Grant High School Parent University:

# Financial Aid for 2024 - 2025

- What is Available
  - Major Changes !
    - How to Apply

# About Me …

- Arlington Heights resident
- Three adult girls + three girls, 10-14 …+ 1 granddaughter + ...?...
- 9 years in Nebraska, in admissions and financial aid
- 28 years at Lake Forest College
- A Packers fan
- A **Bulldog** in the family

# What We'll Cover …

- Types and sources of financial aid
- The FAFSA and Alternative Application
- Major Changes to the applications
- Student Aid Index, financial need, eligibility for aid
- "Special Circumstances"
- Scholarship searches
- Four "Cs": Complete, Consider, Compare, Choose

# Financial Aid That's Free

## Scholarships

- **usually merit-based**
- sources: college/university, states, private sources
- application: varies by source
- examples: Academic, Athletic, & Music
  Minority Teachers of Illinois, CVS-Caremark

## Grants

- **usually need-based**
- sources: college/university, states, federal government
- application: usually "FAFSA" or "Alternative App – IL Fin Aid"
- examples: Federal Pell Grant, IL MAP Grant, Lake Forest Grant

# Financial Aid You Earn

## Work-Study

- **usually need-based,** but not always
- part-time job, usually on campus
- application: the FAFSA

# Financial Aid You Repay

## Federal Stafford Loan

- Student is the borrower
- No payment while in school
- Repay six months after graduation
- Annually-fixed interest (now 5.5% up from 4.99%; 3.73% '21-22)
- Fr, $5500 So, $6500 Jr, $7500 Sr, $7500
  - *includes both **subsidized** and **unsubsidized** amount*
  - *subsidized:* need-based; no interest while enrolled ≥ half-time
  - *unsubsidized*: *not* need-based; interest charged while enrolled
- Application, a three step process:
  - (1) FAFSA (2) entrance counseling/promissory note (summer)

# Other Loans You Repay

## Federal PLUS Loan

- Parent is the borrower
- Credit-based; approval is not especially difficult
- Option to defer payment while in school (interest accrues)
- Annually-fixed interest (now 8.05%, up from 7.54%;  6.28%  '21-22)
- Eligibility = Cost – Aid
  - $70,000 **cost** - $25,000 **scholarship** - $20,000 **grant** - $5500 **loan** = $19,500
  - $35,000 **cost** - $12,000 **grant** - $5500 **loan** - $2500 work-study = $15,000
- Application, a two step process:
  - (1) FAFSA  (2) promissory note (summer)

# Other Loans You Repay

## Non-Federal (Private) Loans

- Student is the borrower;  cosigner usually required
- Credit-based; more difficult than PLUS
- Interest rates are based on cosigner's credit; *variable* or *fixed*
- Eligibility = Cost – Aid
- Application: varies by lender (supporting documentation, etc.)

# How to Apply for 2024 - 2025

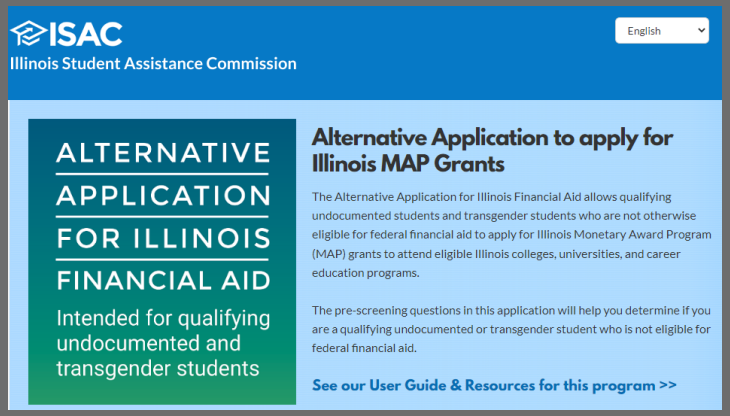
## Major Changes !

# Applications

- FAFSA - the most common, and *usually* the only application needed
  - used if a U.S. citizen or permanent resident
  - available in December … then back to October 1 in Fall '24
  - use for federal, state, college need-based aid, including loans
  - collects information about your family (family size, income, assets)
  - measures financial strength ➢ ➢ calculates "Student Aid Index" (SAI)
  - "SAI" determines eligibility for need-based financial aid
    - grants, loans, and work-study
    - -1500 to 0 = greatest need, and largest grant(s)
    - decreasing eligibility as the SAI increases

# Applications

- Alternative App for Illinois Financial Aid
  - undocumented students ➢ IL colleges
  - available in January
  - use only for Illinois MAP Grant
  - questions similar to the FAFSA
  - additional questions to confirm eligibility for state funding
- CSS Profile
  - used by 10% of schools nationwide *in addition to* the FAFSA
  - this year, other colleges may use, prior to Dec FAFSA date
  - available now
  - questions include those on the FAFSA, *and much more!*




* *FAFSA, Alternative App or "waiver" are HS graduation requirement*

# The FAFSA: What it's Like

- Completed by the student *and* custodial parent(s)
- 45 questions for most families  (up to 125 blanks to fill in)
  - 30 are student demographic  questions (10-20 minutes)
  - up to 20 student financial questions
    - *fewer for DDX users and non-filers*
  - college choices – where the application will be sent
  - 15 demographic questions *per parent* (10-20 minutes)
  - up to 20 parent financial questions
    - *fewer for DDX users*

# The FAFSA: What You Need

- Create an "FSA ID" for student and parent *studentaid.gov/fsa-id*
  - requirement for **SSN** *(available now)* and **ITIN** *(available late '23?)*
  - common problem: forgetting your FSA ID

- SSN & DOB of student and *custodial* parent(s)
  - no SSN for parent? enter zeros
- Parent email address – new questions "up front" reported by student

