


Financial Aid 101



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1901-2

Presented By:

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Topics We Will Discuss Today

- What is financial aid?
- Where to get started - Free Application for Federal Student Aid (FAFSA)
- Cost of Attendance
- Types and sources of financial aid



What is Financial Aid?

Financial Aid is a term referring to any program that offers financial assistance towards the cost of pursuing an education.

- Includes grants, scholarships, sponsorships, loans, work-study, etc.





General Eligibility Requirements

- Be a U.S. citizen or eligible noncitizen
- Be registered with Selective Service (male students)
- Attend a college approved for federal funding
- Seeking a degree, certificate, or diploma
- Maintain satisfactory academic progress
- Must not owe a refund on a federal grant
- Must not be in default on a federal student loan
- Demonstrate financial need based on FAFSA results



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How do I apply?

- Complete the Free Application For Federal Student Aid (FAFSA)
 - Apply online at fafsa.ed.gov
 - Use the IRS Data Retrieval Tool (DRT) to import tax information
 - Allow 5-7 business days for schools to receive results



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When do I apply?

- FAFSA is available online beginning on October 1 of each year for the following academic school year.
 - Students can fill out the FAFSA for the 2021-22 school year from October 1, 2020 – June 30, 2022.
- File as soon as possible after October 1, 2020.
 - State funding gets exhausted early.
 - For example, 2020-21 state funding was exhausted by June 30, 2020.



What do I need to get started?

- Get an FSA ID and password at fsaid.ed.gov
 - Student, and a parent if the student is under the age of 24, will each need their own FSA ID.
- Gather your 2019 income and tax information
 - Both parent(s) and student
- Decide which colleges should receive your information.
 - You can have your financial aid information sent to up to ten colleges.





IRS Data Retrieval Tool Process

- Use of the IRS DRT is preferred!
 - Easy: transfer income/tax info directly from the IRS
 - Fast: instantly retrieve your information
 - Accurate: automated system correctly fills in your information
- The IRS DRT is not available for students and parents under the following conditions:
 - The person did not indicate on the FAFSA that the tax return has been completed.
 - The date of marriage is January 1, 2020 or later.
 - The first three digits of the Social Security Number (SSN) are 666.
 - The person filed a non-U.S. tax return.
 - The person is married and filed as either head of household or married filing separately.
 - Neither parent entered a valid SSN.
 - One or both parents entered all zeroes for the SSN.



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Independent Status Criteria

The Department of Education classifies students as Independent or Dependent for financial aid purposes

- Independent
 - 24 years old as of January 1 of the award year.
 - Married
 - Graduate or professional student (Master or Doctoral level)
 - Student has dependent(s) who receive more than half of their support from student.
 - Veteran of the U.S. Armed Forces
 - Active Duty in the U.S. Armed Forces for purposes other than training



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Independent Status Criteria continued

- As of age 13 or older, both parents were deceased, student was in foster care or was a dependent/ward of the court.
- As of the date of FAFSA completion, student was an emancipated minor as determined by a court in state of legal residence.
- As of the date of FAFSA completion, student was in legal guardianship as determined by a court in the state of legal residence.
- At any time on or after July 1, 2020, student's high school or school district homeless liaison determined student was an unaccompanied youth who was homeless.
- At any time on or after July 1, 2020, the director of an emergency shelter program funded by the U.S. Department of Housing and Urban Development determined the student was an unaccompanied youth who was homeless.
- At any time on or after July 1, 2020, the director of a runaway or homeless youth basic center or transitional living program determined the student was an unaccompanied youth who was homeless or was self-supporting and at risk of being homeless.



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What happens after I apply?

- A Student Aid Report (SAR) is sent to the student.
 - Verify that your information is correct.
 - If corrections are needed, return to fafsa.ed.gov and make corrections as soon as possible
 - EFC = Expected Family Contribution
 - Schools use this number to determine your financial aid eligibility and awards
 - Colleges will send you a letter/email outlining your financial aid package.
 - Read carefully!
 - Some schools require you to accept or reject the award.
 - Forget to add a school, or changed your mind?
 - Log back in to your FAFSA at fafsa.ed.gov and add another school code. Don't forget to electronically sign and submit again.



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Verification

- A student may be selected for a process called Verification by the Department of Education or by the college you are planning to attend.
- If selected, you may be required to provide additional documentation such as:
 - Tax Return Transcript from the IRS
 - If you did not use the IRS DRT you may be required to submit an official 2019 IRS tax return transcript of your and your parents' federal taxes. Do not submit this unless requested by a school official.
 - To order a transcript go to <https://www.irs.gov/individuals/get-transcript> to order by mail or download online, or call 1-800-908-9946 to order by mail.
 - A verification worksheet
 - Other supporting documentation
- No federal or state financial aid can be awarded/released until the verification process is complete.



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Special Circumstances

- Federal regulations allow for review of a student's FAFSA data when there has been a qualified change of circumstance
 - Loss of income, divorce, unusual medical expenses, etc.
- Dependency Override
 - In certain circumstances, a student may request a review to determine if they can be classified as an Independent student.
 - Self-supporting is not a valid reason



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How is it determined what I get?

- Awards cannot exceed the Cost of Attendance (Tuition, fees, living expenses, transportation and miscellaneous.)
 - Cost of Attendance
 Minus Expected Family Contribution (EFC)
 = Unmet Need
- Using various kinds of resources, the government may help cover a student's unmet need.



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What can I get?

