

# Financial Aid Overview

Presented by:  
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# What is Financial Aid?

## 1) Financial aid is money that is used to help pay for college.

- Financial aid could be through grants/scholarships/work study
- Financial aid could be through loans (money the student pays back)

## 2) Financial aid can come from various sources:

- State Funding
- Federal Funding
- Institutional Funding
- College Foundation
- Outside organizations/companies
- Not for Profits
- Churches
- Employers



# FAFSA and High School Graduation

Starting with the 2020-2021 school year, to receive a diploma from a public high school a student must complete the Free Application for Federal Student Aid (FAFSA® ) or, if applicable, the Alternative Application for Illinois Financial Aid

- [FAFSA Non Participation Form](#) – allows families to opt out of the requirement
- **Benefits of filing the FAFSA:**
  - Applying for scholarships
  - You may be eligible for grants
  - Financial Uncertainty



# General Eligibility Requirements

- **Student** must be U.S Citizen or eligible non-citizen
- **Student** must have a Valid Social Security Number
- **Student** must have received a H.S Diploma or GED
- **Student** must be pursuing an eligible degree and/or certificate program
- **Student** must be registered for Selective Service (males age 18 to 24)
  - If age 17 at time of filing the FAFSA, this requirement does not apply
- **Student must Maintain Satisfactory Academic Progress!**
  - Completion Rate
  - Cumulative GPA



*\* For most federal & state aid*

**How do you apply?  
Where do you start?**

# FAFSA

- Collects tax information, asset information, household size so as to gauge an individual family's financial need.
  - Complete online at [studentaid.gov](https://studentaid.gov)
  - [myStudentAid](#) Mobile app
- Used to determine eligibility for Federal grants, State grants, Federal loans, Federal work study, and scholarships.
- Calculates your **Expected Family Contribution, EFC**
- Based on 2019 Income information
- **2021-2022 FAFSA Application available October 1, 2020**
  - Fall Semester 2021
  - Spring Semester 2022
  - Summer Semester 2022 – depends on eligibility & institution
- **What if income has changed since filing due to loss of job, unemployment benefits ended, etc?**



# Alternative Application for Illinois Financial Aid


- The Retention of Illinois Students & Equity (RISE) Act allows eligible undocumented students and transgender students who are disqualified from federal financial aid to apply for all forms of state financial aid.
- Collects tax information, asset information, household size so as to gauge an individual family's financial need
- Used to determine eligibility for the Illinois MAP Grant
- College of DuPage will contact the student – via their COD email address – to notify student of their Illinois MAP Grant award
- **2021-2022 Alternative Application for Illinois Financial Aid available October 1, 2020**
  - Fall Semester 2021
  - Spring Semester 2022

[Access the application here](#)

ALTERNATIVE  
APPLICATION  
FOR ILLINOIS  
FINANCIAL AID

Intended for qualifying  
undocumented and  
transgender students

# FSA ID

 An official website of the United States government.

[Help Center](#) [English | Español](#)

**FederalStudentAid**  
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

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[APPLY FOR AID](#) ▾

[COMPLETE AID PROCESS](#) ▾

[MANAGE LOANS](#) ▾

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**Apply online at  
studentaid.gov**

## Create an Account (FSA ID)



Parents



Students



Borrowers

Whether you're a student, parent, or borrower, you'll need to create your own account to complete federal student aid tasks.

### What You Can Use Your Account For

- Filling out the *Free Application for Federal Student Aid (FAFSA®)* form
- Signing your *Master Promissory Note (MPN)*
- Applying for repayment plans
- Completing loan counseling
- Using the *Public Service Loan Forgiveness Help Tool*

### Items Needed to Create an Account

- Social Security number
- Your own mobile phone number and/or email address





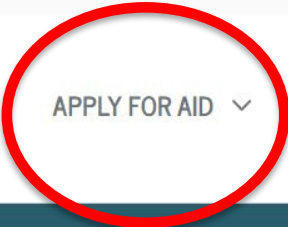
Loan Repayment Flexibilities Extended Through Dec. 31, 2020  
Coronavirus and Forbearance Information for Students, Borrowers, and Parents

An official website of the United States government.

Help Center English | Español



UNDERSTAND AID



APPLY FOR AID

COMPLETE AID PROCESS

MANAGE LOANS

Log In | Create Account



# You Are America's Smartest Investment

The U.S. Department of Education's office of Federal Student Aid provides more than \$120 billion in financial aid to help pay for college or career school each year.

