

The Financial Aid Process

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What is Financial Aid?

- Financial Aid is the term used to describe assistance in funding higher education.
- Federal Government (Pell Grant, FSEOG, Stafford)
- Individual States (Illinois MAP Grant)
- Individual School Funds (Need-based Grant or Merit)
- Private Scholarships (Need-based or Merit)

Applying at All Schools

- Every school will have different deadlines for admission and financial aid materials
- Prepare a calendar of admission and aid deadlines
- Determine which forms are required and the deadlines
- Visit College & University websites for exact steps and necessary materials
- The best resource will be the website and the financial aid office

Applying at All Schools

- Applications May Require:
 1. FAFSA (Free Application for Federal Student Aid)
 2. CSS Profile (www.collegeboard.org)
 3. Institutional Aid Application

- Tax Information Needed:
 1. Parents' and student's Federal Income Tax Return
 2. Parent and student W-2 forms

Applying at All Schools

Continued:

- Other Information:
 1. Bank/Investment Account Statements, upon request
 2. Non-Custodial Parent Information, if applicable
 3. Statements of Special Circumstances

Types of Aid

- Need-based Aid vs. Merit Aid
- What is the difference?

Merit Aid and Outside Scholarships

- Merit Aid or Merit Scholarships are based on the student's academics & achievements rather than their demonstrated need
- Sources of Merit Aid include:
 1. Private Sources
 2. Private Scholarship Search
 3. Civic Organizations & Churches
 4. Employers

Private Sources

- Foundations, businesses, charitable organizations, Colleges/Universities
- Deadlines & application procedures are varied
- Begin researching private merit aid sources early
- Utilize free scholarship searches

Private Scholarship Search

FREE internet scholarship search engines:

- FinAid on the web: www.finaid.org

- College Board:

http://apps.collegeboard.com/cbsearch_ss/welcome.jsp

- FastWeb: www.fastweb.com

- Illinois Student Assistance Commission (ISAC)

www.collegezone.com

Civic Organizations & Churches

- To what church/organizations does the student or family belong?
- Research availability in your community
- Application process typically occurs during the spring of senior year
- Remember: small scholarships add up!!

Employers

- Parents' companies may offer scholarship to children of employees
- Companies also may have educational benefits for their employees

Need-based Aid

- Schools must determine your financial need in order to award you funds:
- WHAT IS NEED?
- $\text{Cost of Attendance} - \text{Family Contribution} = \text{Financial Need}$

Cost of Attendance

- Tuition & fees
- Room & board
- Books, supplies, & miscellaneous personal expenses
- Loan fees
- Study abroad costs

Principles of Need Analysis

- Parents have primary responsibility to fund the dependent child's undergraduate education
- Students also have responsibility to contribute to educational costs
- Families will be evaluated on their financial condition

Calculating Family Contribution

- Parental contribution is typically based on a combination of:
 1. Prior-prior year's income
 2. Parental assets
 3. Household size/number in college

- Student contribution is typically made of:
 1. 20% to 25% of student assets
 2. A portion of student's income

Forms and Documents

- FAFSA- Free Application for Federal Student Aid
- CSS Profile Form
- Institutional Aid Application
- Federal Income Tax Return
- Non-Custodial CSS Profile (NCP)

FAFSA

- WWW.FAFSA.ED.GOV
- 2018-2019 FAFSA available on October 1, 2017
- File online or submit a paper copy
- Reasons to file online:
 1. Built-in edits to prevent errors
 2. Offers detailed instructions and help for common questions
 3. Simplifies renewal process

FAFSA Processing Results

- CPS (Central Processing System) notifies student of FAFSA results by:
- E-mail notification containing link to online SAR (Student Aid Report)
- Student may view SAR online though www.fafsa.ed.gov

CSS Profile

- WWW.COLLEGEBOARD.COM
- The CSS Profile is required of some, but not all colleges and universities
- Application is customized to tailor methodology of individual schools
- Fee may be waived depending on financial information provided on Profile form
- Non-Custodial Profile (NCP) available when applicable

Federal/State Aid

(as of 09/27/2017)

- Pell Grant
- FSEOG - Federal Supplemental Educational Opportunity Grant
- MAP Grant - Illinois Monetary Award Program Grant
- Federal Work-Study
- Federal Direct Stafford Loans
- Federal Direct Parent Plus Loans

Federal Pell Grant

- Awarded to eligible undergraduates pursuing first baccalaureate degree
- Award amount based on COA, EFC, & enrollment
- Annual maximum for 2017-2018 is \$5,920
- Portable

FSEOG

Federal Supplemental Educational Opportunity Grant

- Undergraduates pursuing first baccalaureate degree
- Awarded to students with “exceptional financial need” (as demonstrated by lowest EFC)
- Priority given to recipients of Federal Pell Grant

- Annual award amounts:
 - \$100 minimum & \$4000 maximum

MAP Grant

Illinois Monetary Award Program

- Need-based grant available to Illinois residents who enroll in Illinois post-secondary institutions
- Available to U.S Citizens & U.S. Permanent Residents
- Eligibility determined from date on FAFSA
- Current maximum award amount is \$4,720
- Program tied to state funding

Federal Work-Study

- Eligible students include: undergraduate, graduate, & professional students
- Schools must use portion of FWS for community service employment activities
- Employment may be on or off-campus
- Eligible employers:
 1. Schools
 2. Federal, state, or local public agencies
 3. Select private non-profit & for-profit organizations

Federal Direct Stafford Loan

- Subsidized & Unsubsidized eligibility
- Base annual loan limits depending on level in College
 - \$5,500 for 1st year undergraduates; maximum subsidized \$3,500
 - \$6,500 for 2nd year undergraduates; maximum subsidized \$4,500
 - \$7,500 for each remaining undergraduate year; maximum subsidized \$5,500

Subsidized Federal Direct Stafford Loan

- Interest rate: 4.45% for loans made from July 1, 2017 to June 30, 2018
- Interest does not accrue on subsidized loan while enrolled in school at least half-time
- Loan fee of approximately 1% based on principal amount of each loan

Unsubsidized Federal Direct Stafford Loan

- Fixed interest rate of 4.45%
- Interest accrues at first disbursement
- Loan fee of approximately 1% based on principal amount of each loan

Federal Direct Stafford Loan (Subsidized and Unsubsidized)

- Repayment begins 6 months after graduation or student drops below half-time enrollment
- 5 repayment plans, from 10-25 years
- Deferment, forbearance, & forgiveness provisions available

Direct Parent PLUS Loan

- Loan program for parents of dependent undergraduate students
- Annual loan limit: no annual or aggregate amounts, except parent may not borrow more than the difference between the COA and other financial assistance the student receives
- Fixed interest rate: 7%

Net-Price Calculator

- A customized calculator families may use to determine eligibility for institutional aid at select school
- Facilitated through College Board and specific to individual school
- Questions include: income, assets, household size, etc.

Questions?