- 2022 income of student and parent(s) - tax return, W2s, etc.
- Asset records (savings/checking, investments, business or farm)

- List of probable colleges/universities – up to 20 (new)
  - match your applications for admission (before or after admission)
  - have "federal school code" for each, if possible

# The FAFSA: What Changed?

- New format and screen sequence
  - student completes his/her sections
  - student provides parental information and "invites" the parent
    - if married/remarried, provide info for both, and invite *at least one*
    - invitation is sent in real time
  - parent (and spouse) is a "contributor"
  - contributors receive email from federal stu. aid processing center
  - email "invitation" links parent to the student's application
  - parent (contributor) complete his/her sections
  - the FAFSA is submitted
  - *or … parent begins the process and steps are reversed*
  - several "Help Screens" and videos built in, to guide you

# The FAFSA: What Changed?

- Which parent completes the FAFSA?
  - several "yes/no" questions to help you
  - who provides the most financial support, prior 12 months
  - if equal amounts, the one with the higher income or asset
- New IRS "Direct Data Exchange" (DDX) replaces Data Retrieval Tool
  - collects what is on 1040, streamlining completion and eliminating 30+ questions
  - student & parent consent to transfer Federal Tax Information ("FTI"); *slightly different from prior years*
  - required, as a condition of eligibility for federal aid, to provide consent and approval…to attempt to obtain "FTI" via the FA-DDX
- Manual entry of "FTI" may be necessary (divorced / sep'd / remarried)

# The FAFSA: What Changed?

- Better “Helps” along the way, based on answers you provide
- Family Size – taken from IRS;  manually update any change
- Removed “number in college”;  contact the college if more than 1
- Removed untaxed income that’s not on 1040
  - *Ex: contribution to pension, housing allowance, VA benefits*
- Added net worth of family business

- New formula to calculate “SAI”  (student aid index);  “EFC” is gone
  - Lowest SAI  “-1500”
- Possible difference in eligibility vs ‘23-’24 … some more, some less

# SAI: Am I Eligible?

- Possible difference in eligibility vs 2023-2024 “EFC” calculation
  - some will receive more *and* some may receive less

- Federal Pell Grant eligibility is tied to family size and poverty level
  - Maximum Pell Grant, *examples*:
    - single parent, AGI < 225% of ‘22 poverty level; “3” < $51,800
    - married parent, AGI < 175% of ‘22 poverty level; “5” < $56,823
  - Minimum Pell Grant, *examples* :
    - married parent, AGI < 275 – 400% “ “ “ (“4” $76k - $110k)
    - real example at Lake Forest
      - ‘23-’24, four in family, < $110k: 145 get Pell Grant
      - ‘24-’25, four in family, < $110k: 180 get Pell Grant

- Note! The Pell Grant is <u>just one</u> of many funds.
  No Pell? *You may still qualify for a significant sum from other sources!*

# SAI and “Financial Need”

If your Student Aid Index is less than the cost you have “financial need” and can receive need-based financial aid.

Cost of Attendance

- Student Aid Index (“SAI”)

= Financial Need

…and not only that, but …

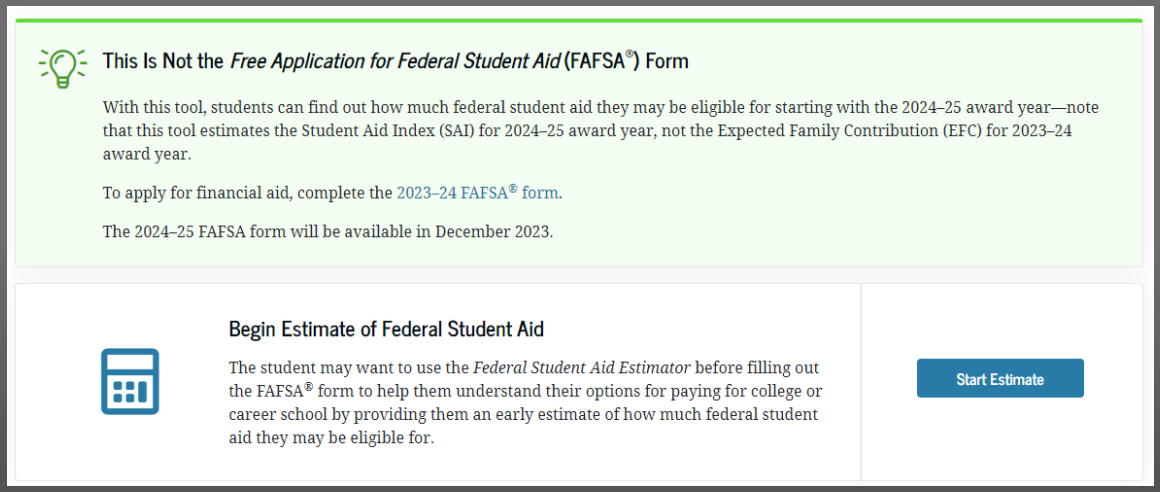
When the cost is different, your financial need is different…
and so is your eligibility for financial aid

# Cost, Need and Eligibility

| | Private College | Public Univ. | Community College |
|---|---|---|---|
| Cost | $70,000 | $35,000 | $15,000 |
| - “SAI" | 5,000 | 5,000 | 5,000 |
| **= Need** | **$65,000** | **$30,000** | **$10,000** |
| | | | |
| College Aid | $42,500 | $6,000 | 3,500 |
| State Grant | 8,400 | 8,400 | 2,000 |
| Fed’l Grants | $3,500 | $2,000 | $1,000 |
| Fed’l Loan | $5,500 | $5,500 | On request |
| Work-Study | 2,500 | 2,500 | On request |
| **Total Aid** | **$62,400** | **$24,400** | **$6,500 +** |

