ISAC
Illinois Student Assistance Commission

The Financial Aid Process

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About ISAC

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 and forgiveness programs.

ISAC's Mission Statement is "Providing Illinois students with information and assistance to **help make education beyond high school accessible and affordable**."

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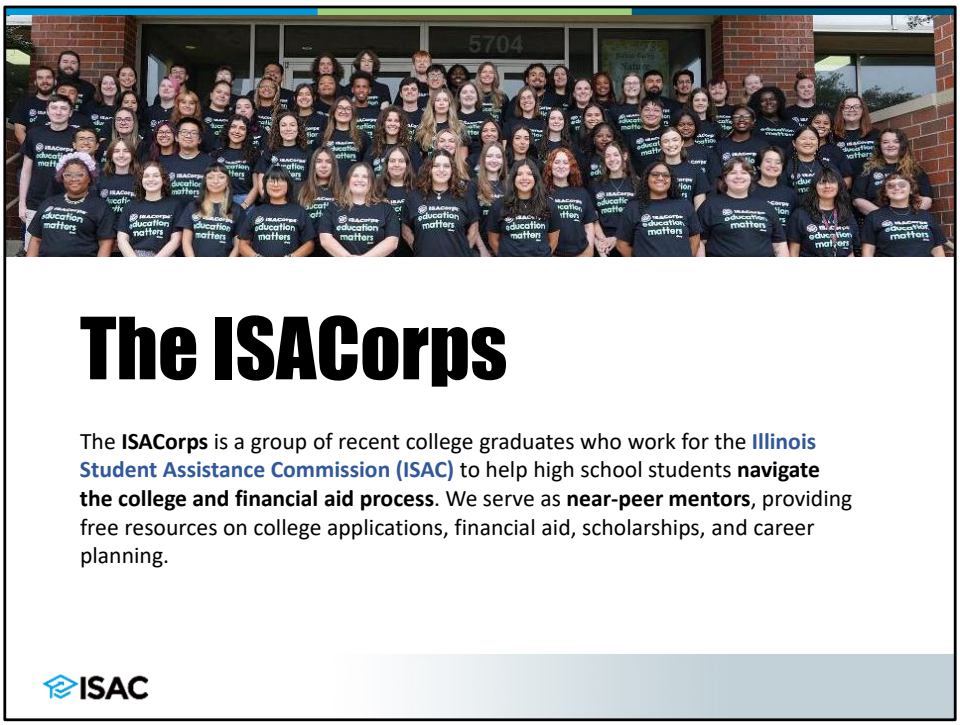
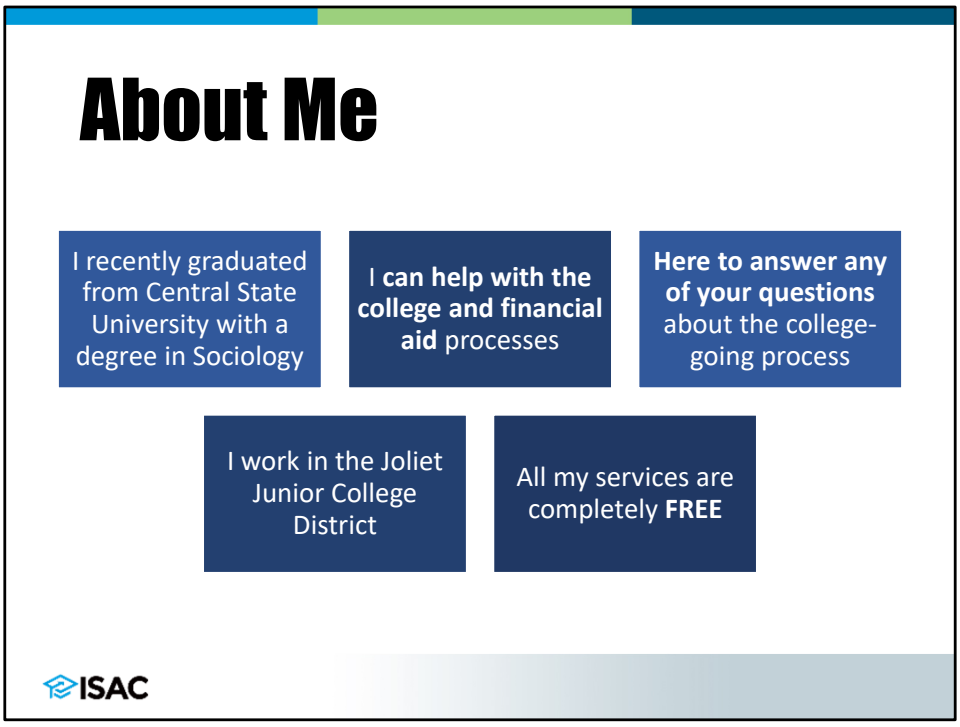
ISAC is a mission-driven, non-profit, agency that administers scholarship, grant, loan, and prepaid tuition programs. We are providing Illinois students with information and assistance to help make education beyond high school accessible and affordable.



The **ISACorps** is a group of recent college graduates who work for the **Illinois Student Assistance Commission (ISAC)** to help high school students navigate the college and financial aid process. We serve as near-peer mentors, providing free resources on college applications, financial aid, scholarships, and career planning.



I work for ISAC in a program called the ISACorps. I recently graduated from college and my job is to help you navigate any part of the college and financial aid processes. Because I work for ISAC, a state agency, all my services are completely free to you, so if you have questions or need help with an application or personal statement, or understanding any part of the processes related to going to college, I can help!

Ask Questions!

- There are many things to consider
- Some common questions include:
  - How much does **college cost?**
  - What is **financial aid?**
  - When and **how do I apply?**
- What other things come to mind?
- Ask me, I'm here to help!

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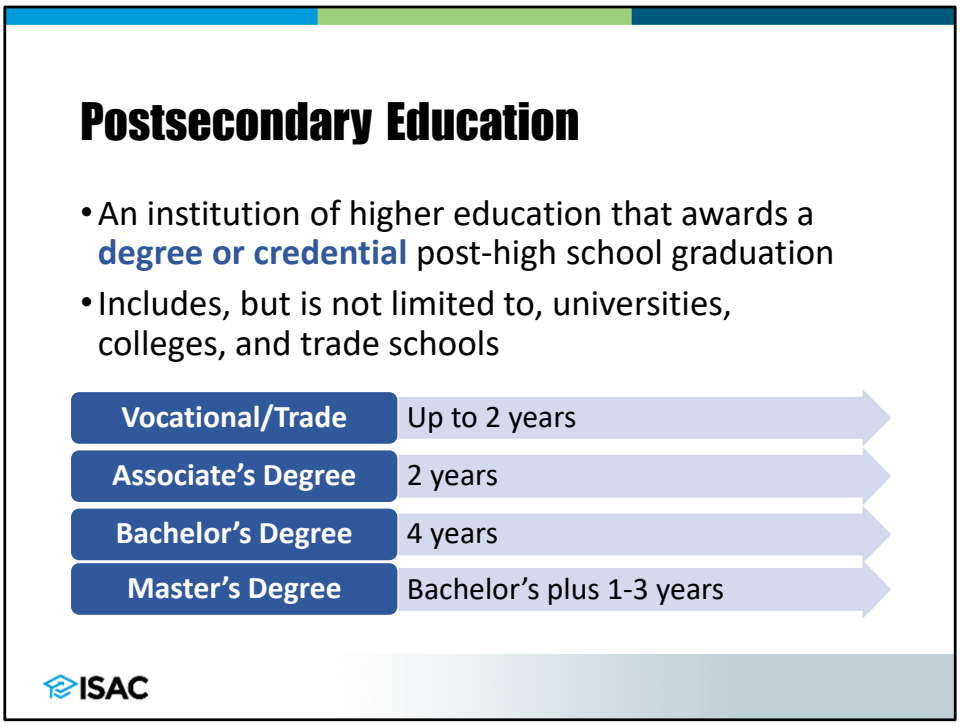
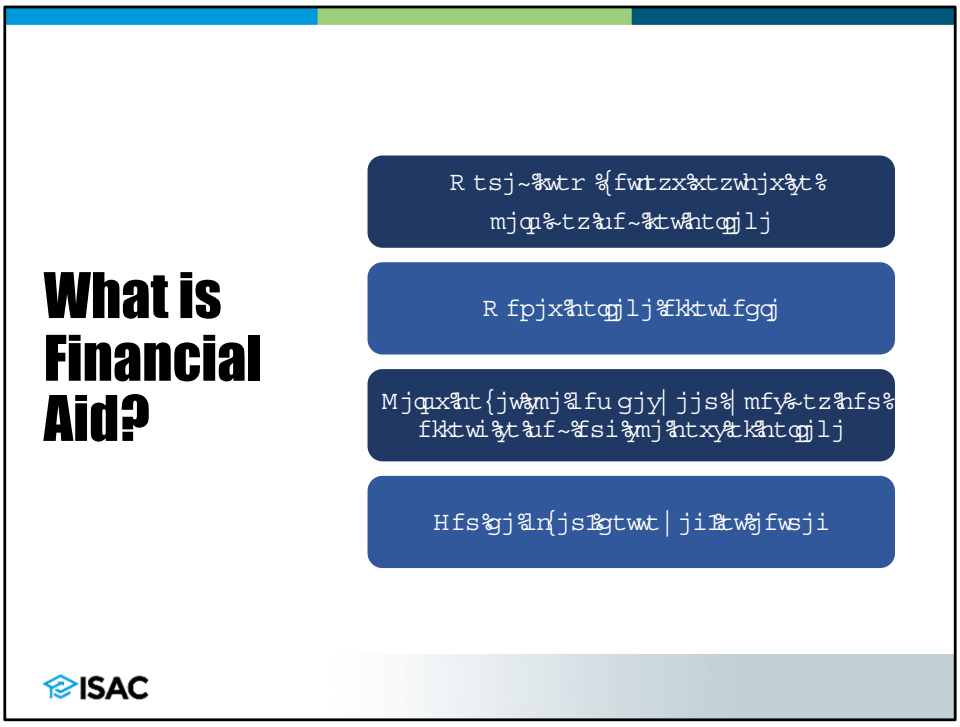
This process can seem overwhelming, so you may have many or a few questions. I hope that after today's presentation I have answered some or all your questions. If you don't have any questions that's okay! But you can think about Some common questions students and parents ask like:

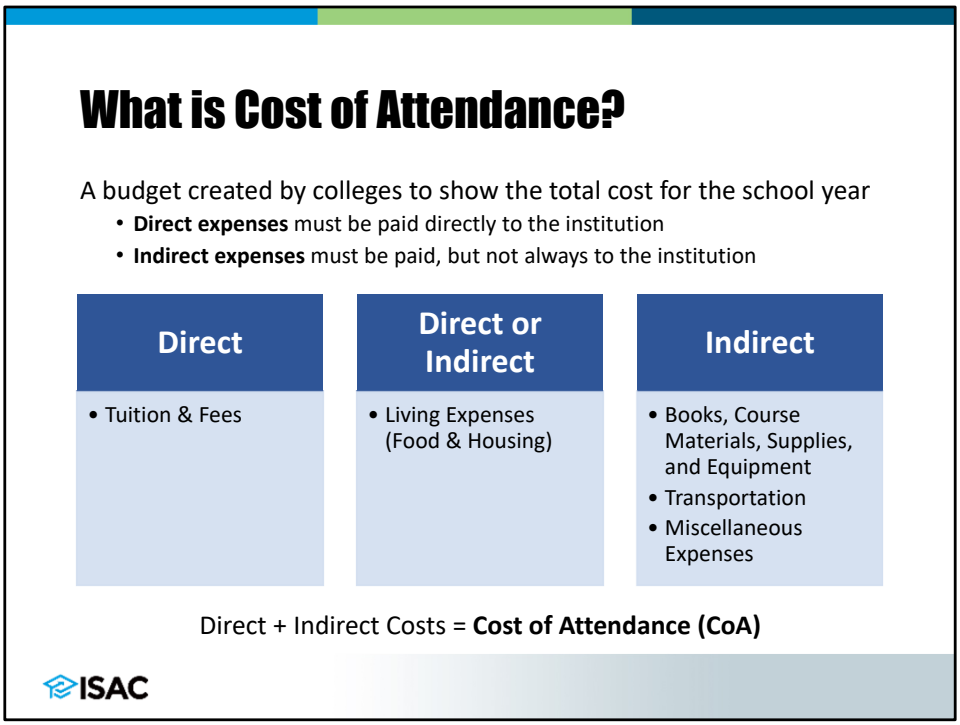
1. How much does college cost?
2. What is financial aid?
3. When and how do I apply for financial aid?