- Federal Aid:
 - Pell Grant
 - FSEOG - Federal Supplemental Educational Opportunity Grant
- State Aid:
 - MAP Grant - Monetary Award Program Grant
- FWS - Federal Work Study
- Direct Subsidized and Unsubsidized Student Loans
- Direct PLUS (Parent) Loans



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Pell Grants

- Federal aid you don't repay
- Maximum \$6,345 annual - \$3,173 per semester, based on full-time attendance. Changes annually
- Based on financial need (EFC) and number of credits - the more need, the higher the award
- Lifetime maximum of 600% (6 years) grant eligibility



FSEOG - Federal Supplemental Educational Opportunity Grant

- Federal aid you don't repay
- Limited funded grant
- Based on financial need - Often a "0" EFC
- Award amount will vary with the school
- Far fewer students receive SEOG than receive Pell





MAP - Monetary Award Program

- State aid you don't repay
- Pays only tuition costs
- Maximum annual \$5,340
- Award amount varies by the institution based on tuition costs, 2-year vs 4-year, etc. and by the individual based on EFC.
- Only available to Illinois residents attending Illinois institutions



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MAP - Monetary Award Program continued

- RISE Act (Retention of Illinois Students & Equity Act)
 - Helps students who would not be eligible for federal aid
 - Including, but not limited to,
 - Transgender student who is disqualified for failure to register for selective service
 - Noncitizen student who has not obtained lawful permanent residence
 - Alternative Application for Illinois Financial Aid available on Illinois Student Assistance Commission (ISAC) website – isac.org
 - Application available now for the 2020-21 academic year
 - 2021-2022 Application available Oct. 1, 2020



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FWS - Federal Work Study

- Earned aid - nothing to repay
- Employment by the college you are attending
- Will be budgeted a particular amount of hours
- Work schedule is often flexible to accommodate your class schedule



Student Loans

- William D. Ford Direct Loan Program (**Direct Loans**) - funds provided directly from the federal government.
 - Subsidized Student Loans
 - Unsubsidized Student Loans





Subsidized Student Loans

- Loans are funds that must be repaid with interest
- Are need based
- While attending college, the interest is paid by the federal government
- Must attend college at least 1/2 time (6-8 credit hours)
- First repayment is due 6 months after date of last attendance or if student drops below 1/2 time attendance
- Interest rate changes each July
- Current fixed rate for undergraduate students is 2.75% during repayment
- Loan is not based on credit history



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Unsubsidized Student Loans

- Loans are funds that must be repaid with interest
- Are NOT need based (Cannot exceed cost of attendance.)
- Interest is charged while attending college, current rate is 2.75%, billed quarterly.
- Must attend college at least 1/2 time (6-8 credit hours)
- First repayment is due 6 months after date of last attendance or if student drops below 1/2 time attendance
- Interest rate changes each July
- Current fixed rate for undergraduate students is 2.75%
- Loan is not based on credit history



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How much can I borrow?

- Dependent undergraduate subsidized limit
 - \$3,500 (First year students)
 - \$4,500 (Second year students)
 - \$5,500 (Third year students)
 - \$5,500 (Fourth year students)
- May borrow up to \$2,000 additional unsubsidized
- Independent undergraduate students may borrow up to \$6,000 additional unsubsidized



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PLUS Loans

- Parent is the borrower.
- Parent must be “credit worthy” and complete a PLUS loan application to the college.
- Repayment begins after last disbursement, but parents may contact their loan servicer to request in-school deferment. Refer to the Direct Plus Loan Borrower’s Rights and Responsibilities Statement for more information on repayment options.
- Limit is cost of attendance minus any student financial aid.
- Current fixed rate is 5.30%.



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JJC Scholarships

- Joliet Junior College Scholarships may be available for both part and full-time students who are new, continuing, or transfer students.
- Apply online for scholarships at www.jjc.edu/info/scholarships each year between October 1st and May 1st. Scholarships will be awarded and applied starting in the following fall semester.



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Scholarships

- ALWAYS apply for at least a few scholarships.
- DO NOT pay for fee-based scholarship searches.
- Illinois Student Assistance Commission (ISAC) has a good, FREE scholarship search program.
 - www.collegezone.com
- Other sites:
 - <http://www.fastweb.com>
 - <http://www.finaid.org>
 - <http://www.scholarships.com>



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FAFSA Completion Assistance

Need assistance completing your FAFSA?

- **Helpful videos are available on our website:**
 - Jjc.edu/financialaid
- **Virtual appointments are available**
 - Schedule a virtual appointment with a financial aid advisor by calling **815-828-4340**
 - Before your appointment, create an FSA ID for yourself, and your parent(s), if applicable.
 - Have copies of your, and your parent(s), 2019 federal income tax forms, W-2s, and any other asset or income information



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Final Tips

- Financial aid is a yearly process.
- Write down your FSA ID & Password and store somewhere secure.
- Tax return /income information is needed when completing the FAFSA form.
- Collect literature on financial aid and on preparing for college costs. Surf the internet.
- Ask questions throughout the financial aid process. Consider all options available.
- Keep copies of all forms and worksheets for your records.
- Inform the financial aid office about any changes affecting the family's income.
- Read all correspondence (letters and/or email) from Dept. of Ed., as well as colleges.



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Deadlines Matter

- For consideration of the state grant, students attending an Illinois college should apply as soon as possible after October 1.
- Some colleges require additional forms - check with your college about forms they require or deadlines you must meet.
- Some colleges require students to file their FAFSA by a particular deadline (usually early spring).



For More Information Contact

Joliet Junior College Financial Aid/Veterans Office
1215 Houbolt Road, Building A, Rm 1020
Joliet, IL 60431-8938

Phone: (815) 828-4340
Alternate Phone: (815) 280-2528
Email: finaid@jjc.edu
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