# Federal Student Aid Estimator

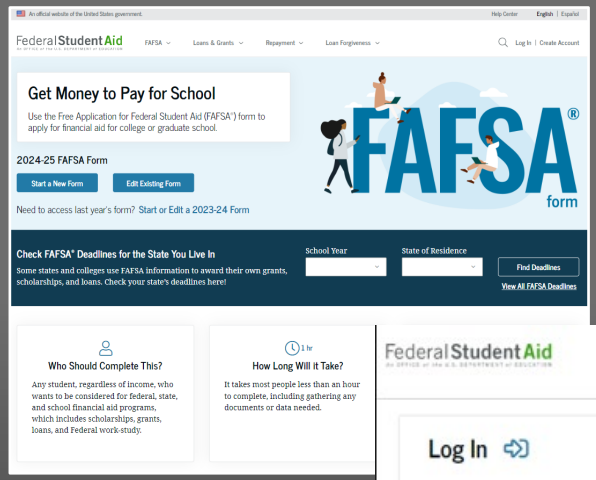
- https://studentaid.gov/aid-estimator/
- Released in December  (TBD)

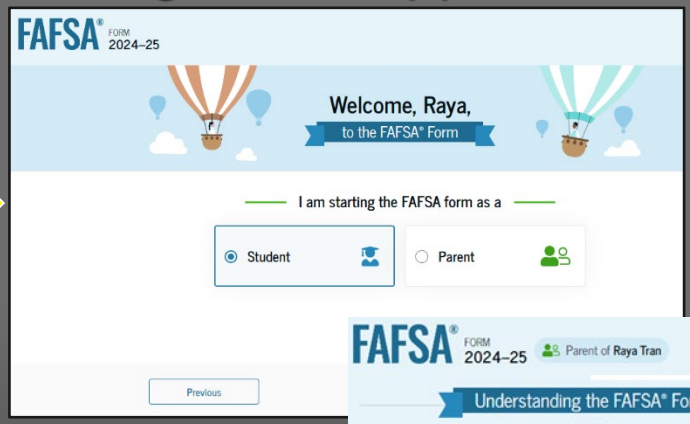


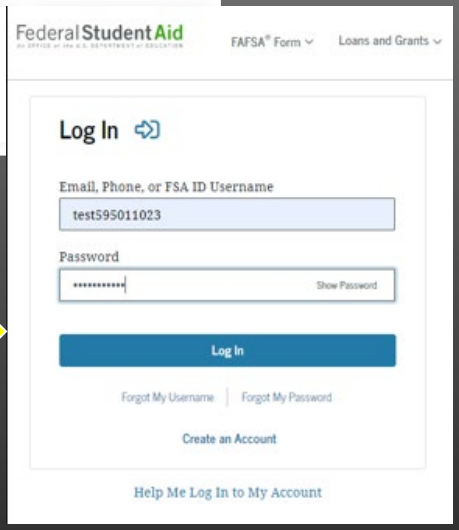
# The FAFSA: A Closer Look

https://fafsa.gov/

What the student will see if he/she begins the application…

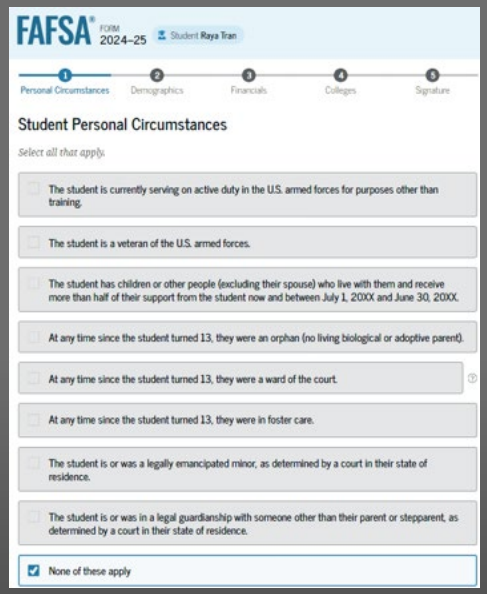