A postsecondary education can mean different things for different students. There are different types of colleges and different types of postsecondary credentials that a student can pursue based on their interests and can differ on length of program.

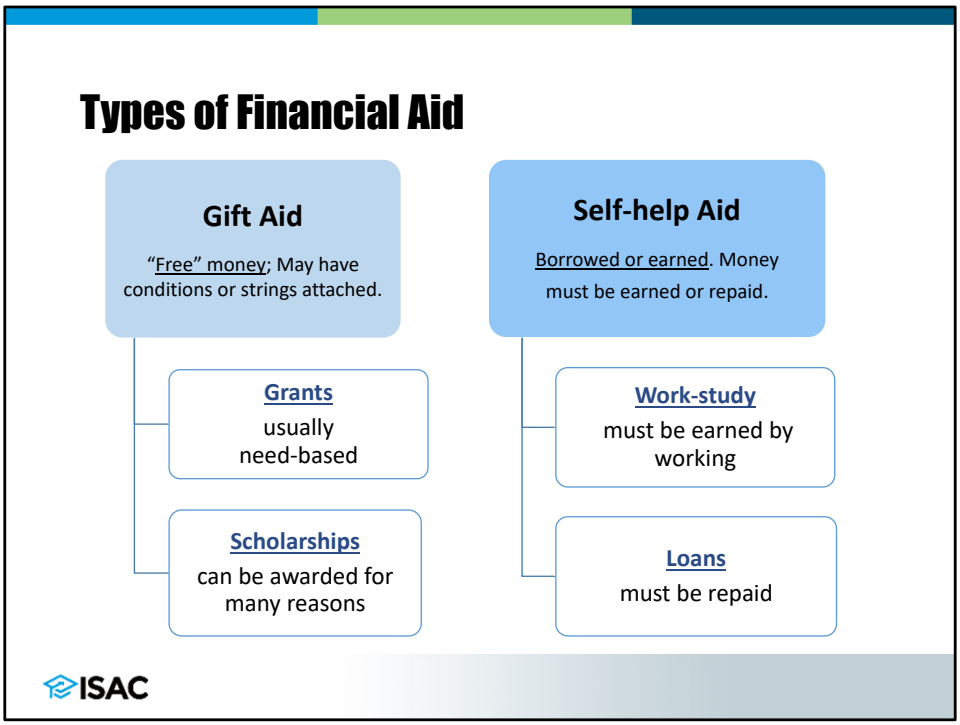


Financial aid refers to money that can help students pay for college and makes college affordable for you. This money can be *given, borrowed, or earned* and it can be obtained from various sources to help pay for college. It is intended to make up the difference between what your family can afford to pay and what college costs.



You may be wondering what it will cost to go to college which is also known as Cost of attendance (COA). The COA is the estimated amount that it will cost the student to attend a college or university for the year. Some of the most common expenses are tuition, fees, living expenses (room and board), books and supplies, and transportation.

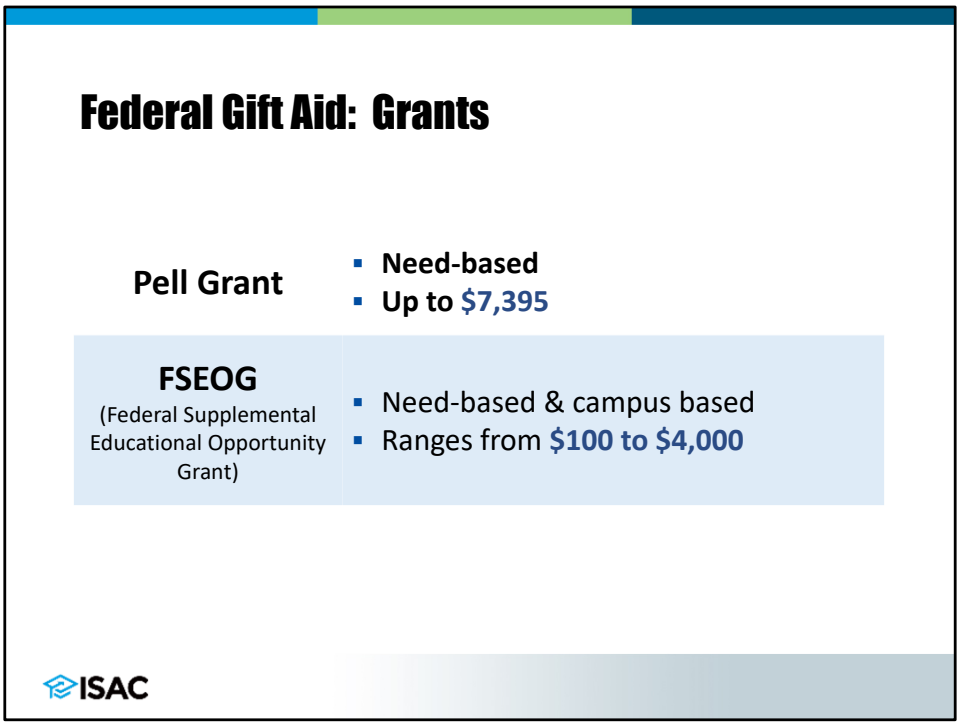
Your COA can differ from school this is because of the different programs, degrees the school has to offer, they may also have different room and board and options. However, it is very important to keep in mind this is only an estimate and generally the cost is lower depending on a variety of different things.



There are two types of financial aid which is Gift Aid and Self-help Aid.
Gift Aid: This is money that does not have be paid back, it is free money. Gift Aid can be awarded in forms of grants and scholarships.
Self-help Aid: Requires you to take some responsibility for receiving this type of aid, this type of aid is awarded through work or loans.

Financial aid comes from four main sources, and each source has its own criteria for determining eligibility. The eligibility for the financial aid is based on the student's eligibility.

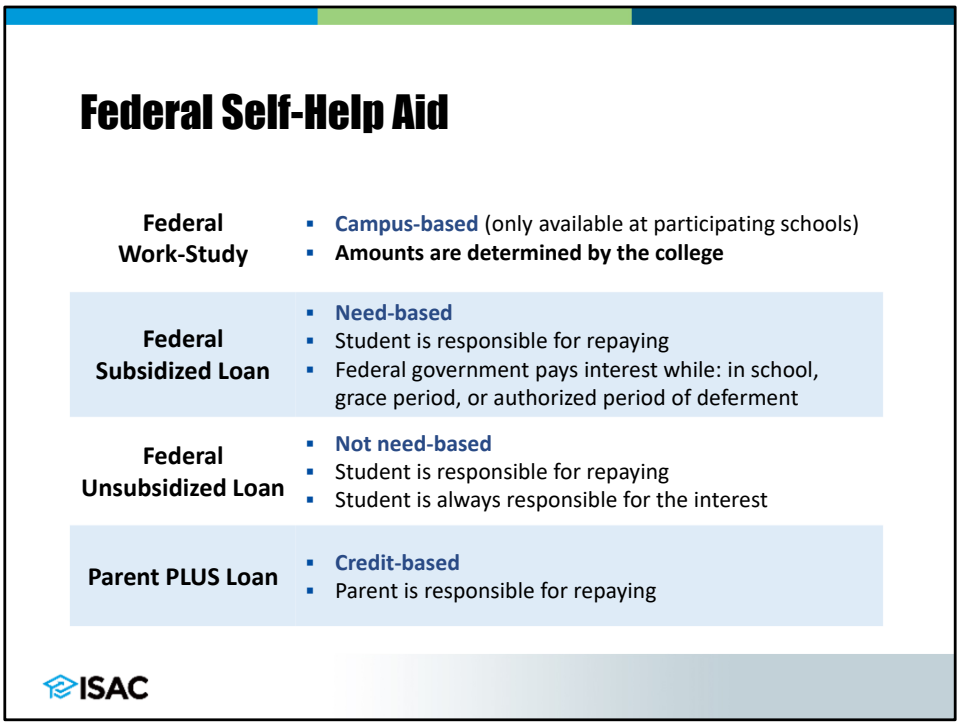
In addition, scholarships are always a great source to help pay for college, just make sure to keep a few things in mind with your scholarship search.



The U.S Department of Education is the largest source of student aid.

The **Federal Pell Grant** is the largest grant program administered at a federal level. It is a need-based grant program for undergraduate students to cover any educational expenses such as tuition, room and board, or other miscellaneous fees. The awarded amounts are depending on funding approved by the Federal government and are calculated by the college.
FSEOG is a grant is prioritized and awarded to undergraduate students with exceptional need. This grant can also be awarded to Pell Grant recipients. The college or institution determine the eligibility based on the student's *need* and availability of funds at the college. If a student is eligible, they will be notified via the financial aid award notification.

No additional application is required other then the FAFSA to be considered for FSEOG.



Federal work-study is a need based that allows eligible students to work part-time on or off campus. A Federal work-study job can differ from other jobs for two reasons: (1) work study jobs offer flexible hours and ensures that students have enough time to study and do homework. (2) when students apply for financial aid the following year, money earned through this program is not used to determine *financial need*. *Note that funds for this program are limited.

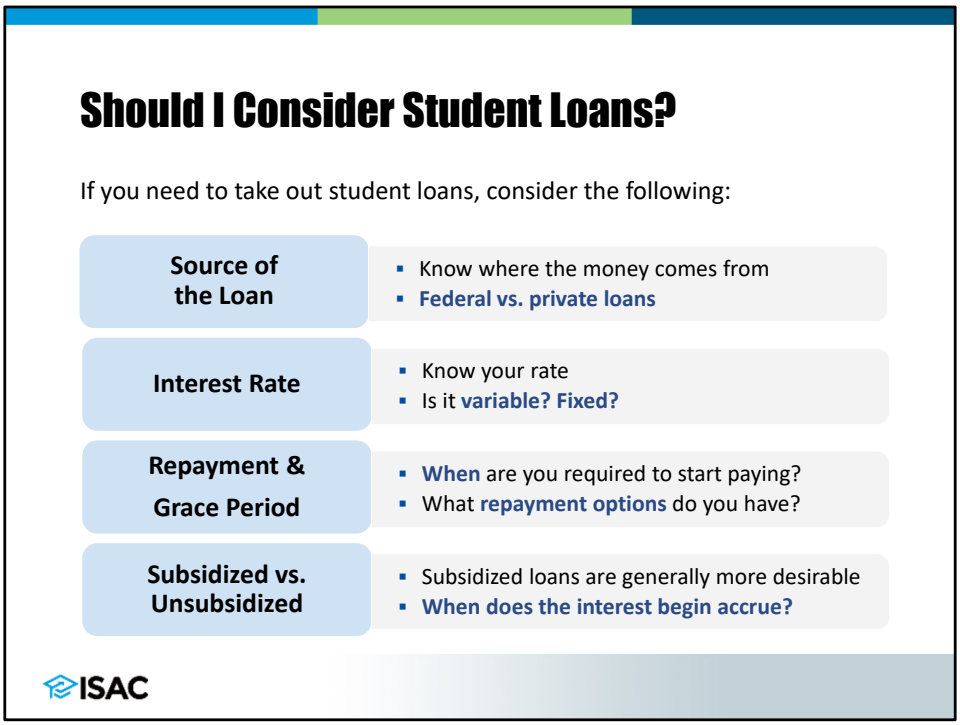
Work-study helps students pay for educational expenses, for example: books, supplies, and personal expenses. All funds awarded must be *earned* and students are responsible for securing a job on campus.

To automatically be considered for Federal Work-Study you must fill out the FAFSA.