Log In

Create Account

# The FAFSA Application consists of 7 Sections

- **Student Information**
  - Name, SSN, Date of Birth, citizenship, High School Completion, grade level in college, degree pursuing
- **School Selection**
  - Colleges that the student wants their FAFSA information sent to
  - Students can add up to 10 schools at a time
- **Dependency Status**
  - Determine whether the student will need to include parent information on the FAFSA
- **Parent Information**
  - Parent(s) names, SSN, date of birth, marital status, household size, number in college
- **Parent Financials**
  - 2019 Tax Information, 2019 Income information, 2019 Untaxed income, investments, savings, checking
  - [IRS DATA RETRIEVAL TOOL](#)
- **Student Financials**
  - 2019 Tax Information, 2019 Income information, 2019 Untaxed income, investments, savings, checking
  - [IRS DATA RETRIEVAL TOOL](#)
- **Sign/Submit**
  - Student and parent will electronically sign the FAFSA with their respective [FSA ID](#)
  - By signing student and parent agree that everything is true and correct

# When completing the 2021-2022 FAFSA, some things to keep in mind

- Income reported is from **2019**
- Parent's Marital Status is **at time of application**
  - Not what the marital status was in 2019 and/or what the tax filing status was in 2019
  - Parent is married/remarried at time of filing the FAFSA, step-parent and parent information is reported
- Parent Asset/Investment information is **at time of application**
- Student Asset/Investment information is **at time of application**
- Household size is looking at **July 1, 2021 to June 30, 2022**

# Who counts as a Parent

## Parent information to be reported on the FAFSA

### Parent Marital Status – *at time of application*

Married or remarried	2 parents income reported on FAFSA
Divorced	1 parent income reported on FAFSA
Separated <u><i>and living/maintaining separate residences</i></u>	1 parent income reported on FAFSA
Widowed	1 parent income reported on FAFSA
Never married	1 parent income reported on FAFSA
Unmarried <u><i>AND both biological/adoptive parents live together</i></u>	2 parents income reported on FAFSA

**\*\* IMPORTANT \*\* Boyfriend/girlfriend is not the same as father/mother**

## What If Parent's Are Divorced/Separated. . . Whose Information is reported on the FAFSA??

- The student should answer the questions about the parent the student lived with more during the past 12 months
- If the student did **not** live with one parent more than the other, give answers about the parent who provided more financial support during the past 12 months, or during the most recent year that the student actually received support from a parent.
- *If this parent is remarried as of day you filed the FAFSA, answer the questions about that parent and your step-parent.*

***General Rule – It's the parent who is providing more than 50% of the student's support.  
It's not the parent who has less income***

# IRS Data Retrieval Tool

- Information is transferred directly by the IRS from your Tax Return
- Streamlines the Verification process
- Less paperwork to submit to the Financial Aid Office
- Cuts down on incorrect information
- Only transfer data from original tax return filed, not data from an Amended Tax Return



***NOTE: Not all students/parents will be eligible to use the IRS Data Retrieval. Some restrictions apply***

## Parent Tax Filing Status

Student Demographics School Selection Dependency Status Parent Demographics **Parent Financials** Student Financials Sign & Submit Confirmation

### PARENT INFORMATION

✔ Application was successfully saved.

**Attention!** You must provide financial information from your parents' 2018 tax return on the following pages.

For 2018, have your parents completed their IRS income tax return or another tax return? ?

Already completed ▼

What type of income tax return did your parents file for 2018? ?

IRS 1040 ▼

For 2018, what is your parents' tax filing status according to their tax return? ?

Married-Filed Joint Return ▼

### IRS Data Retrieval Tool

Applying is faster and easier if your parents transfer their tax return information into this FAFSA with the IRS Data Retrieval Tool (IRS DRT):

[LINK TO IRS ↔](#)

◀ PREVIOUS

NEXT ▶

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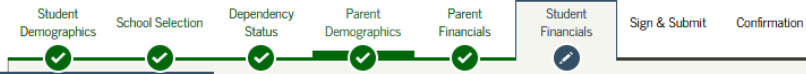
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 **College of DuPage**

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## Student Tax Filing Status



### STUDENT INFORMATION

✓ Application was successfully saved.

**i** Because the FAFSA belongs to the student, "you" and "your" always (unless otherwise noted) refer to the student.

**i** **Attention!** You must provide financial information from your **2018 tax return** on the following pages.

For 2018, have you completed your IRS income tax return or another tax return? **?**

Already completed ▼

What income tax return did you file for 2018? **?**

IRS 1040 ▼

For 2018, what is your tax filing status according to your tax return? **?**

Single ▼

### IRS Data Retrieval Tool

Applying is faster and easier if you transfer your tax return information into this FAFSA with the IRS Data Retrieval Tool (IRS DRT)!