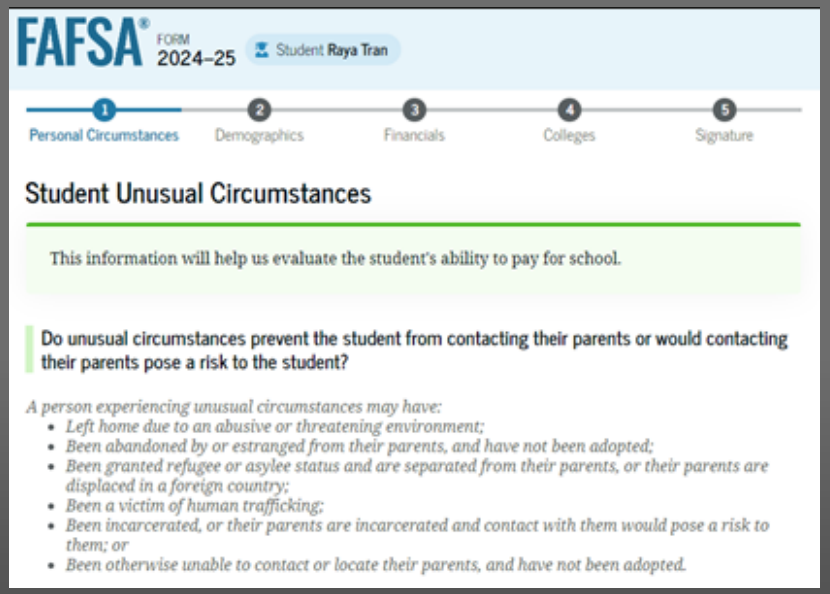



# The FAFSA: A Closer Look

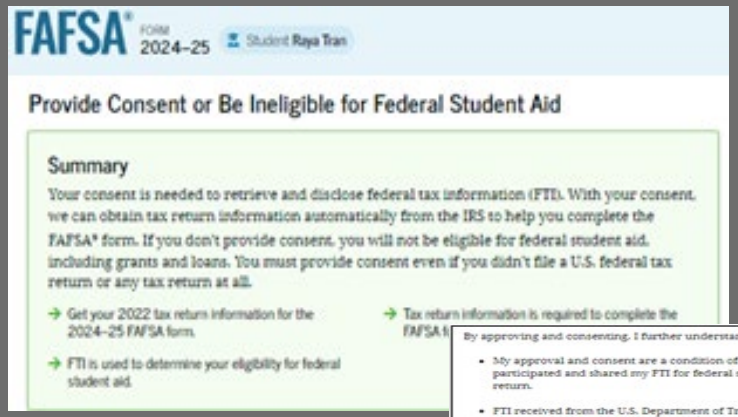
- New terms: “Personal Circumstances” & “Unusual Circumstances” Both are uncommon for high school students.

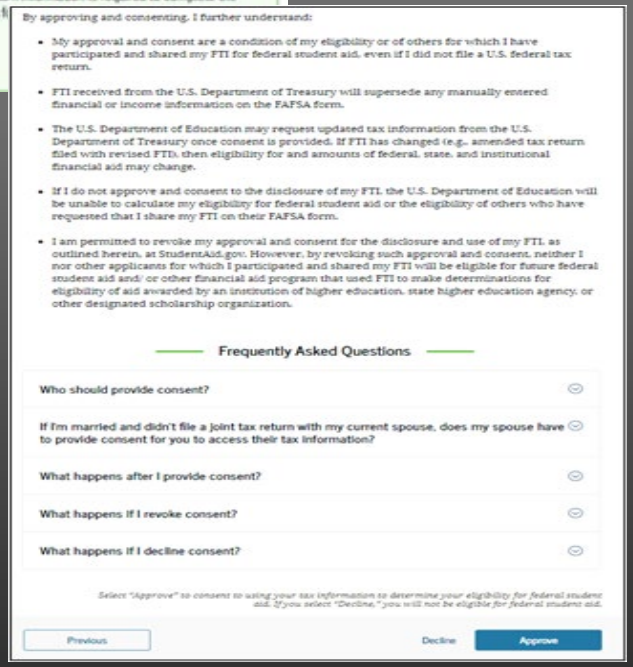


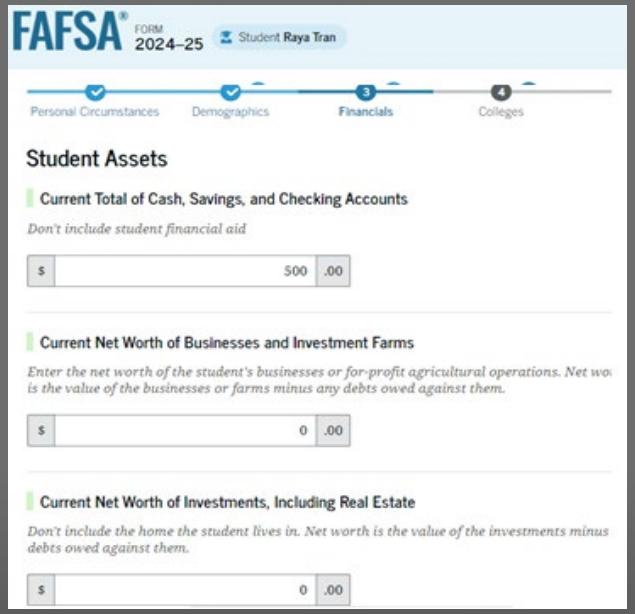




- New (optional) questions about race, ethnicity, etc.