Federal Subsidized Loan is a need-based loan offered to eligible undergraduate students. The federal government is in charge of paying the interest rate on your behalf while you are enrolled at least half time, during grace periods and authorized periods of deferment. For example, if you borrow $1,000 freshman year and you stay in school full-time for four years, when you graduate you will still only owe $1,000 because the federal government would have paid the interest on your behalf.

Federal Unsubsidized Loan does not require for you to have financial need; however, you are always responsible for paying the interest. You can pay some of it while in school or you can hold off until the loan accrues and capitalizes. If you allow it to accrue, the interest will be added to your principal balance to be paid off with the rest of your loan when you stop attending on at least a half-time basis. With this loan, on the other hand, if you borrow $1,000 freshman year, when you graduate from college, you will owe more than just the initial $1,000 because interest will have accrued on your loan.

Parent PLUS Loans are credit based and tend to have a higher interest rate. This loan is offered to parents of undergraduate students. This loan does not have a grace period, and payments begin within 60 days of the final disbursement, but parents can request to defer payment until graduation or six months after graduation. It is important to note that this is an unsubsidized loan therefore interest will continue to accrue even when the student is enrolled in college.

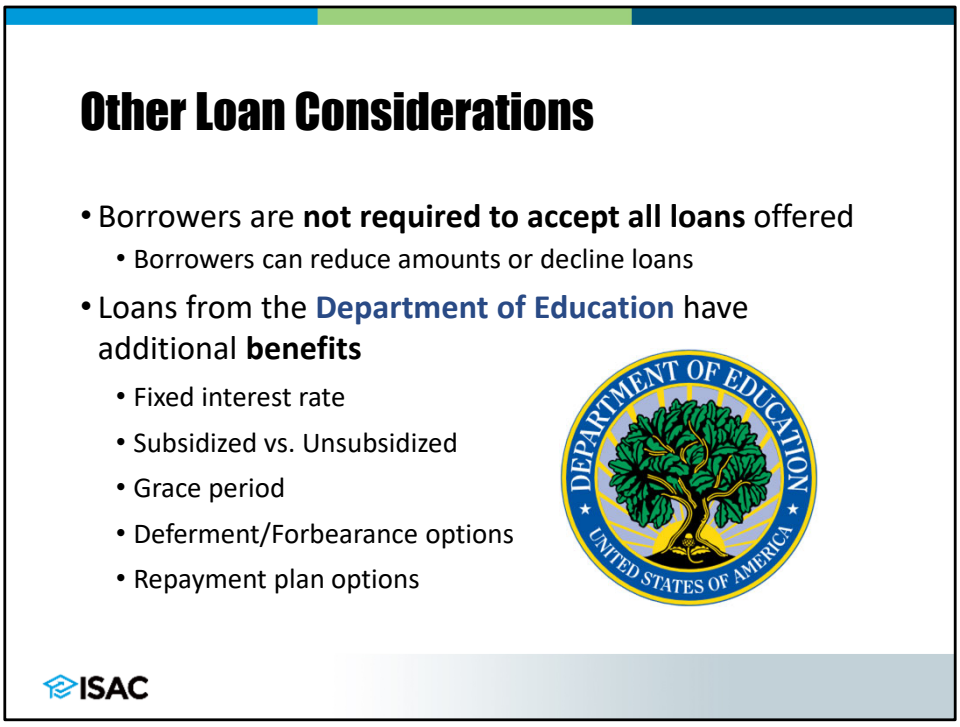


It is important that research your loan options carefully, make sure you are aware of these 3 things:

1. Source of the Loan - What is the source of your loan? Is it a federal loan or a private loan, It is important to know where the loan is coming from. Let's say for example that your loan has not been posted to your student account or you have questions, you need to know who you should contact.

2. Interest Rate - What is the interest rate? Is it fixed, meaning the rate of the loan won't change or is it variable, meaning the interest rate can go up or down. It is important that you are aware of your interest rate because it will help you know how much money you will owe in the long run.

Repayment & Grace Period – These options typically only apply to federal loans (not private loans). The federal government offers a variety of payment plans that allows you to lower you monthly payments based on your income. There are also options that allow you to make smaller payments or stop your payments in the event of unforeseen circumstances such as job loss, illness, disability, or other acceptable circumstances. **The Grace period** is only a set amount of time that is given by the federal government before you are required to start making payments either after you graduate or separate from your institution.



When considering loans, it is important for students to realize that they have the option to reduce or decline loans, they are not required to accept loans just because they were offered to them. However, students should realize that if they should choose to decline or reduce a loan amount it is their responsibility to fill any remaining financial gap.

Students should also know the benefits of borrowing from the Department of Education. Loans from the Department of Ed offer:

- **Fixed interest rate** – as opposed to a variable interest rate. This means that the interest on the loan is set and is not subject to fluctuations for the duration of the loan.

- **Subsidized** – Need-based loans in which the government will pay off any interest that accrues while the student is enrolled in school at least half-time or more

- **Unsubsidized** – Non-need-based loan. Interest begins accruing as soon as the loan is dispersed.

- **Grace period** – 6 months period of time after a student graduates, leaves school or drops below halftime enrollment before the student is required to begin repayment on

their loans.

- **Deferment /Forbearance** – Allows student to temporarily stop making payments or to temporarily reduce their monthly payments for a specified period. The difference between the two is that in deferment a period student may not be responsible for paying interest that accrues.

- **Repayment plan options** – Different repayment options can make the students monthly payment more affordable by giving the student more time to repay the loan or base the monthly loan payment on your income.

Federal Direct Loan Amounts

Year	Dependent Students	Independent Students
1st Year	**$5,500** Max. $3,500 subsidized	**$9,500** Max. $3,500 subsidized
2nd Year	**$6,500** Max. $4,500 subsidized	**$10,500** Max. $4,500 subsidized
3rd Year & Beyond	**$7,500** Max. $5,500 subsidized	**$12,500** Max. $5,500 subsidized
Graduate	Not Applicable	**$20,500** (unsubsidized only)

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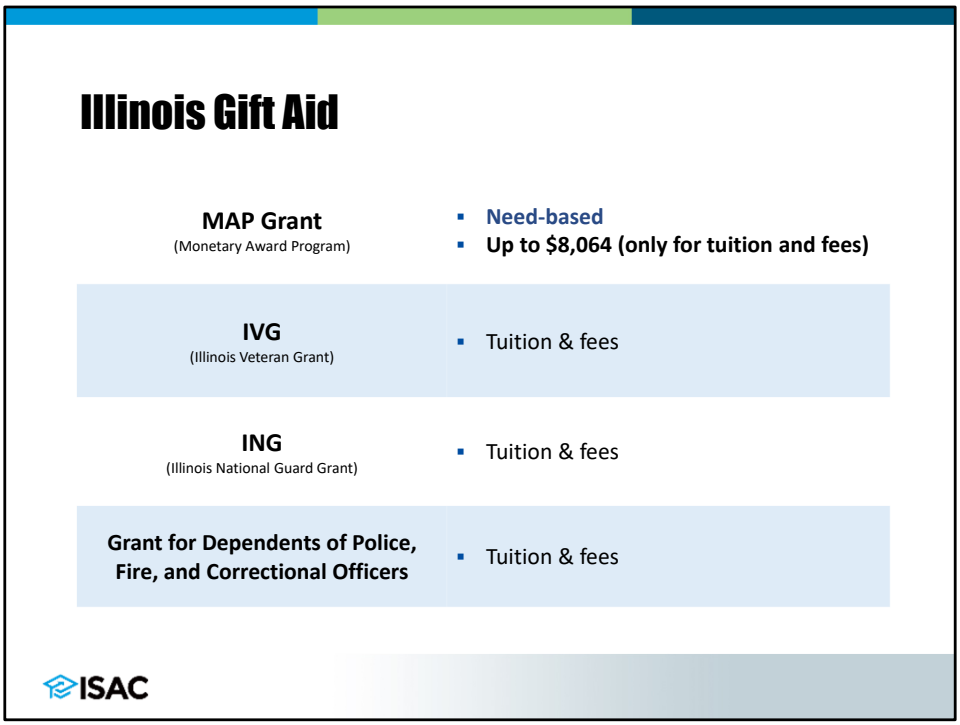
There are limits to how much money you can borrow from the federal loan programs. Refer to the slide for the current loan amount limit information.

Limit for professional students is $50K per year.

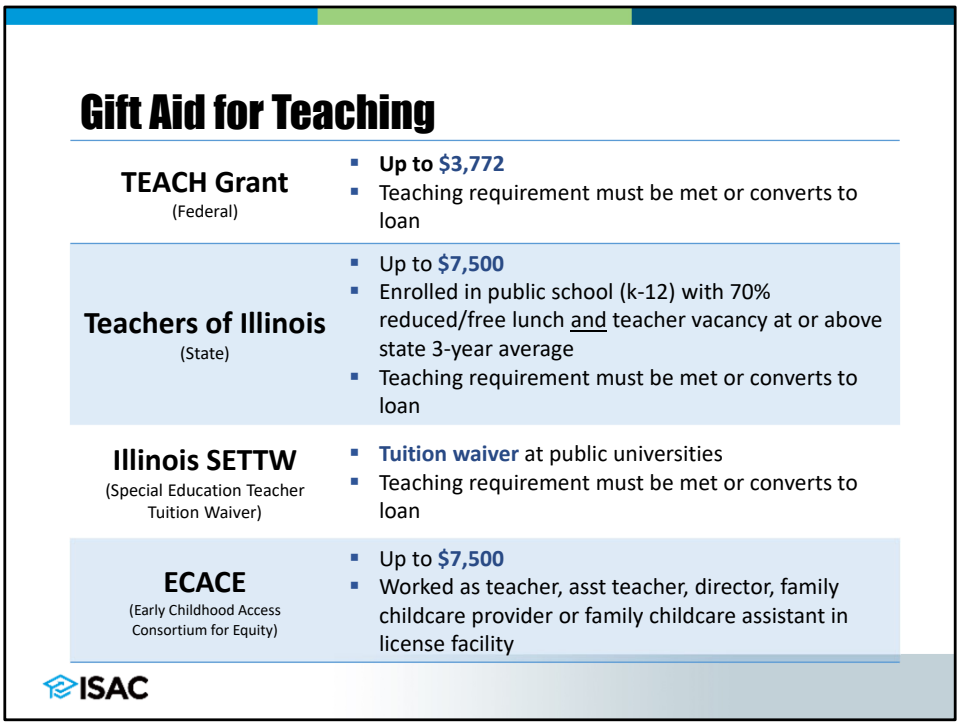
See comparison of changes to aggregate loan limits at https://studentaid.gov/announcements-events/big-updates/definitions



ISAC administers financial aid programs for residents of Illinois. You can always go to www.isac.org to learn more information

1. **The Monetary Award Program –** is one of the largest state programs in the country. This aid is for eligible students demonstrating financial need and can only be applied to tuition and mandatory fees. It is important to note that the MAP grant is only eligible for undergraduate students at approved Illinois degree-granting institutions. Completion of the FAFSA is required to be considered for this grant. *Subject to appropriation of funds so they are awarded on a first-come, first-serve basis.
2. **The IVG program –** is an entitlement program awarded to eligible applicants regardless of the funding level. It pays eligible tuition and mandatory fees at Illinois public colleges or community colleges. Qualified veterans may receive benefits at the undergraduate or graduate level for the equivalent of four academic years of full-time enrollment.
3. **The ING Program** is also an entitlement program awarded to eligible recipients regardless of the funding level. It pays tuition and eligible fees at all Illinois public universities or public community colleges for undergraduate or graduate enrollment.
4. **Grants for Dependent of Police, Fire and Correctional Officers -** If a correctional officer employed by the Illinois Department of Corrections in a security position or an Illinois police or fire officer is killed or sustains injuries resulting in a permanent disability (at

least 90%) in the line of duty, the officer's spouse and children may receive grant assistance toward tuition and mandatory fees. It may be used for an equivalent of 8 semesters or 12 quarters of undergraduate or graduate enrollment.



