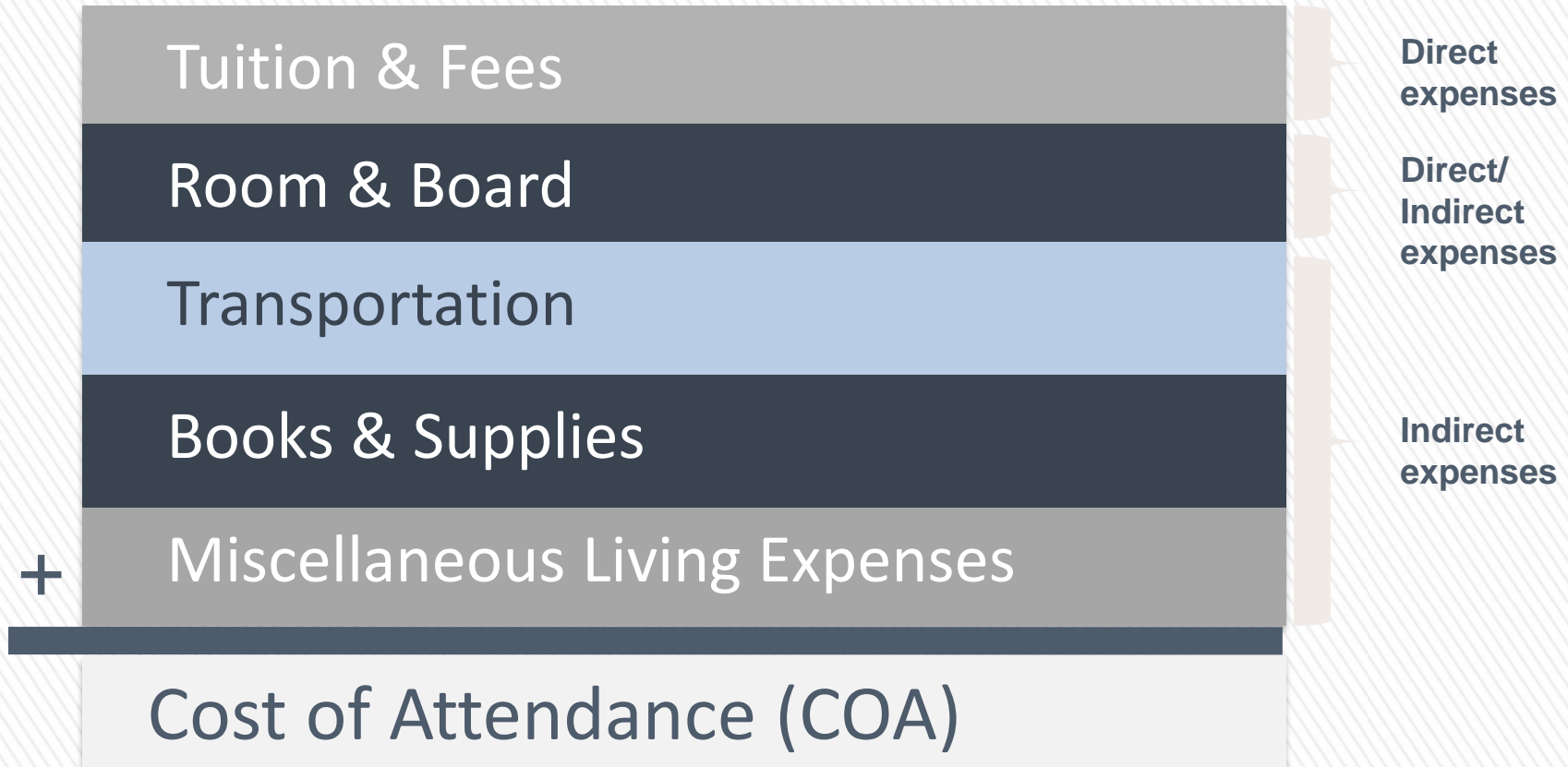
Allows for users to import their previous year's tax information directly into the FAFSA

- » Reduces user errors and processing delays
- » Being selected for verification is less likely
- » Helps FA Office to process the correct amount of financial aid

***For the 2018-2019 school year, you will import 2016 tax year information**



What are the costs?