# A Closer Look: Financials and Required Consent

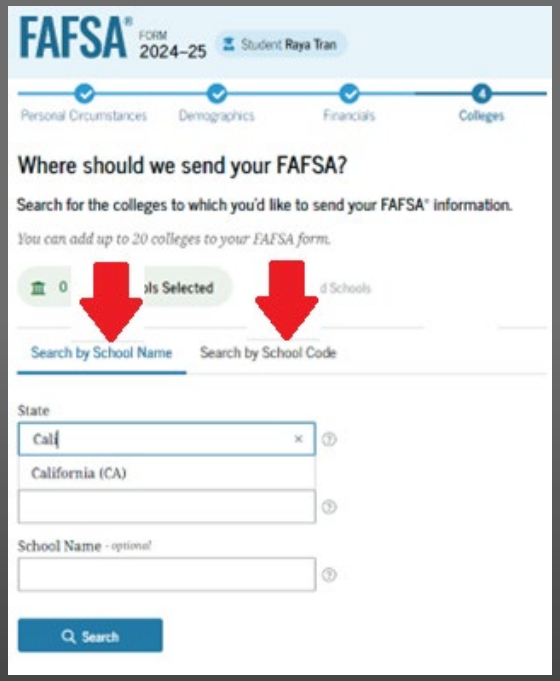


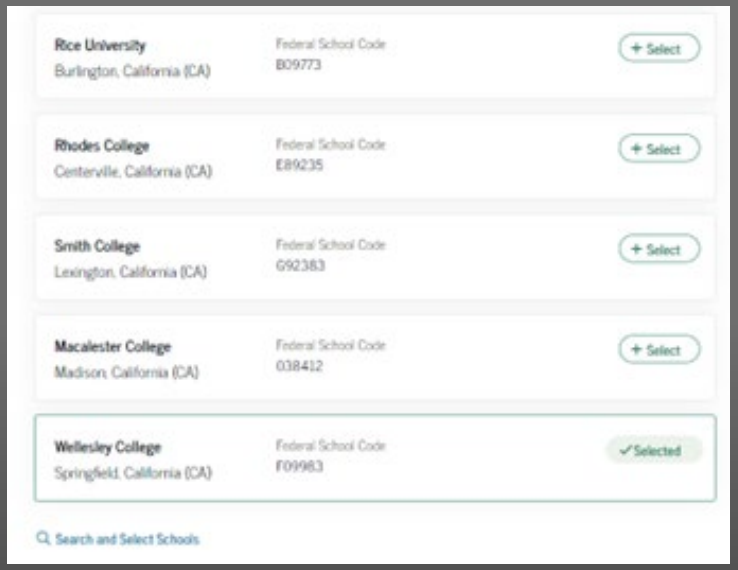



# A Closer Look: Colleges

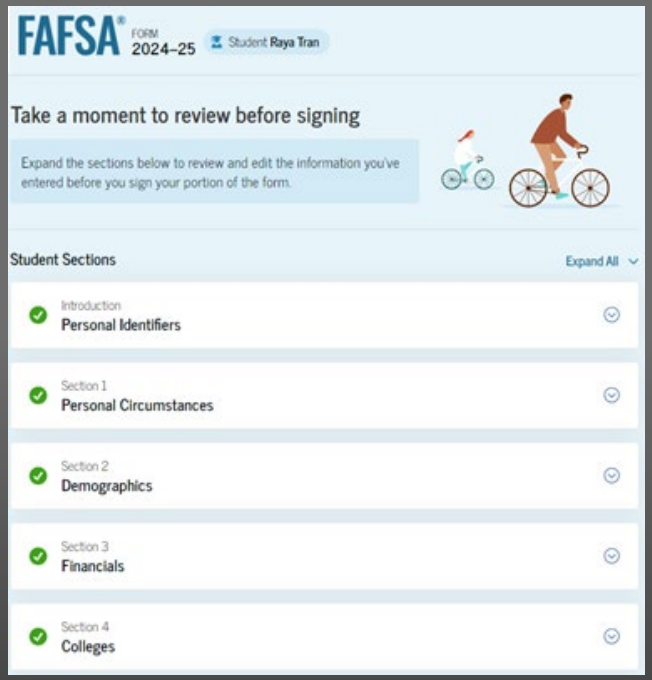
- New:  up to 20 colleges/universities
- Find by city/state/name *or* School Code; summary of colleges/housing

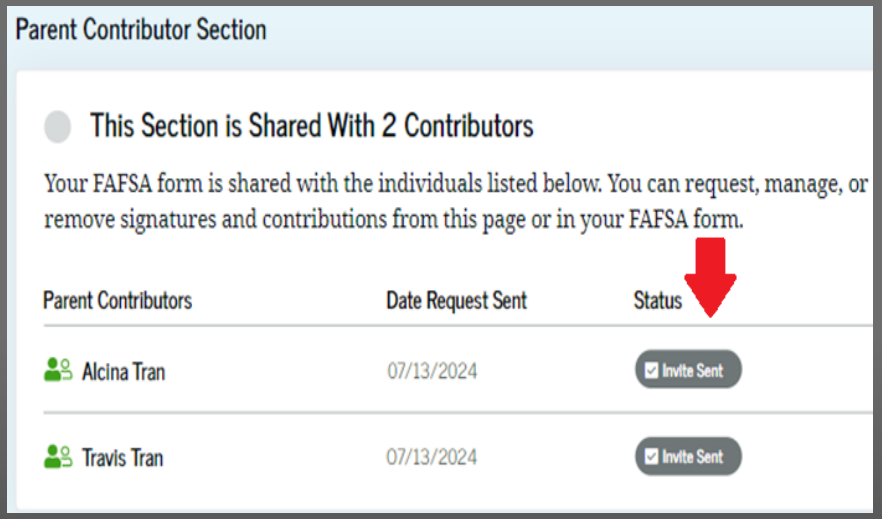


# A Closer Look: Summary & Status

- View complete summary of all questions (except FTI) before exiting
- Summary & (later) “Dashboard” will show the status of “contributors”