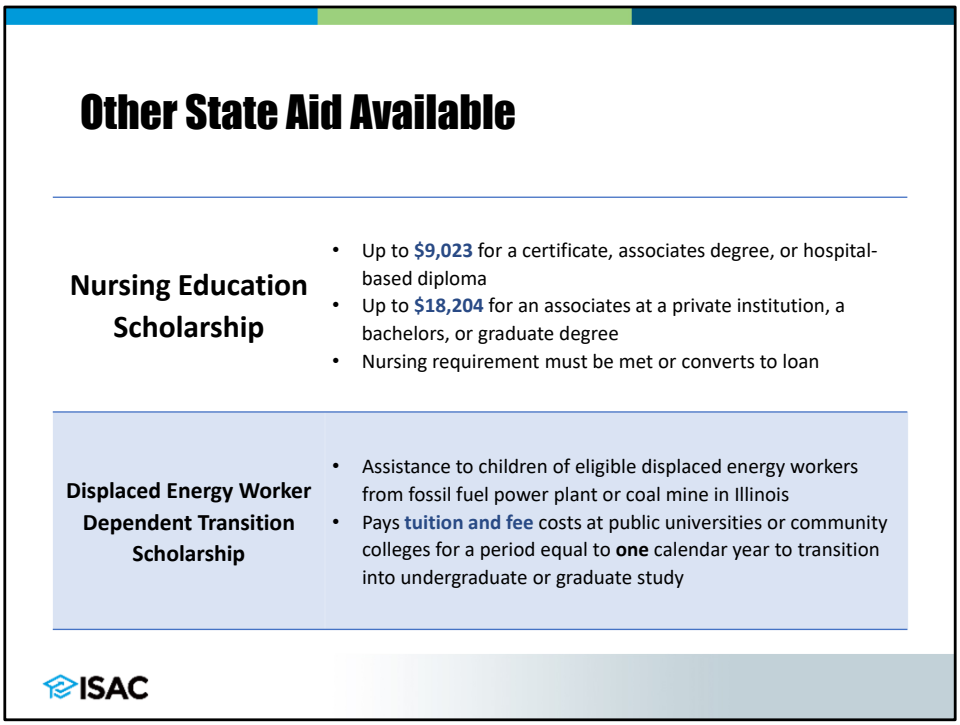
If you are thinking about a teaching degree, there is also gift aid that you can potentially be eligible for. However, one thing to keep in mind is that there is a teaching requirement and if not fulfilled for a teaching program, the funds convert to a loan with a 5% interest rate.

The **TEACH Grant** is a federal teaching program for individuals seeking to become teachers in specialized fields. If the student gets a TEACH grant, they will be required to teach for 4 years in a specific field independent of how many times they received the TEACH grant.

The **Teachers of Illinois** scholarship is up to $7,500 per year but cannot exceed the COA when scholarship is combined with MAP. Can only be used at public universities in Illinois and student must have attended a K-12 school where 70% of the students qualify for the free or reduced lunch **and** the school vacancy rate was at above the 3-year average.

Illinois SETTW exempts recipients from the payment of tuition and mandatory fees for up to four calendar years at any one of the 12 public four-year colleges in Illinois. It encourages current teachers (not certified in a special education discipline) and academically talented students to pursue careers at nonprofit Illinois public, private or parochial preschool, elementary or secondary school teachers in any area of Special Education. Students only need to apply once to establish eligibility. The institution will work with ISAC in order to continue verifying eligibility for SETTW.

ECACE is a relatively new scholarship available to those currently working (or worked) in the early childhood field and interested in obtaining a degree or credential in early childhood education. ECACE is now up to $7,5000 can cover other items in the cost of attendance after other financial aid is applied. To qualify, an applicant must have worked in an eligible childcare program in a center or home.



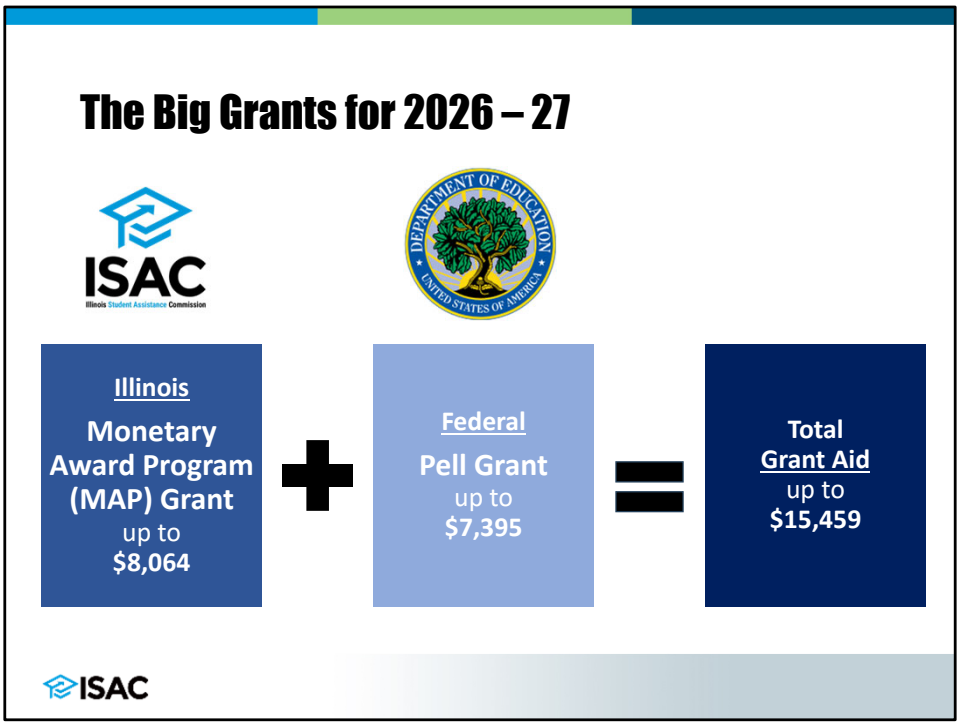
"The **Nursing Education Scholarship** is a great opportunity for students pursuing a career in nursing. It provides up to $9,023 for a certificate, associate degree, or hospital-based diploma, and up to $18,204 for an associate degree at a private institution, a bachelor's, or even graduate-level nursing programs. A portion of the scholarship goes toward tuition and fees, and full-time students also receive a living allowance. However, keep in mind that the scholarship only covers courses within the nursing curriculum—it does **not** cover prerequisite coursework. Most importantly, there is a work requirement: if you don't meet the nursing employment obligation after graduation, the scholarship turns into a loan, meaning you'll have to repay it.

- A portion goes towards tuition and fees, plus – for full-time students only – a living allowance
- The scholarship **pays for coursework** within the nursing curriculum but does *not* pay for pre-requisite coursework

The **Displaced Energy Worker Dependent Transition Scholarship** is meant to help children of eligible displaced energy workers who have "unmet" financial need, which means they need to complete the FAFSA or Alternative Application. Applicants must upload proof of the displaced energy worker's loss of employment due to the reduced operation or closure of a fossil fuel power plant or coal mine that occurred on or after September

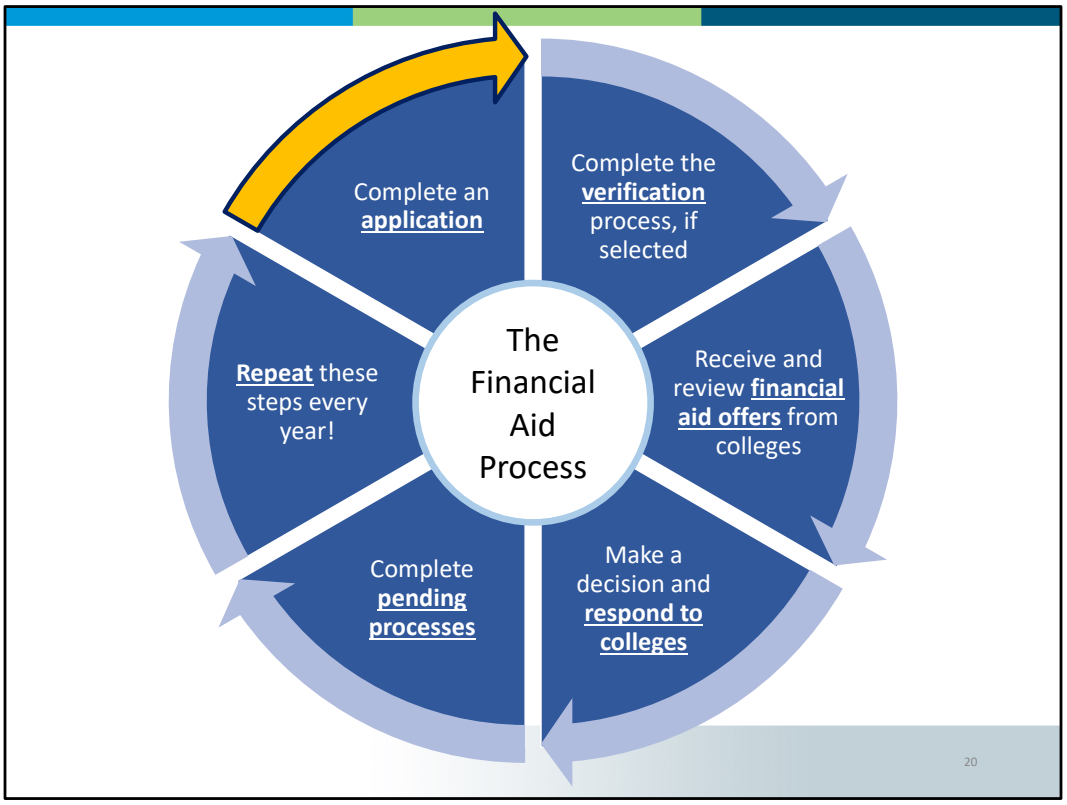
15, 2016. Depending on the college, students may be responsible for payment until program funds are received. They can receive funding for up to 14 credit hours but must have a minimum of 3 credit hours. Funding is dependent on state appropriations.

- **Must have "unmet" need** in your financial aid package
- Must also complete the FAFSA or Alternative App



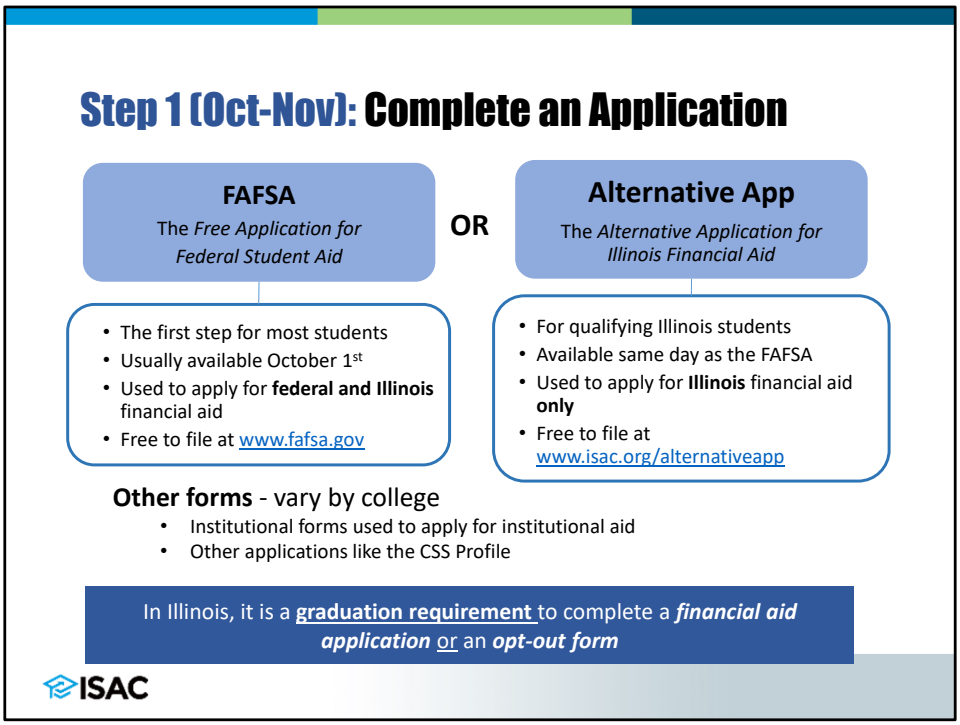
The Free Application for Federal Student Aid (FAFSA) helps determine if you can get federal or state grants, student loans, and other types of financial aid from your college or university. By filling out the FAFSA, you might qualify for major grants like Pell and MAP, which are significant sources of financial aid.