[LINK TO IRS ↕](#)

◀ PREVIOUS

NEXT ▶

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# Investments

## Include:

- Real estate, rental property (includes a unit within a family home that has its own entrance, kitchen, and bath rented to someone other than a family member),
- Trust funds, UGMA and UTMA accounts, money market funds, mutual funds, certificates of deposit, stocks, stock options, bonds, other securities, installment and land sale contracts (including mortgages held), commodities, etc.
- Qualified educational benefits or education savings accounts (e.g., Coverdell savings accounts, 529 college savings plans and the refund value of 529 prepaid tuition plans).
  - Report refund value for ALL 529 plans that the parent owns

## Don't include:

- Home you live in,
- life insurance,
- retirement plans (pension funds, annuities, non-education IRAs, Keogh Plans),
- UGMA and UTMA accounts for which you are the custodian, but not the owner
  - **NOTE:** UGMA & UTMA are generally reported as investments of the student



**Net Worth: Current value minus debt related to those investments.**

# Verification

**The process whereby certain information provided on the FAFSA is reviewed for accuracy and completeness**

# Comment FAFSA Mistakes

- **Question: High School or Equivalent Completed?**
  - High School Diploma
- **Question: First Bachelor's Degree before 2021-2022 School Year?**
  - No
- **Question: Student's Grade Level in College in 2021-2022**
  - Never attended college and 1st year undergraduate
- **Question: Student's Taxable Combat Pay**
  - Only reported if the student is in the military
- **Question: Parent's Social Security Number, SSN**
  - Do not enter ITIN
  - If parent does not have a SSN, you will enter 000-00-0000
- **Question: How many people are in your household?**
  - Student is always included in the household size
- **Question: Parent's Taxable Combat Pay**
  - Only reported if parent(s) are in the military
- **Question: Parents' Payments to Tax-Deferred Pensions & Retirement Savings**
  - Box 12 of W2 Form – Codes D,E,F,G,H, and S

# Common Verification Issues

- **Incorrect Tax Filing Status based on Marital Status**
  - **Head of Household but reporting marital status is Married/Remarried**
    - Limited Exceptions
  - **Single but reporting marital status is Married/Remarried**
- **Income Thresholds & IRS Tax Filing Requirements**
  - **W2 Form Vs. 1099 Form**
- **Not reporting income/tax information for step-parents**
  - **Marital Status at time of application**
- **Misreporting income/tax information**
  - **Reporting Parent and Student income the same**
  - **Reporting Income and Untaxed Income the same**

FAFSA Questions	Selected ISIR Value
91a. Parents' Education Credits:	Transferred from the IRS \$0.00
91b. Parents' Child Support Paid:	\$0.00
91c. Parents' Taxable Earnings from Need-Based Employment Programs:	\$0.00
91d. Parents' College Grant and Scholarship Aid Reported to IRS as Income:	\$0.00
91e. Parents' Taxable Combat Pay Reported in AGI:	\$75506.00
91f. Parents' Cooperative Education Earnings:	\$0.00
<b>Parents' 2018 Additional Financial Information Total:</b> Total of questions 91a - 91f above.	\$ 75506 .00

84. Parents' 2018 Adjusted Gross Income:	Transferred from the IRS \$75506.00
85. Parents' 2018 U.S. Income Tax Paid:	Transferred from the IRS \$2607.00
86. Parent 1 (Father's/Mother's/Stepparent's) 2018 Income Earned from Work:	
87. Parent 2 (Father's/Mother's/Stepparent's) 2018 Income Earned from Work:	\$75506.00

**Parent's Taxable Combat Pay = \$75,506**  
**Parent's Adjusted Gross Income = \$75,506**  
**Parent 2 income from work = \$75,506**

**\* Increase chance of being selected for verification**

32. <b>Student</b> Filed 2019 Income Tax Return?	ALREADY COMPLETED
33. <b>Student's</b> Type of 2019 Tax Form Used:	IRS 1040
34. <b>Student's</b> 2019 Tax Return Filing Status:	HEAD OF HOUSEHOLD
36. <b>Student's</b> 2019 Adjusted Gross Income:	\$ 15,446
37. Student's 2019 U.S. Income Tax Paid:	\$ 0
39. <b>Student's</b> 2019 Income Earned from Work:	\$ 26,415