Grants

»Federal

- Pell Grant
- FSEOG

»Institutional

- Free-money assistance program from the college

»State

- MAP Grant

»Military/Specialty

- Illinois National Guard
- Illinois Veteran's Grant
- Special Education Teacher Tuition Waiver



Scholarships

Scholarship Search Tools available:

www.fastweb.com

www.scholarshipamerica.org

Also check with:

- High School/college counselor
- Local civic, religious, community organizations
- College/University of choice
- Parent/student employer



--Never pay money to receive free money!--



Federal Work-Study



Need-based employment program

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**

U.S. Department of Education

Federal Loan Programs



Type

Rate

Amount

Grace

Stafford

(2017-2018)

Subsidized

4.45%

Fixed

\$3,500 first-year
undergraduate
dependent student

6

Months

Unsubsidized

4.45%

Fixed

\$2,000 first-year
undergraduate
dependent student

6

Months

PLUS

Parent Loan

Credit-based
Unsubsidized

7.00%
fixed

Depends on
remaining financial
need

Within first
60 days



Alternative Loans

Private loans through the bank of your choosing

» What to know:

- > Require a co-signer
- > Interest rates vary
- > Fixed vs. Variable
- > Allow 2-4 weeks for processing

» Look for:

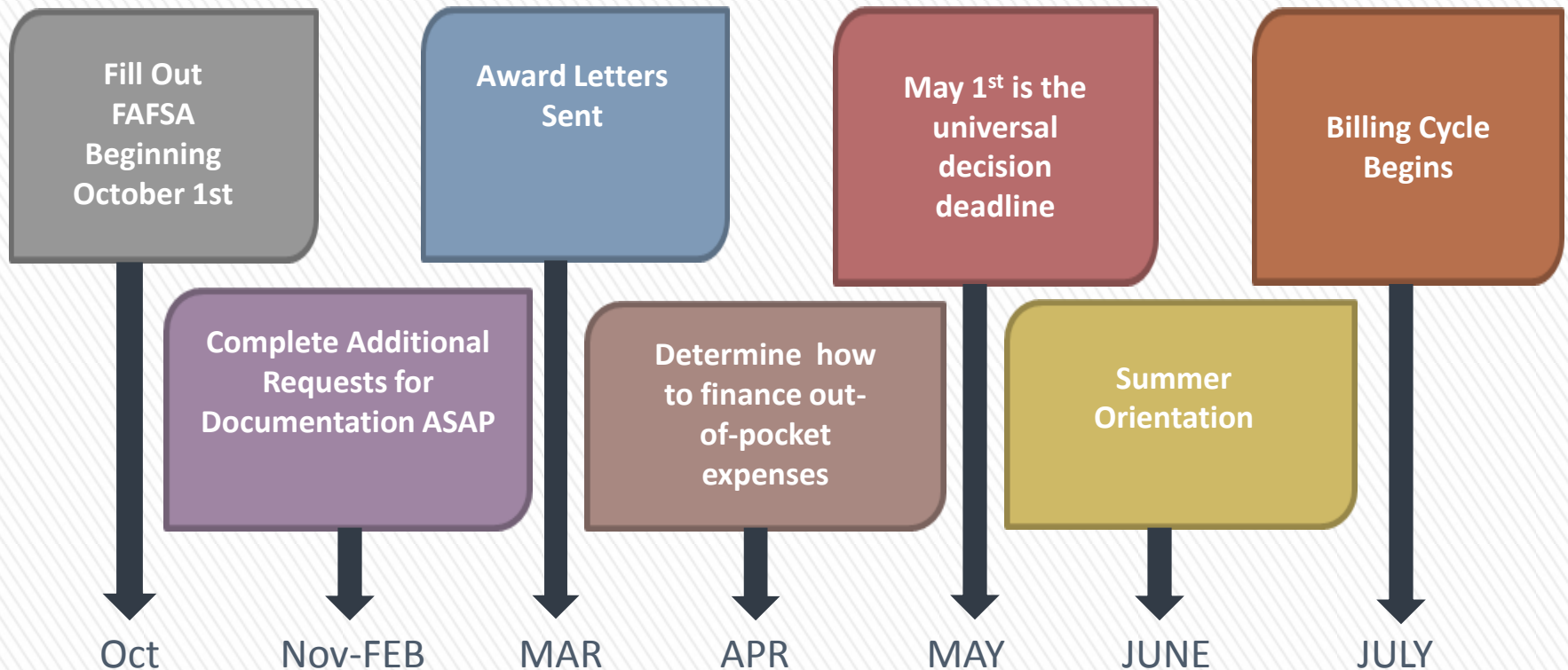
- > Co-signer release options
- > Deferment options
- > Repayment plans
- > 0% origination fees



Check with your college to see which lenders they recommend!



Financial Aid Timeline



Familiarize yourself with your school's online student portal. Important information such as your bill, financial aid, class schedule, and program requirements are posted on these portals.



Questions?

Thank you!