If you are not FAFSA eligible you may still be eligible for MAP. Qualifying Illinois students may complete the Alternative Application for Illinois Financial Aid to be considered for the MAP Grant.



End of section 1: The financial aid process happens every year while you're in college. Here's a quick overview of the 6 important steps: We will go into further details on the later slides.

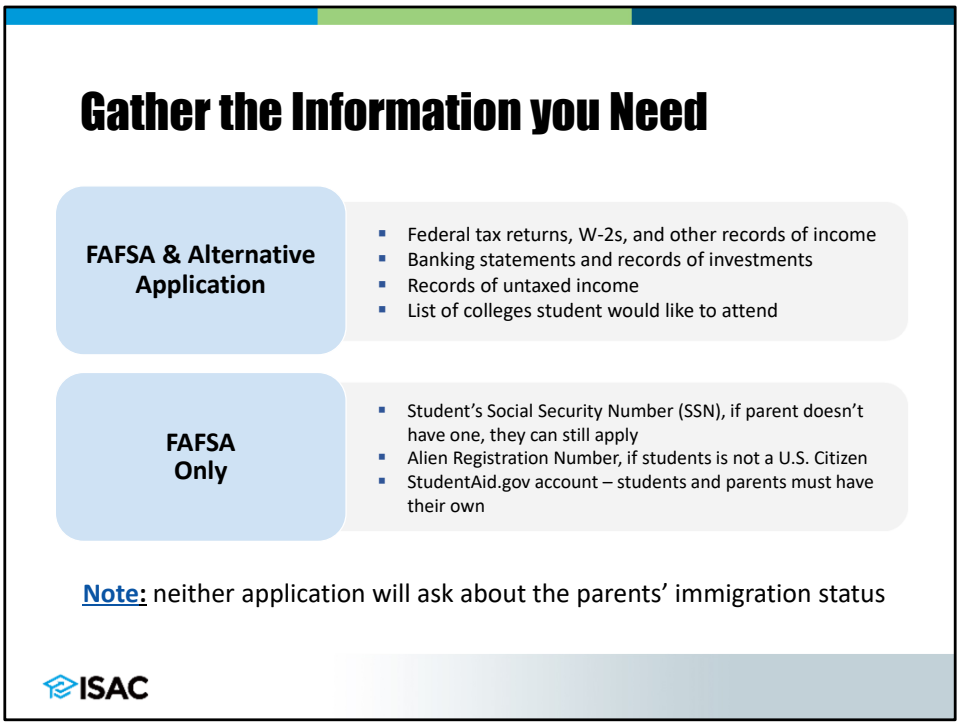
- Start by filing the FAFSA (that's the form to apply for financial aid).
- If you're asked to verify your information, send in any required documents.
- Review and consider all your financial aid offers.
- Respond to the offers from colleges by their deadlines, even if you're not planning to attend them.
- Remember to renew the FAFSA each year.



The first step to apply for federal and state aid would be to complete *Free Application for Federal Student Aid* (FAFSA). This application can be completed online (preferred method). The FAFSA uses your and your family's income, assets, and other information to estimate how much you should contribute to your college costs.

If you're not eligible for the FAFSA but qualify for an alternative application, you can complete the form online. Similar to the FAFSA, the alternative app uses your family's income, assets, and other details to determine your funding.

In some instances, colleges may use additional forms. The form used most often in this process (typically private colleges) is the CSS/Financial Aid PROFILE, which is administered by the College Scholarship Service (CSS), a division of the College Board organization. Be sure to communicate with each college to inquire about the steps you need to take to ensure that you submit a *complete application*. Although the CSS Profile is not free, it will be waived for families that have an Adjusted Gross Income (AGI) of $100,000 or less.

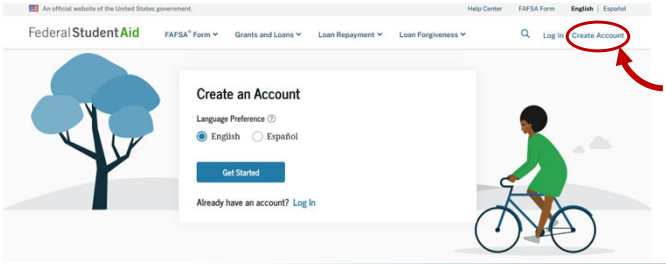


These are some of the documents that will be needed to complete the FAFSA or Alternative App. Make sure to gather all of the documents needed to fill out the form.

When it's time to complete the FAFSA, visit **studentportal.isac.org/calendar** to locate a FAFSA completion workshop near your home or school. All workshops listed are open to the public at *no fee.*

Student Aid.gov Account

- To submit a FAFSA, you will need to create a **studentaid.gov** account
- Students and parents need their own account
  - Students need a Social Security Number
  - Parents without a Social Security Number can still create one
- It's best to create a studentaid.gov account a few days before starting your FAFSA
- Go to www.studentaid.gov/fsa-id to get started



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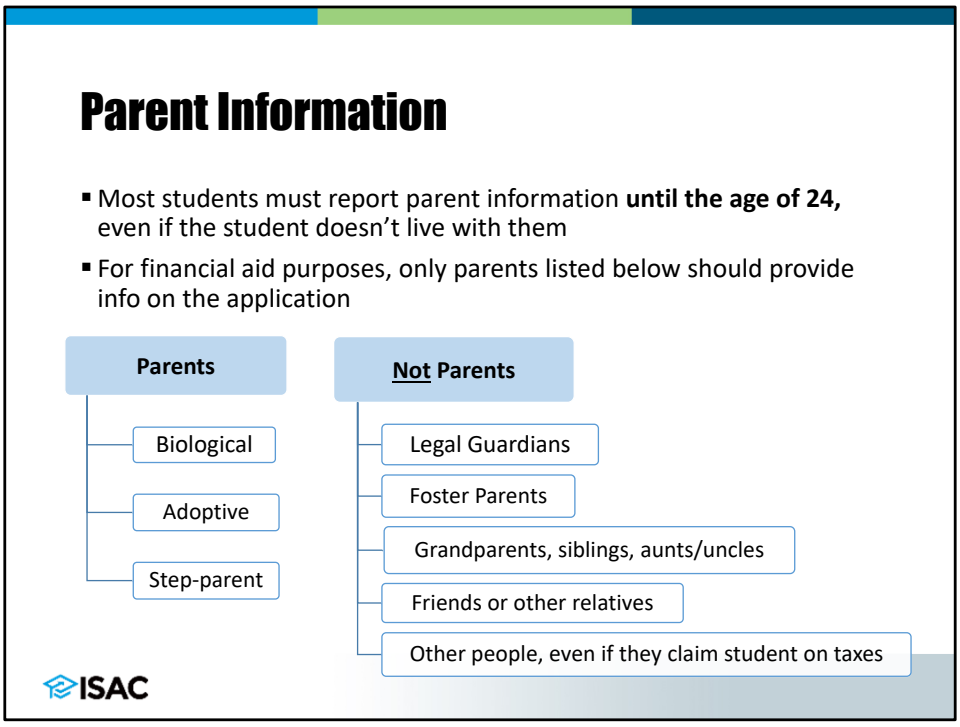
Before submitting your FAFSA, you'll need to create a studentaid.gov account. This is used to access FSA websites and complete a FAFSA. Both students and parents need their own accounts.

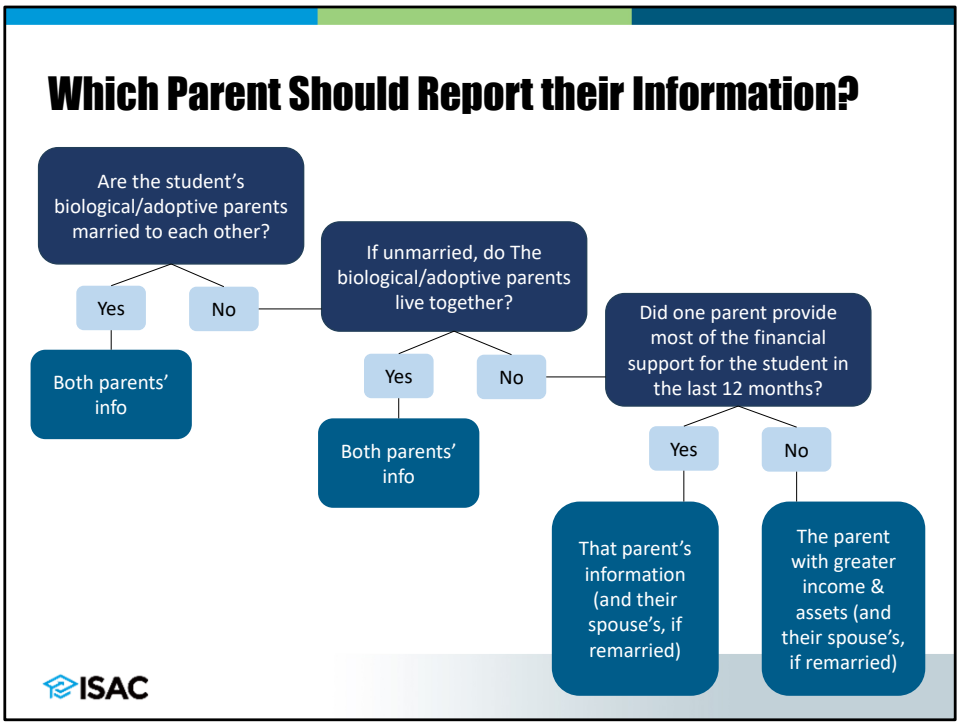
You can create your account at www.studentaid.gov/fsa-id.

If a parent doesn't have a Social Security Number, they can still create a studentaid.gov account.

Although you can create a StudentAid.gov account and have it authenticated the same day you complete a FAFSA, it's recommended to create an account a few days prior to starting your FAFSA.



While the application is to determine student eligibility for financial aid, we will still need some parent information. Please note that most students must report parent information until the age of 24. For financial aid purposes, only biological, adoptive, or stepparents should be reporting information on the FAFSA. No one else should report their information on the FAFSA, unless they have legally adopted the student. Legal guardians are not considered parents for purposes of the FAFSA.



You can use this flowchart to figure out which parent's information will be needed for the student's FAFSA. Let's figure out which parents' information to include:

Who's My Parent When I Fill Out My FAFSA® Form?

Duh#|rxu#sduhqw#p duulhg#wr#hdfk#rwkhuB
Li#|hv/#wkhq#uhsruw#qirup dwlrq#ru#erwk#sduhqw#rq#wkh IDIVD#irup 1

Gr#|rxu#sduhqw#dlyh#wrjhwkhuB
Li#|hv/#wkhq#uhsruw#qirup dwlrq#ru#erwk#sduhqw#rq#wkh#IDIVD#irup /#hyhq#i#
wkh|#z huh#qhyhu#p duulhg/#duh#glyrufhg/#ru#duh#vhsdudwhg1

Z klfk#sduhqw#urylghg#p ruh#lqdqfldd#vxssruw#q#wkh#dlw#5#p rqwkvB#i#erwk#
sduhqw#frqwulexwh#txdoo|/#wkhq#uhsruw#wkh#sduhqw#z lwk#wkh#juhdwhu#qfrp h#
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lqirup dwlrq#ru#|rxu#vhsduhqw#rq#wkh#IDIVD#irup 1

-For parents who are divorced or separated, you should report the parent who provides the most financial support for the student on the FAFSA. As you fill out the application, there will be a built-in tool to help you identify which parent to include in these cases.

Parents Can Also Apply!

- **No age limited** on who can apply for financial aid!
- Parent would **submit their own application**
- Many programs offer evening, weekend, and/or online options
- ISAC can help!