80. <b>Parents</b> Filed 2019 Income Tax Return?	ALREADY COMPLETED
81. <b>Parents'</b> Type of 2019 Tax Form Used:	IRS 1040
82. <b>Parents'</b> 2019 Tax Return Filing Status:	HEAD OF HOUSEHOLD
85. <b>Parents'</b> 2019 Adjusted Gross Income:	\$ 15,446
86. Parents' 2019 U.S. Income Tax Paid:	\$ 0
89. <b>Parent 2</b> (Father's/Mother's/Stepparent's) 2019 Income Earned from Work:	\$ 16,620

**Make sure income is reported correctly for student and parent.**

***\* Increase chance of being selected for verification***

FAFSA Questions	Selected ISIR Value
91a. Parents' Education Credits:	Transferred from the IRS \$1360.00
91b. Parents' Child Support Paid:	\$17000.00
91c. Parents' Taxable Earnings from Need-Based Employment Programs:	\$0.00
91d. Parents' College Grant and Scholarship Aid Reported to IRS as Income:	\$0.00
91e. Parents' Taxable Combat Pay Reported in AGI:	\$0.00
91f. Parents' Cooperative Education Earnings:	\$0.00
<b>Parents' 2018 Additional Financial Information Total:</b> Total of questions 91a - 91f above.	\$ 18360 .00

FAFSA Questions	Selected ISIR Value
92a. Parents' Payments to Tax-Deferred Pensions & Retirement Savings:	\$15000.00
92b. Parents' Deductible Payments to IRA/Keogh/Other:	Transferred from the IRS \$0.00
92c. Parents' Child Support Received:	\$14000.00
92d. Parents' Tax Exempt Interest Income:	Transferred from the IRS \$0.00
92e. Parents' Untaxed Portions of IRA Distributions and Pensions:	Transferred from the IRS \$0.00
92f. Parents' Housing, Food, & Living Allowances:	\$0.00
92g. Parents' Veterans Noneducation Benefits:	\$0.00
92h. Parents' Other Untaxed Income or Benefits:	\$0.00
<b>Parents' 2018 Untaxed Income Total:</b> Total of questions 92a - 92h above.	\$ 29000 .00

**Make sure that amounts reported are correct**  
**Payment to Tax-Deferred Pension – refer to W2 Form Box 12**

**\* Increase chance of being selected for verification**

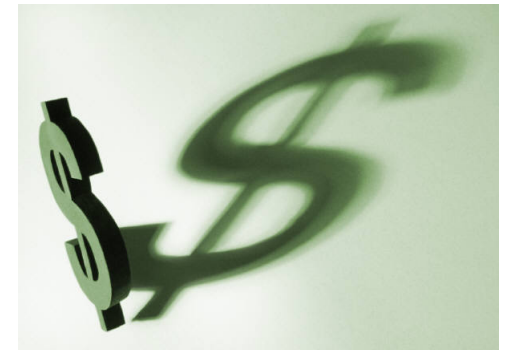
# Types of Aid



# Types of Financial Aid

- **Federal Pell Grant (\$6,345 to \$639/academic year)\*\***
- **Illinois MAP Grant (up to \$5,340 academic year)\*\***
  - Amount varies from college to college
  - **\*\*\*Amount is dependent on State of Illinois budget and funding\*\*\*\***
- **Federal SEOG Grant**
  - Amount varies from college to college
- **Student to Student Grant\*\***
  - Amount varies from college to college
- **TEACH Grant – around \$3,700**
- **Federal Direct Loans (\$5,500 to \$12,500/academic year)**
  - Amounts are based on grade level & dependency status
- **Federal PLUS Loans**
- **Federal Work Study**
- **Scholarships**

**\*\* Eligibility is based on financial need. Not all students will qualify \*\***



# Federal Direct Loan Program

Federal Direct Subsidized Loan	Federal Direct Unsubsidized Loan
* No Cosigner	* No Cosigner
* No Credit Check	* No Credit Check
* Interest rate is 2.75% (7/1/20 – 6/30/21)	* Interest rate is 2.75% (7/1/20 – 6/30/21)
* Based on financial need	* Not based on financial need
<b>* <u>Government pays interest only while student is enrolled in at least 6 credit hours</u></b>	<b>* <u>Student is responsible for all interest</u></b>
* Repayment begins 6 months after student graduates and/or drops below half-time enrollment	* Repayment begins 6 months after student graduates and/or drops below half-time enrollment
* Freshman - \$3,500	* Freshman, <b>Dependent</b> - \$5,500 <i>(No more than \$3,500 sub – if eligible)</i>
* Sophomore - \$4,500	* Freshman, Independent - \$9,500 <i>(No more than \$3,500 sub – if eligible)</i>
* Junior/Senior - \$5,500	* Sophomore, <b>Dependent</b> - \$6,500 <i>(No more than \$4,500 sub – if eligible)</i>
	* Sophomore, Independent - \$10,500 <i>(No more than \$4,500 sub – if eligible)</i>
	* Junior/Senior, <b>Dependent</b> - \$7,500 <i>(No more than \$5,500 sub – if eligible)</i>