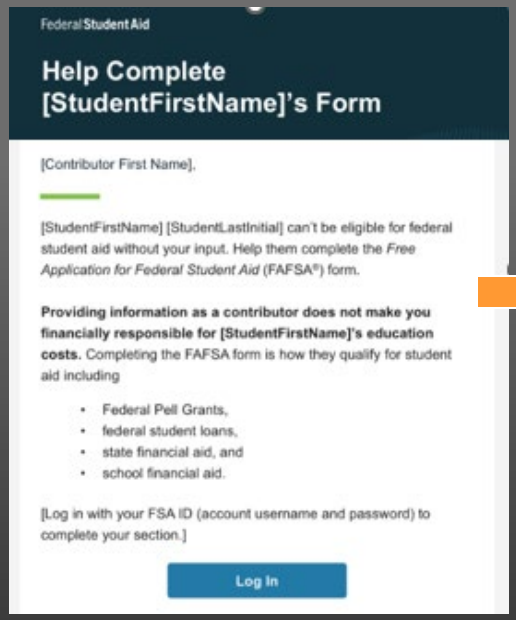


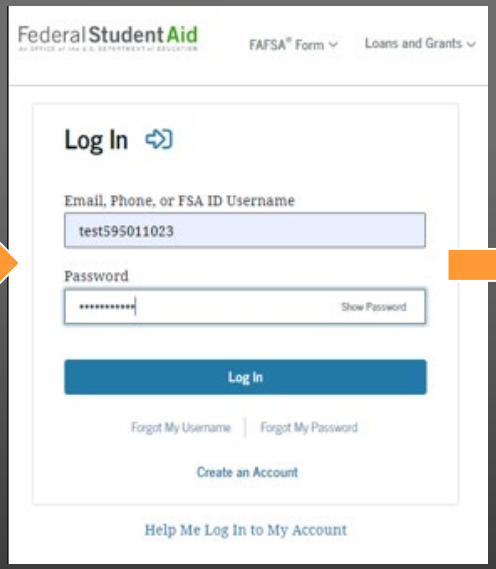



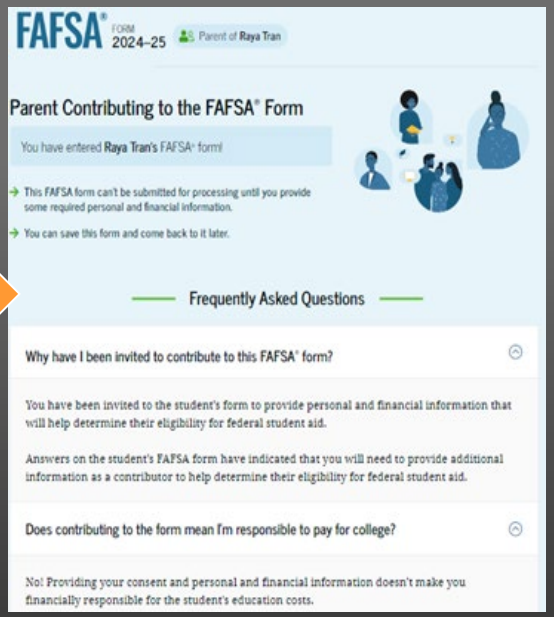
# A Closer Look: Parent Invitation

- New term: *"Contributors" are invited to complete required information*
  - parent is a *contributor*; student's spouse is a *contributor*
  - without contributor's information, FAFSA will be rejected

What the parent will see … beginning with an email invitation

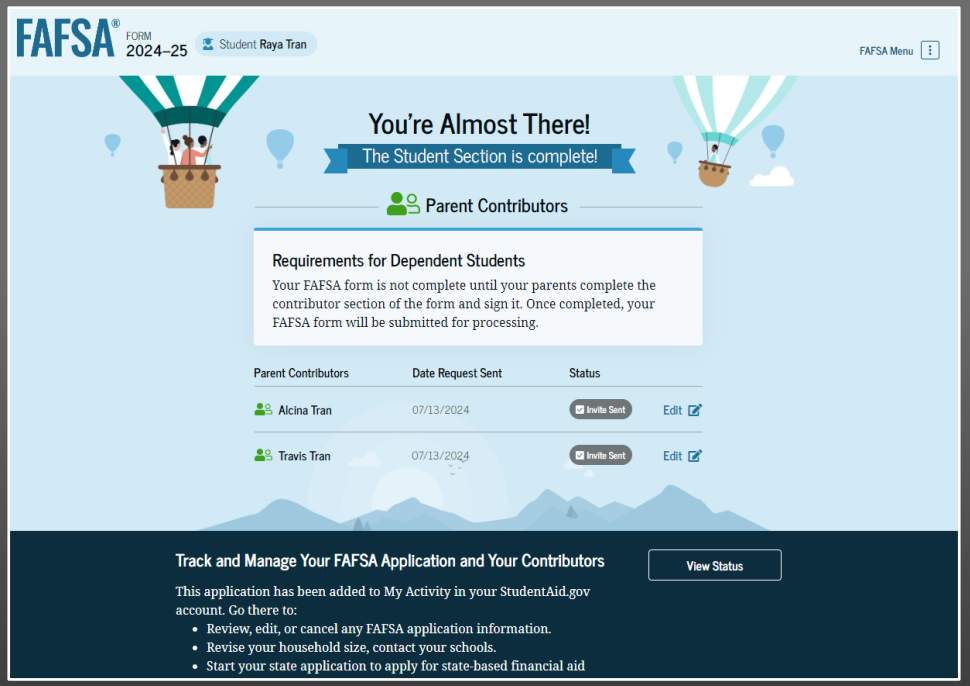


# A Closer Look: Parent Invitation

- This page displays information for the parent about next steps, including tracking the student's FAFSA.
- "Status" is shown for each contributor



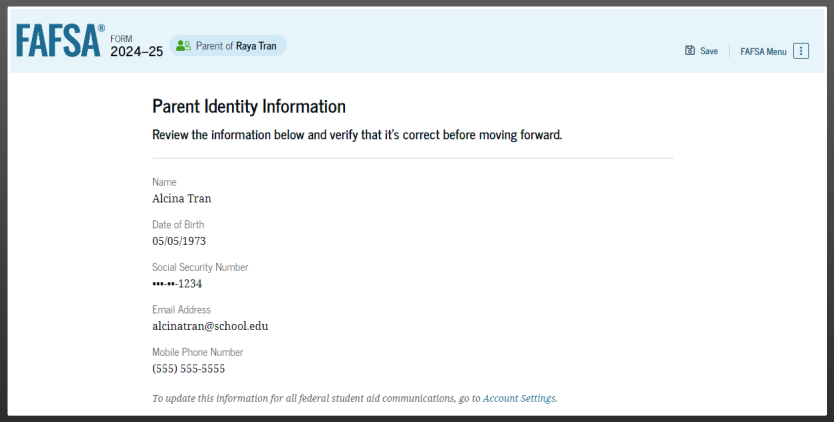
# A Closer Look: Parent Guidance

The parent will see several “onboarding” screens, including these, to understand what is needed for the FAFSA to be processed…