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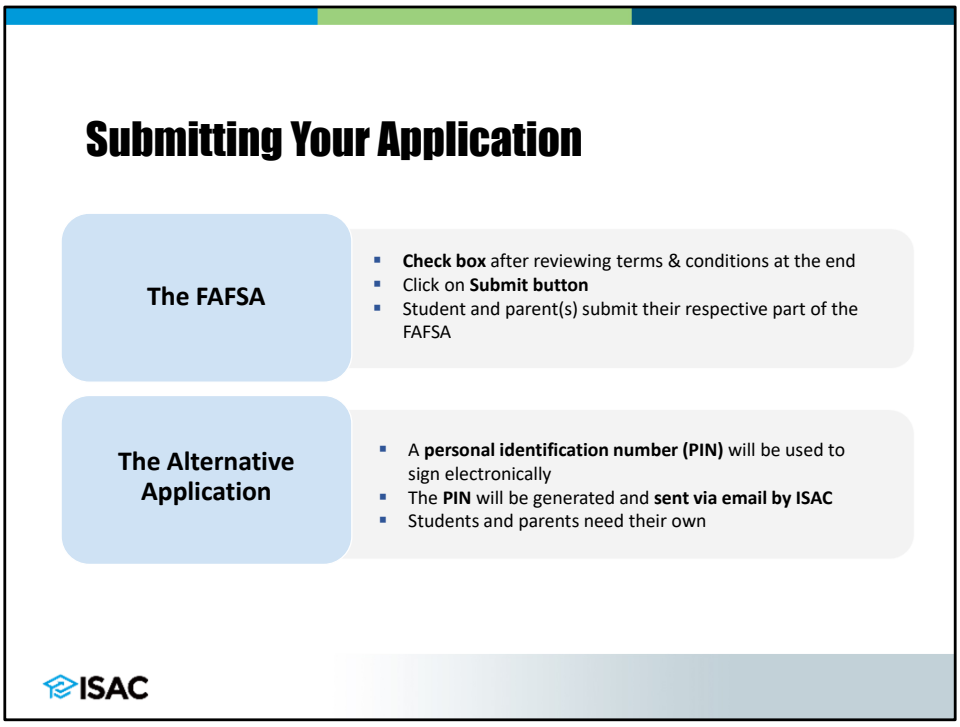
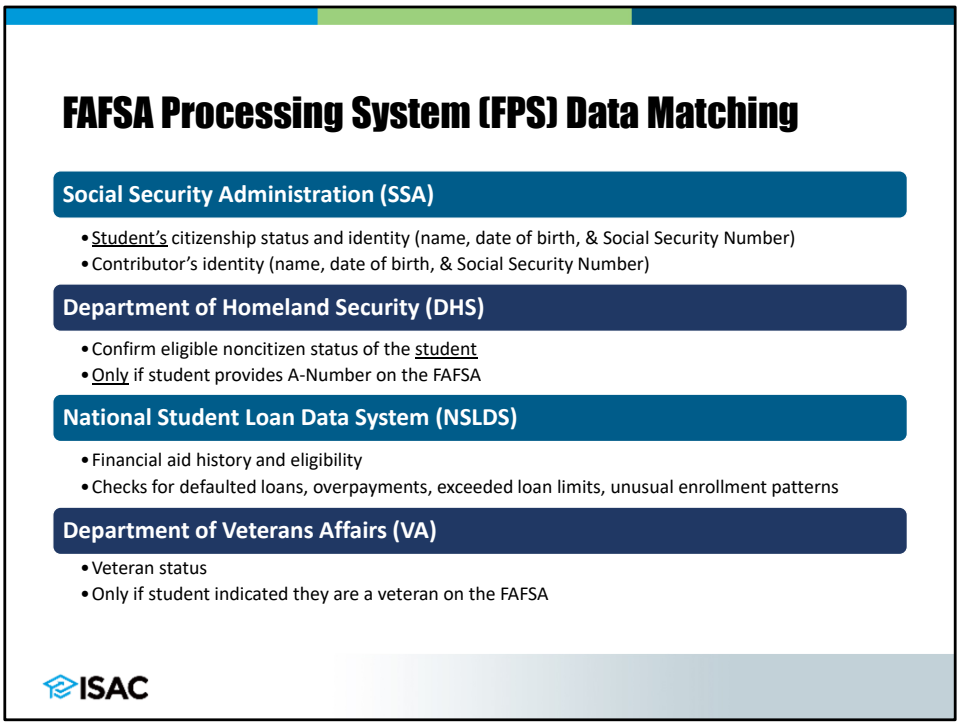
If you're a parent and didn't finish your degree or want to start a degree program, you can also complete an application to be considered for financial aid. There's no age limit to who can go to college.

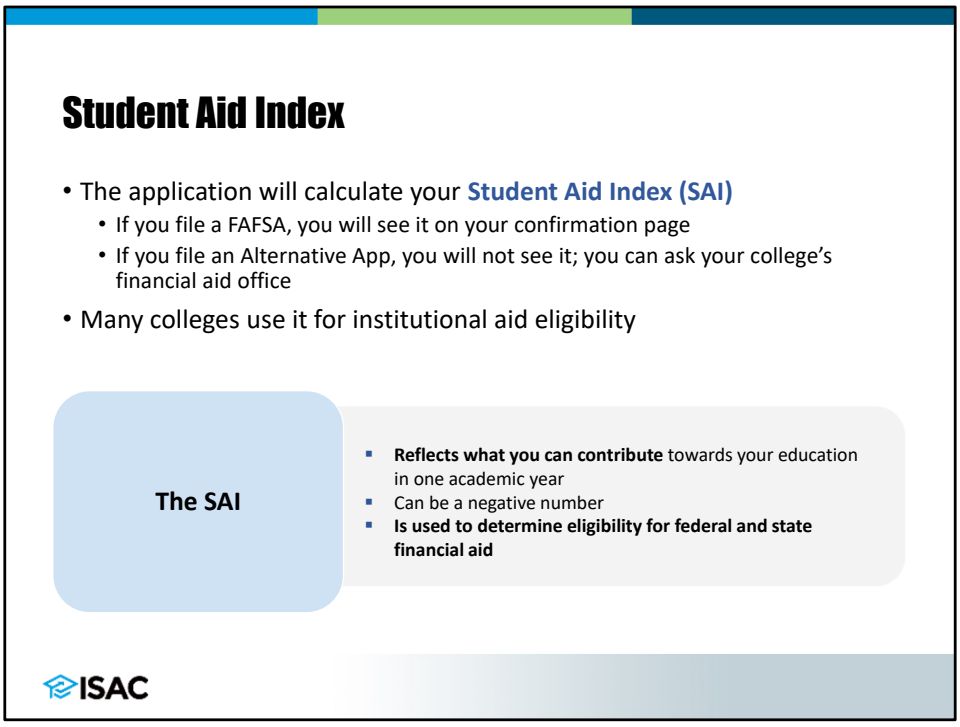


End of section 2: To complete the FAFSA or alternative app, you'll need to sign. For the FAFSA, both you and your parents must agree at the end of their respective sections to the terms and conditions and click on the Sign button. For the alternative app, you and your parents each need your own PIN.

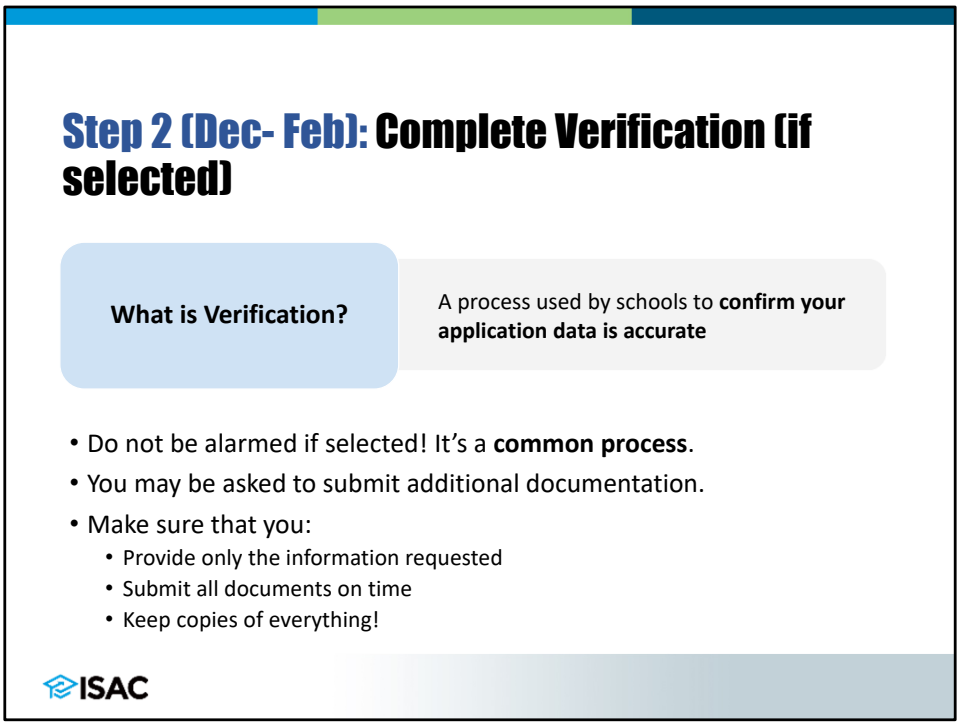
Since each email address can only be linked to one studentaid.gov account, make sure to use an email address that you'll keep for a long time and check regularly. This is important for future updates and receiving financial aid information.



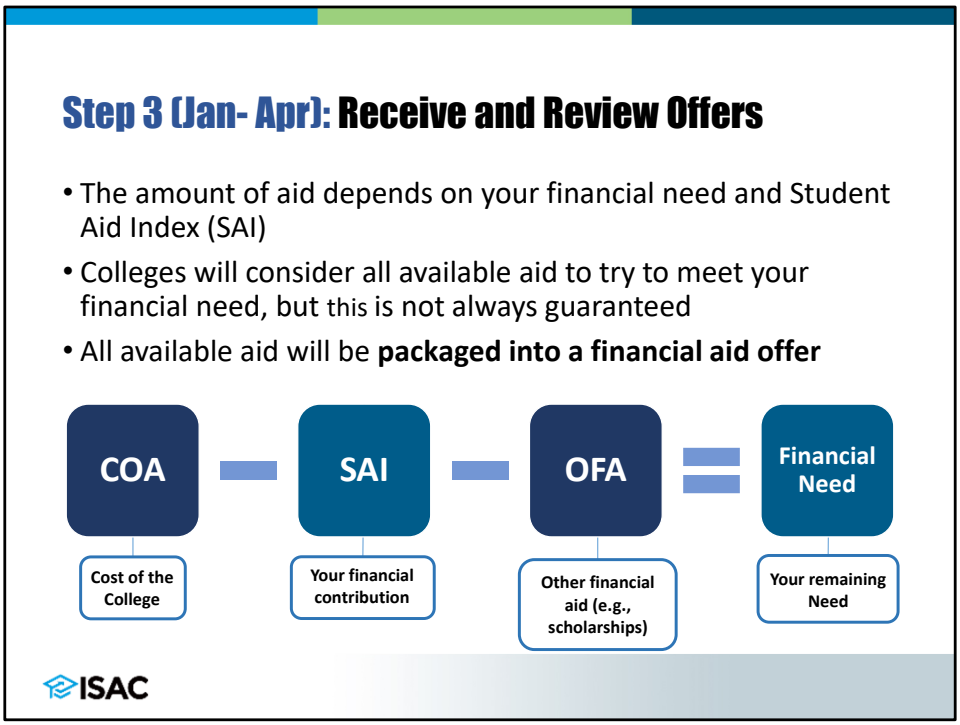
These are the data elements that are matched against other federal databases for accuracy and eligibility purposes when submitting a FAFSA. Keep in mind, only the student's immigration status must be confirmed. Parents/contributors are not asked about their citizenship status and not having a Social Security Number is not an indicator of immigration status or lack thereof.



After you submit the FAFSA, you'll receive a Student Aid Index (SAI). Your SAI remains the same no matter which college you attend. The U.S. Department of Education uses it to calculate your financial need based on the data from your FAFSA. Keep in mind if you complete an alternative app, you will not see your SAI, but you can ask your college or institution for more information.