# Federal Direct Loan Program

- Student will also need to:
- **Complete Entrance Loan Counseling**
  - Can be completed online at [studentaid.gov](https://studentaid.gov)
- **Complete a Master Promissory Note**
  - Can be completed online at [studentaid.gov](https://studentaid.gov)



## NOTES:

- Dependent Undergraduate students can only borrow \$31,000 in Federal Direct Loans
- Loans must be paid back! Borrow wisely and just what you need
- Students are not required to accept the full loan awarded to them

# Parent PLUS Loan

- Available to parents of dependent, undergraduate students
- Parent will complete Master Promissory Note at [studentaid.gov](https://studentaid.gov)
- Based on parent's credit
- Parents may borrow up to the **Cost of Attendance minus financial aid**
- *Interest rate of 5.30% - July 1, 2020 to June 30, 2021*
- Repayment
  - If the school your child is attending requires you to submit your request for a parent PLUS loan at StudentLoans.gov, you'll have the option of requesting a deferment as part of the loan request process. Or, You can also contact your servicer to request a deferment.
  - If you do not request a deferment, you will be expected to begin making payments after the loan is fully disbursed (paid out).
  - During any period when you are not required to make payments, interest will accrue on your loan. You may choose to pay the accrued interest or allow the interest to be



Loan Repayment Flexibilities Extended Through Dec. 31, 2020  
Coronavirus and Forbearance Information for Students, Borrowers, and Parents

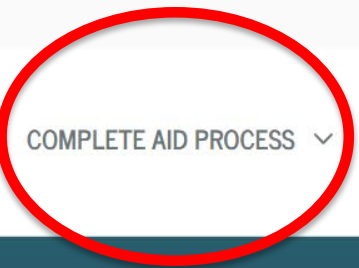
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# SCHOLARSHIPS

- **Scholarships are awarded based on:**
  - Financial Need
  - Academics
  - Ethnicity
  - Volunteering
- **Scholarship application process will vary from college to college**
- **Eligibility requirements will vary from scholarship to scholarship**
  - Some are renewable if you meet GPA requirements
  - Some may only be good for one year
  - Some may be full-ride scholarships and some may be partial scholarships
- **Deadlines to apply for scholarships will vary based on the college.**
  - Check your college's website to find out deadline dates.

# Award letter

# Determining Your Financial Aid Award

**Cost of Attendance**

Minus

**Expected Family Contribution**

---

**Unmet Need**

Minus

**Grants**

**Scholarships**

**Federal Work Study**

---

Remaining Unmet Need

**Loans**



# Cost of Attendance

- ✓ Tuition and fees
- ✓ Room and Board
- ✓ Books/Supplies
- ✓ Transportation
- ✓ Study Abroad

***NOTE: Amounts based on estimates***

# Determining Your Financial Aid Award

**College A**

**\$11,717**

Minus

**1,000 (EFC)**

---

\$10,717 – *remaining unmet need*

Minus

**\$5,395- Pell**

**\$2,208 - MAP**

**\$3,114 - FWS**

---

\$0 – *remaining unmet need*

**College B**

**\$28,204**

Minus

**1,000 (EFC)**

---

\$27,204 – remaining unmet need

Minus

**\$5,395 - Pell**

**\$3,500 - MAP**

**\$5,000 - FWS**

---

\$13,309 – remaining unmet need

**\$5,500 – Loans**

**\$7,809 still remaining**

# Determining Your Financial Aid Award

College A

**\$11,717**

Minus

**15,000 (EFC)**

---

*\$0 – remaining unmet need*

**\$5,500 – UNSUBsidized Loan**

College B

**\$65,000**

Minus

**15,000 (EFC)**

---

\$50,000 – remaining unmet need

Minus

**\$3,500 – SUBsidized Loan**

**\$2,000 UNSUBsidized Loan**

---

\$44,500 – remaining unmet need

# Websites

## **Department of Education**

[www.ed.gov](http://www.ed.gov)

## **Illinois Student Assistance Commission**

[www.isac.org](http://www.isac.org)

## **Free Application for Federal Student Aid**

[www.studentaid.gov](http://www.studentaid.gov)

## **Internal Revenue Service**

[www.irs.gov](http://www.irs.gov)

## **College of DuPage**

[www.cod.edu](http://www.cod.edu)