… and will verify

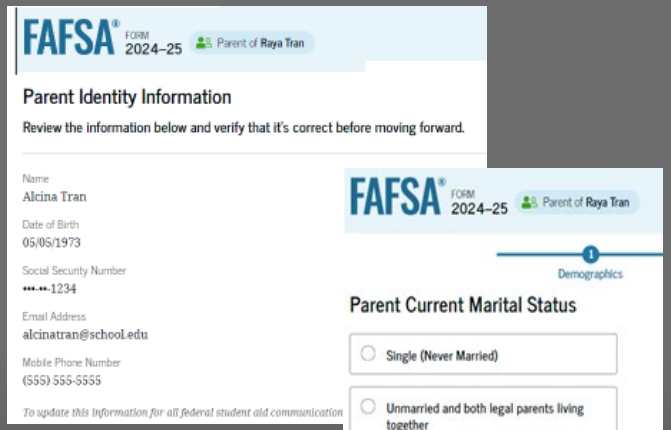
the personal info

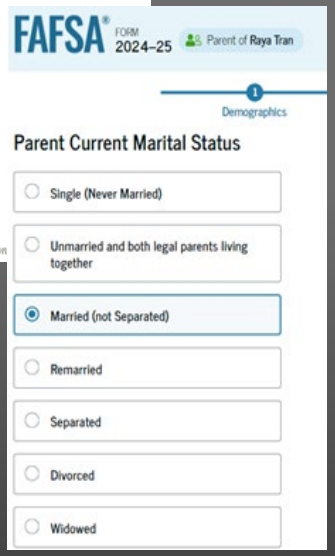
the student provided

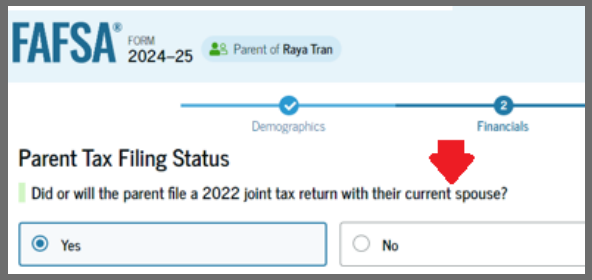


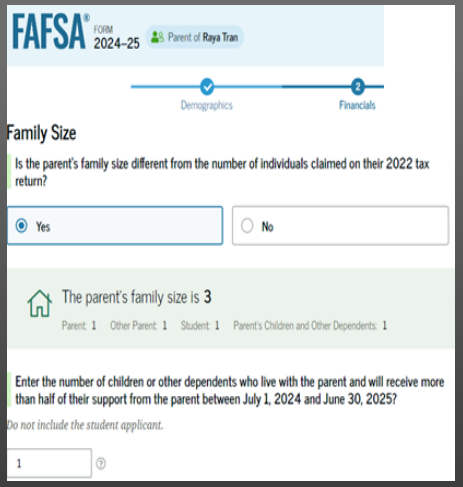
# A Closer Look: Parent Information

- Will view/correct personal info, demographic, tax status, family size
- Financials similar to student: “consent to transfer FTI”, asset values



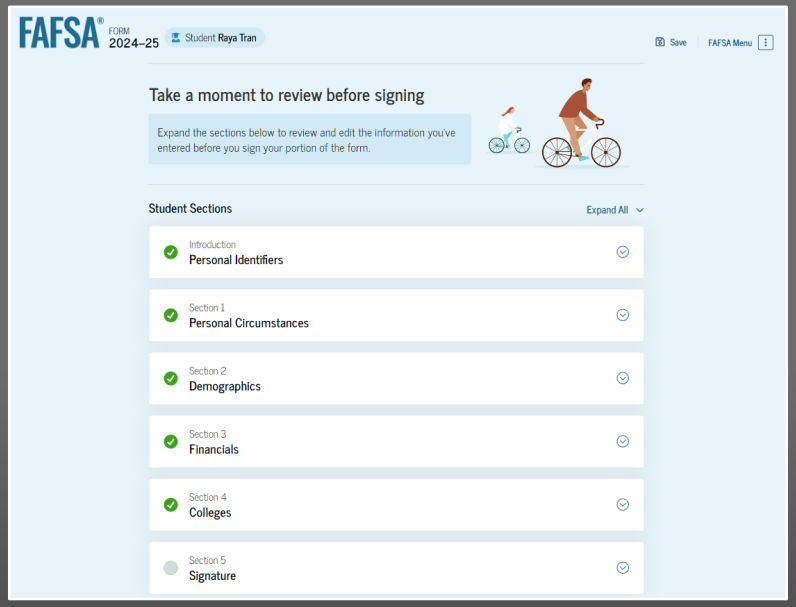



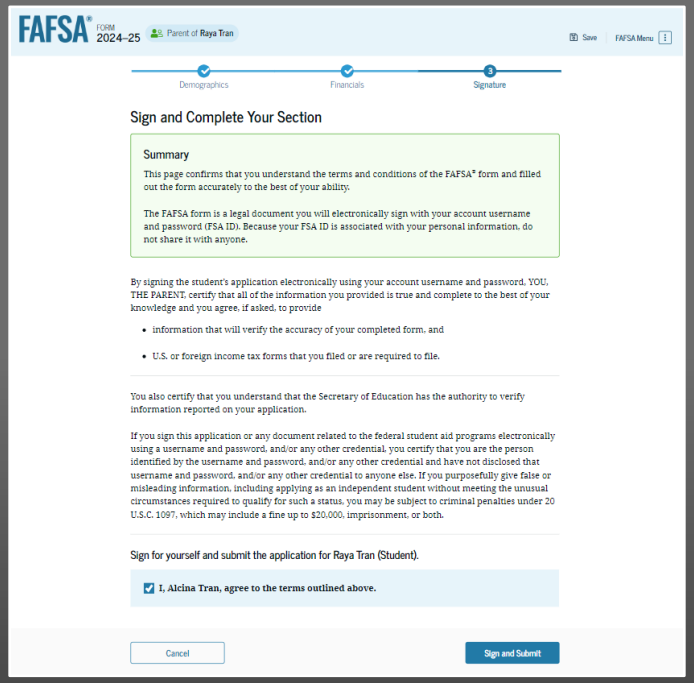



# Summary and Signature Pages

- Check your answers before signing
- The application will not be processed until student and parent sign.