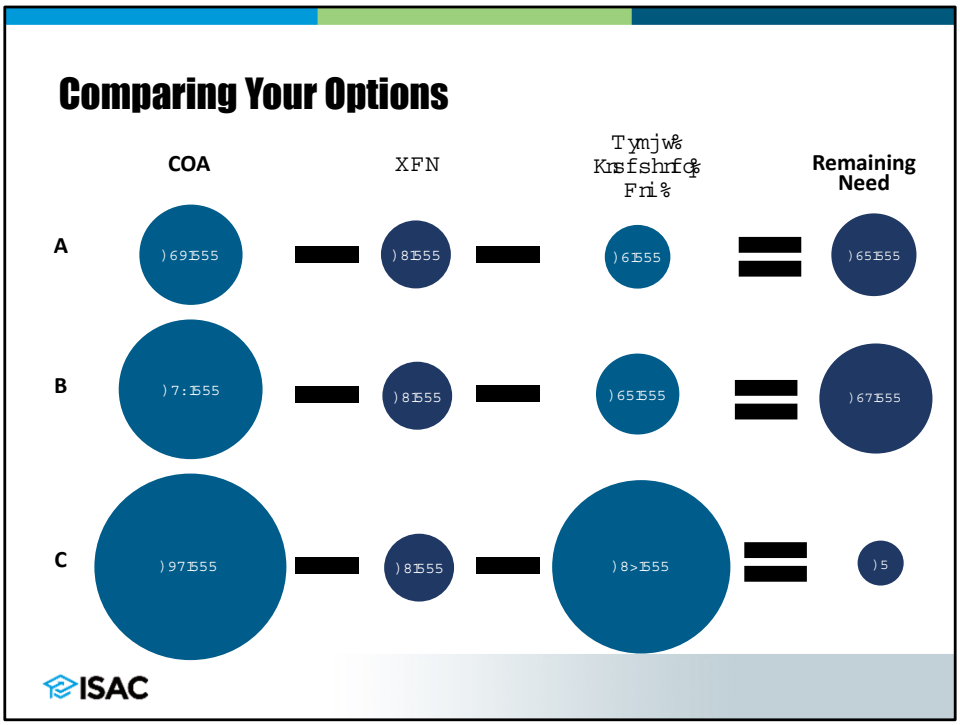
After completing the FAFSA, you might be selected for a process called verification. This is a standard procedure where colleges and universities check that the information on your FAFSA is accurate. If selected, you may need to provide additional documents. Only submit the requested information and make sure to do so by the deadline.



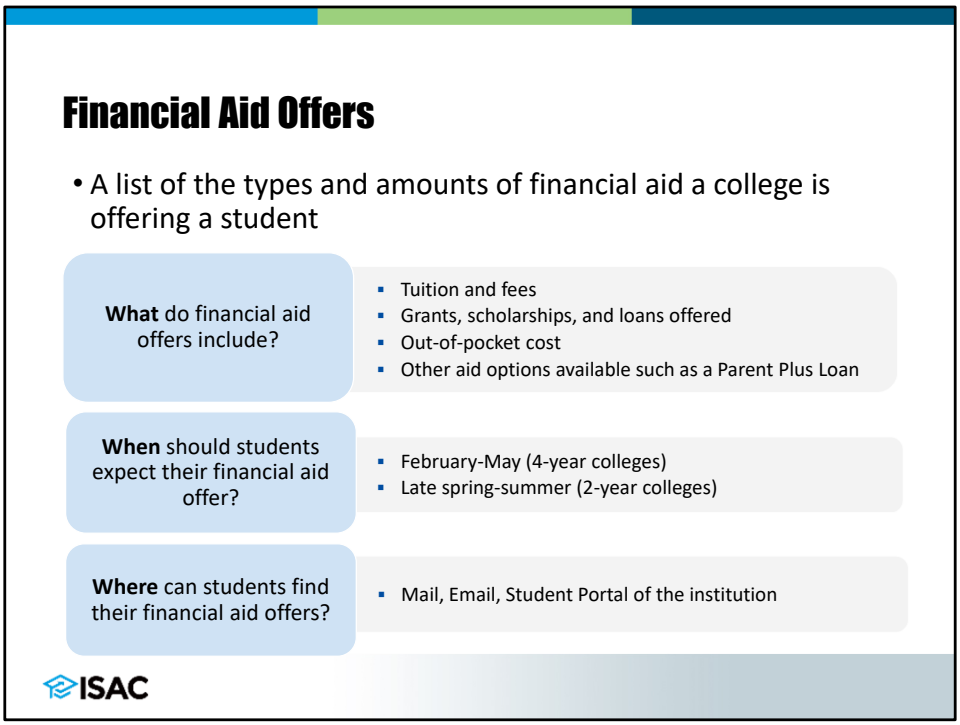
After completing your financial application in order to determine financial need, colleges will **subtract your Cost of College (COA) and SA, COA – SAI) = Financial Need)** to determine your financial need.

It is important to keep this in mind:
•COA (varies)
• SAI (remains constant)
•Financial Need (varies by college/university)

Colleges will use all available sources of financial aid to cover your financial need as much as possible. However, they might not be able to cover the full amount. The difference between your total financial need and the aid offered by the college is called the “gap,” which you or your family will need to cover out-of-pocket.

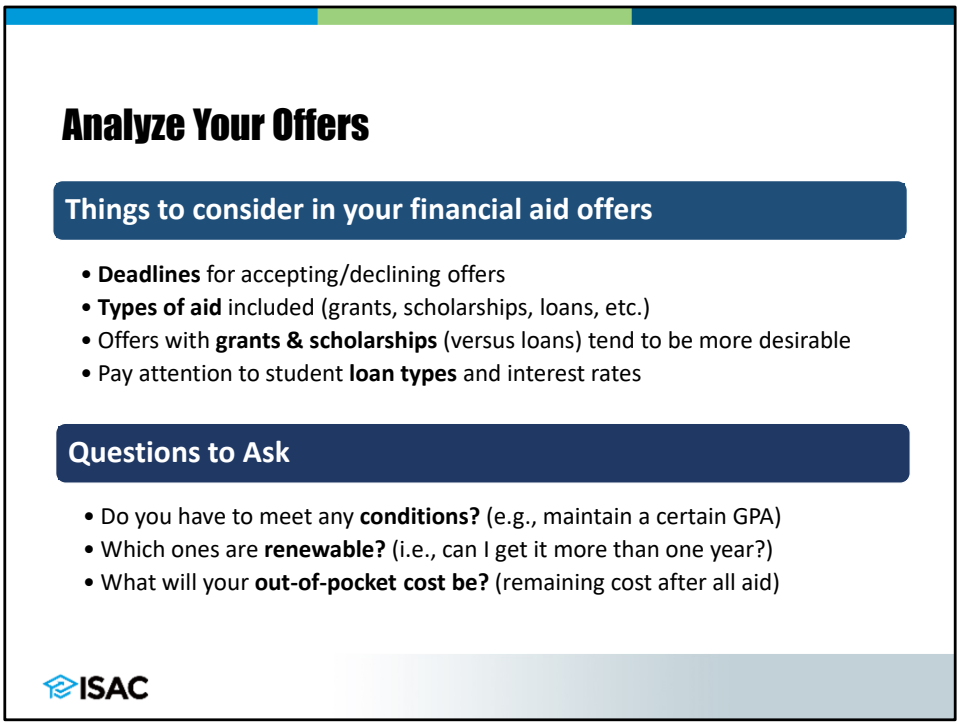


Sometimes the colleges that are the most expensive can end up being the more affordable.



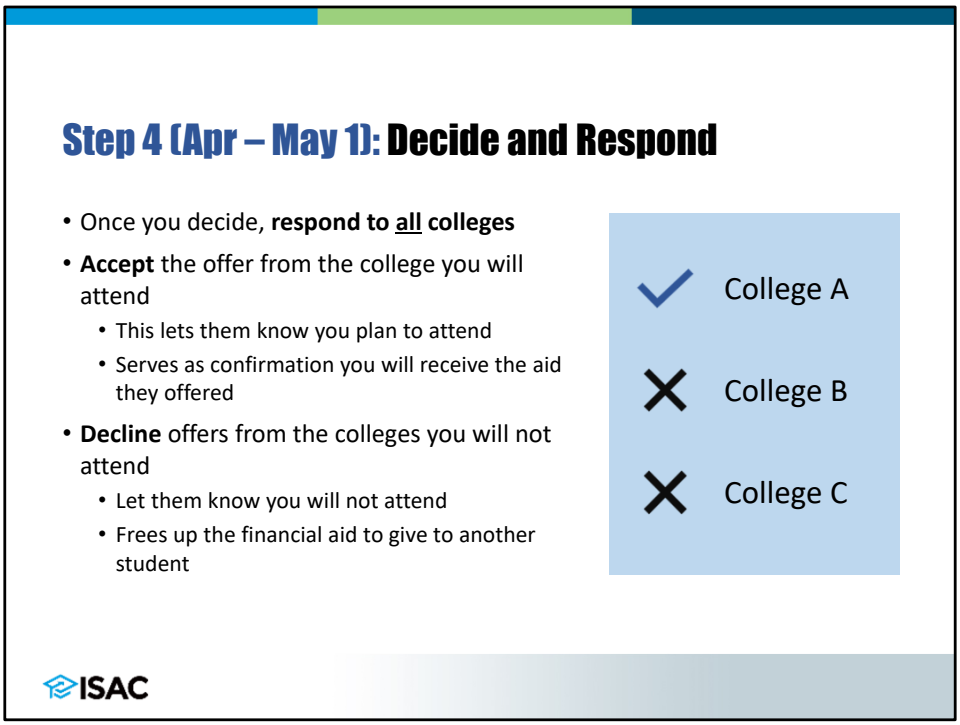
After completing your financial aid application, each college will put together a financial aid package and send you an offer. When should students expect their financial aid offer? December through May (4-year colleges) Late spring-summer (2-year colleges) depending on when a student applies to the community college. If a student applies earlier in the year and is admitted, they may hear earlier.

Where can students find their financial aid offers? Mail, Email, Student Portal of the institution



After completing your financial aid application, each college will put together a financial aid package and send you an offer. Since each college has its own packaging policy, the types of aid you receive may vary. Your offer might include grants, scholarships, work-study, and loans. When reviewing these offers, consider the total cost of attendance, your Student Aid Index (SAI), the types of aid offered, and your expected out-of-pocket expenses.

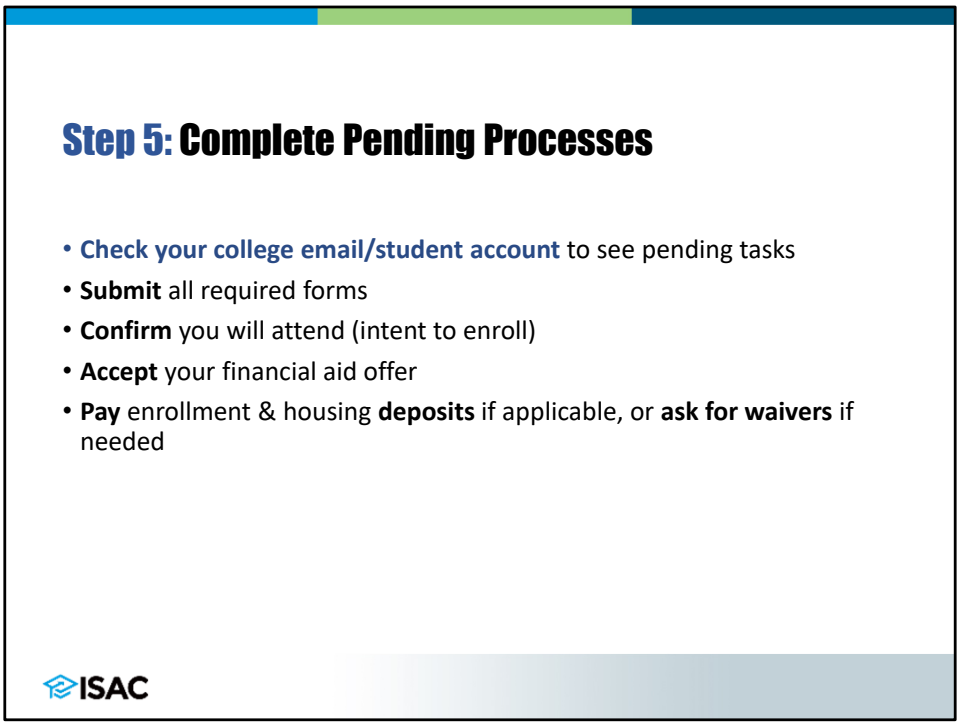
Look for offers with more gift aid, as this is money you usually don't have to repay.



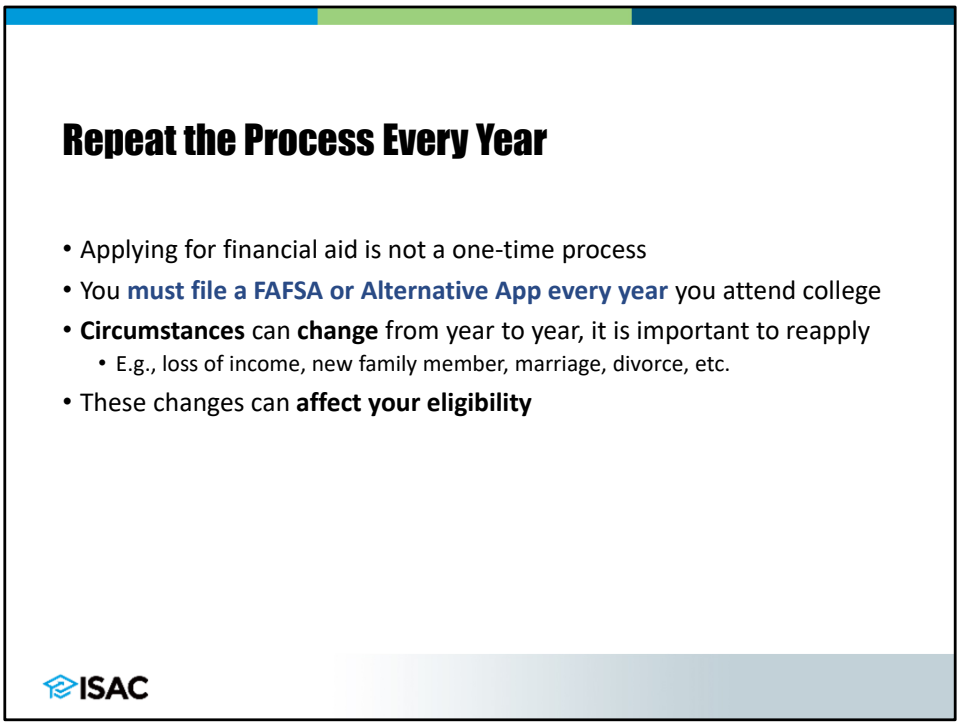
After deciding which college to attend, respond to all the colleges where you received offers.

Accept the offer from the college you plan to attend. This confirms your intention to enroll and ensures you receive the financial aid they've offered

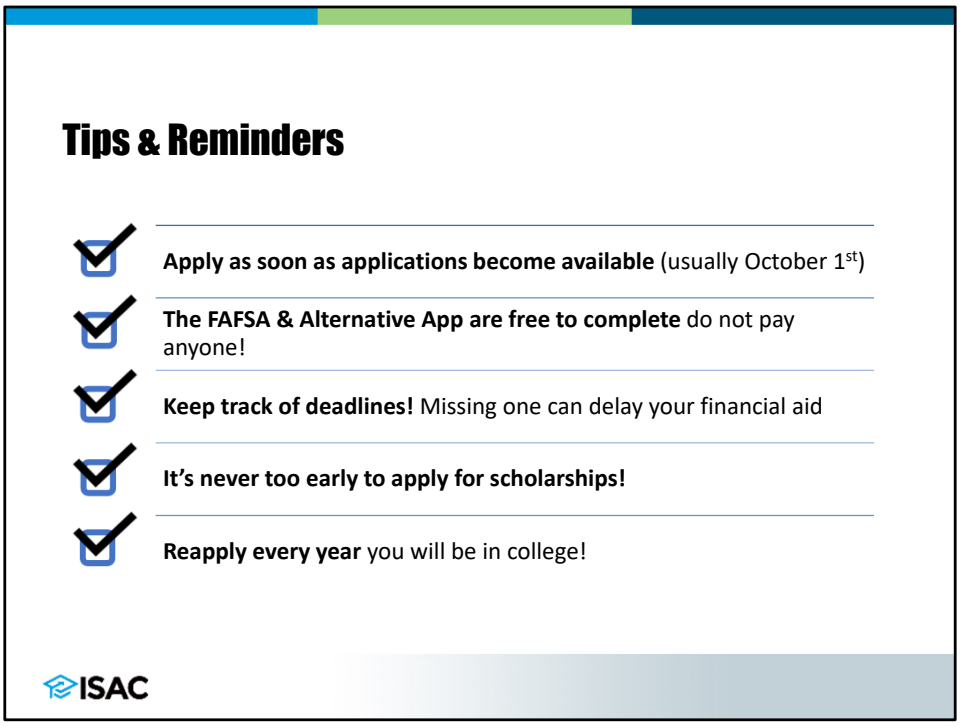
Decline the offers from colleges you won't be attending. This informs them of your decision and helps free up their financial aid for other students. You'll also get off their mailing list.



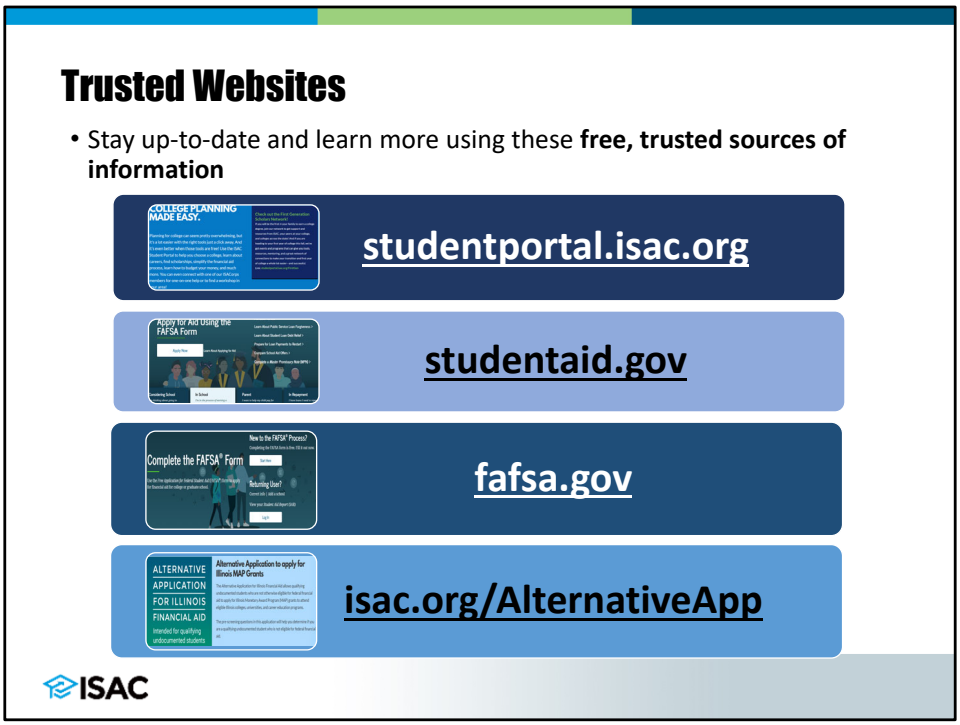
- **Submit all required forms:** Make sure you've completed and sent in all necessary paperwork to each college.
- **Confirm your intention to enroll:** Officially notify the college that you plan to attend by submitting your intent to enroll.
- **Accept your financial aid offer:** Review and accept the financial aid package offered by your chosen college.
- **Pay enrollment and housing deposits:** Ensure you pay any required deposits for enrollment and housing, or request waivers if you need them.
- **Check your college email and student account:** Regularly review your college email and student account for any pending tasks or additional requirements.



- **Applying for financial aid is an ongoing process:** Remember that you need to file the FAFSA or Alternative App each year you're in college.
- **Reapply annually:** Financial situations can change from year to year, so it's important to reapply to ensure your aid reflects your current circumstances.
- **Consider life changes:** Events such as a loss of income, a new family member, marriage, or divorce can impact your financial aid eligibility
- .**Stay updated:** Keeping your application current helps ensure you get the appropriate amount of financial



Here are a few tips and reminders that we'd like to share with you, so you stay on track.



ISAC's mission is for Illinois students to have access to postsecondary education. Therefore, this is a list of our most known and trusted resources. Feel free to snap a picture and take advantage of the resources listed on our website or on the Department of Education's site. For more information you can visit www.ISAC.org

As a reminder our services are always free!

ISAC Student Portal

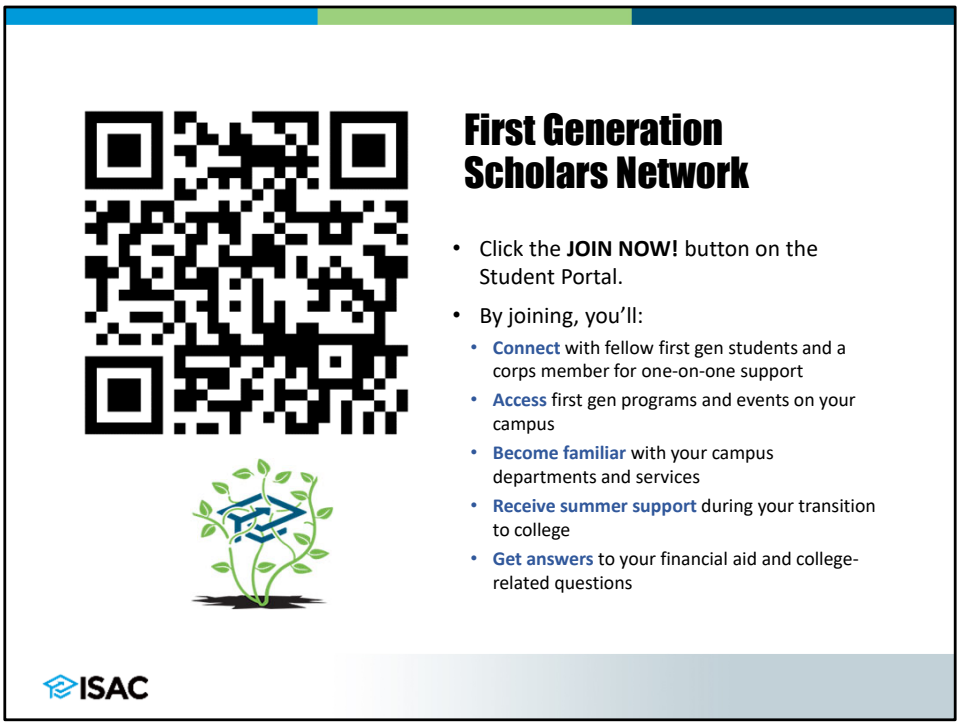
studentportal.isac.org

- One-stop online hub for Illinois students to manage financial aid and college planning
- Accessible with a secure login, and completely free to use for Illinois students

- **Track progress and updates** for state aid applications
- **Scholarship Search Tool:** Find scholarships based on personalized criteria
- **College Planning Resources:** Includes tools for career exploration, budgeting, and college comparisons

ISAC

Visit the ISAC Student Portal for more information on scholarships, college search, money management, and college planning in general.



ISAC has created a first generation scholars' network!

Many or some of you may be First Generation, this means your parents did not receive a 4-year degree from a college in the US. If you are a first-gen student or you are the parent of a first-gen student, you/the student can become apart of the network! This means you will be able to receive support as you navigate the financial and college going process.

You can join us for free events happening around the state and hear from other first-gen students and their transitions from high school to college. Students can visit the studentportal.isac.org/firstgen and click on the join now button.

Here is my contact information. If you have any questions about scholarships, or any part of the college going process, please do not hesitate to contact me.