# FAFSA Help

- Online, within the web application
- Grant HS Counseling Staff
- College/University Financial Aid Offices
- ISACorps Events (*isac.org*)
- https://studentaid.gov/fafsahelp

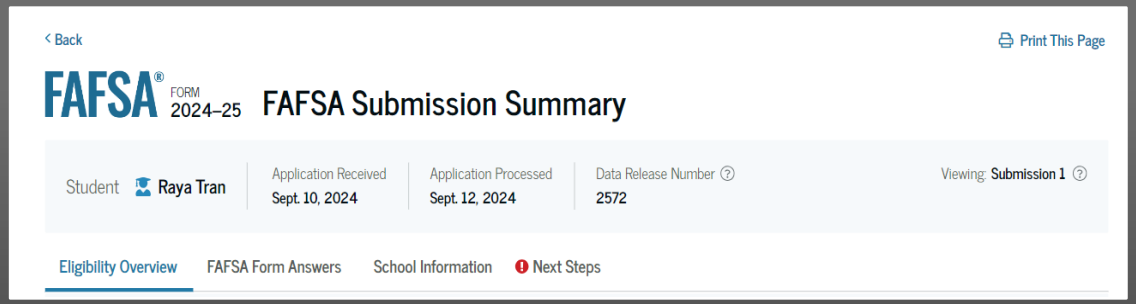
# FAFSA Deadlines

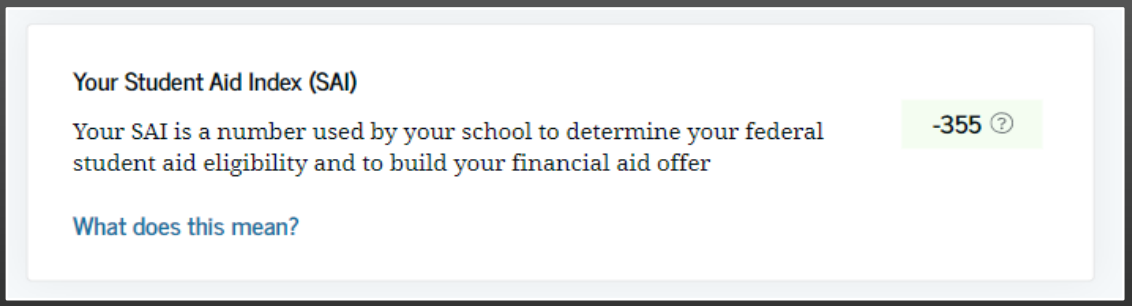
Know them!

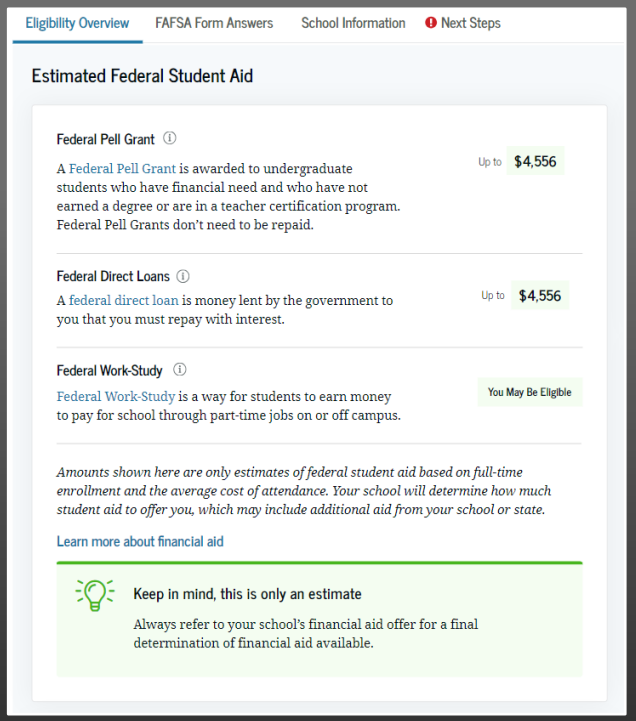
- College/University dates
  - “preferred” or “absolute”?
- Illinois MAP Grant – up to $8400 to those who qualify
  - use at in-state colleges
  - 2023-2024 – Sept 22, 2024
  - 2024-2025 – TBD …but don’t delay!

# What's Next, 3-4 days

- Schools receive a report
- Student receives a FAFSA Submission Summary; review for accuracy
  - processing dates
  - estimated Pell Grant & loan eligibility
  - will see "Student Aid Index" (SAI)
- Can now make corrections / add schools



# What's Next: Other Forms

- Verification…What is it?
  - 20% of all FAFSAs are selected
  - random selection *or* inconsistencies (ex: income vs. tax paid)
  - confirms data reported on the FAFSA, document income

- Other Possible Forms – "Special Circumstances"
  - School-specific form(s)
  - Documenting what is unique in your family, such as:
    - large income change (work, child support, one-time income)
    - large healthcare costs, legal fees, support of extended family
    - parent's own educational loan
    - parent or sibling in college (new!)_
    - others … contact the college financial aid office

# Scholarship Searches

- Naviance (see *Career Center* web site)
- www.fastweb.com
- www.hsf.net/scholarship (Hispanic Sch Fndtn, *live January 1*)
- www.scholarships.com
- www.uncf.org/scholarships
- Parent's employer
- Is a fee charged, or sound too good to be true …

# Remember … Four "C's"

If what you pay will be a factor in your decision, do not assume you won't qualify or cannot afford a college. Instead…

- complete the admissions and financial aid processes
- consider what the schools have to offer you in your education
- compare the numbers
- choose the college that will prepare you and is financially feasible

# Questions?

Mark Anderson
*anderson@lakeforest.edu*

*Begin the subject line with ‘Grant HS Session’*