

NVHS Financial Aid Night 2018

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Financial Aid Overview

FINANCIAL AID FORMS--FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA)--To receive any type of financial aid every family must file the FAFSA. This form is used to officially calculate your **Expected Family Contribution (EFC)**. It cannot be filed until **after October 1, 2018** for seniors in high school. File the FAFSA online at fafsa.ed.gov. Students and one parent will need a FSA (Federal Student Aid) number (StudentAid.gov/fafsa). Once the family contribution is calculated, colleges will determine eligibility for various programs including Pell Grant, Illinois MAP Grant, work-study, student loans and the colleges' institutional funds. Federal Student Aid 1-800-4-FED-AID.

- **CSS/Financial Aid PROFILE**-- Some colleges will also ask for the PROFILE, the financial aid application service of the College Board. Many of the member colleges and scholarship programs use the information collected on the PROFILE to help them award nonfederal student aid funds. This form requests additional information and allows the college to calculate a different family contribution, which they will then use to determine your eligibility for their own institutional money. They cannot use information collected on the PROFILE or any other institutional form to influence your eligibility for the other federal and state programs. Usually, the PROFILE is required for highly selective colleges. There is a fee to submit the PROFILE, so be sure to check and see if your college requires this form. CSS Profile is online at <https://cssprofile.collegeboard.org/>
- **INSTITUTIONAL FORMS**--Some colleges also require you to fill out their own institutional form for financial aid.

FEDERAL METHODOLOGY-- The system that drives the process of financial aid for a college. This method is based on this equation:

$$\text{Cost of Attendance minus Expected Family Contribution (EFC) = Financial Need}$$

The Cost of Attendance is the total amount it will cost a student to go to a college for one academic year and it is set by each college. The EFC is an amount determined by a formula established by Congress that indicates how much of a family's financial resources should be available to assist in the cost of college. This amount is calculated when a family files the **FAFSA**.

What Drives the Family Contribution? One of the most important variables in whether or not the student is able to receive financial assistance is the calculation called the EFC. There are several important elements that drive that contribution under the current system:

- **Parents' Income:** The specific element required is the **Adjusted Gross Income** from the tax return of the year prior to student enrollment. The **AGI** is the bottom line on the front page of the tax return. Untaxed income (such as contributions to a 401k or similar program, child support and/or Social Security benefits) is added to determine total income.
- **Student's Income:** The student income information will also be used in determining the EFC and more of the student's income versus the parents' income will be expected to be paid towards the cost of college.
- **Parents' Savings:** Every family has an asset protection allowance calculated. This is the amount of savings and investments the system allows. No dollars are expected up to this allowance. The expectation starts after the assets go over the allowance.

Almost all categories of savings and investments are expected to be listed, as such on the document. However, certain categories should not be listed. These categories include equity in your home, qualified plans, annuities and life insurance contracts.

After the Forms are Filed.....Student Aid Report--Perhaps, more important than any other piece of information in this system is a form called the **(SAR)**. You will receive the SAR approximately 7-10 days after you file the FAFSA electronically. The SAR will include your EFC- your expected family contribution, which will be used by the colleges to determine eligibility for the federal and state programs.

The SAR must be examined to check for accuracy. If the information on the SAR is inaccurate, immediately contact the financial aid offices at the colleges to which you applied.

Award Letters--The colleges you listed will receive the results from your FAFSA and determine whether they want additional information. If they request other documents, send them immediately. If no other documents are required, the college financial aid officer will evaluate the information, examine any other documents required (PROFILE, tax returns, etc.) and determine your student's financial aid award. They will put this in writing... called an award letter. An award letter will illustrate your aid from all of the various sources (Pell, State, Student Loan, Campus Employment, money from the college). At this point, gather each of these award letters and determine the out of pocket cost at each school. To determine this out of pocket cost, take the school's listed charge: (yearly tuition & fees if the student is a commuter, or yearly tuition & fees plus room & board if the student lives on the campus), and subtract that from any grants and scholarships to know how much you owe. This amount is often met by student loans, which will also be documented in your award letter, work study, or your own cash. Once you assess this out of pocket cost, you should be able to make a good, value vs. cost, decision.

Financial Aid Programs-- FEDERAL

Financial aid packages, as communicated through the award letter, may include funds from the following general categories: grants, loans, and work study. Grants are “gift aid”, which do not have to be repaid. Loans are borrowed money that must be paid back. There are various types of loans. The best contact for a family when applying for financial aid is the financial aid officer at each college.

- **Federal Pell Grant-** This grant is federally funded where the proceeds (maximum award is \$5,920) can be used to offset any of a student’s cost for college. This is a federal program that is available annually for very needy families.
- **Federal Work Study-** A student’s award package may include the opportunity to work on the college campus through the Federal Work Study program. The money can be deducted from a student’s bill at the college or can be paid directly to the student. Money earned from a Federal Work Study job will not be counted as income when the student completes the next year’s FAFSA. Students are paid minimum wage and work 10 to 20 hours a week in a variety of jobs.
- **Federal Subsidized Stafford Loan-** This is a government program providing low-interest loans based on need. The loans are written in the student’s name and the government pays the interest while the student is in college, during the 6 month grace period the student gets after finishing college, and during authorized deferment periods. Students are to repay the loans back in 10 years on a monthly basis. Federal Stafford loan maximums: \$3,500 in freshman year, \$4,500 in sophomore year, and \$5,500 in each of junior and senior years.
- **Federal Unsubsidized Stafford Loan-** This government loan program provides non-need based, low-interest loans to students, who are not eligible for a full subsidized Federal Stafford Loan. This loan has many of the same features as the subsidized loan with one major difference; the student pays the interest, although the payments can be deferred until after graduation. Deferring the interest payments until after graduation adds the interest payments to the loan balance, increasing the size and cost of the loan. Repayment begins six months after graduation.
- **Federal Plus Loan-** This is a loan program for parents of dependent undergraduates, which is not based on financial need. The amount borrowed can be up to the total cost of attendance minus any financial aid. These loans must be requested from the college and the repayment begins within 60 days and must be repaid in 10 years.

Financial Aid Programs- STATE

The Illinois Student Assistance Commission (ISAC) has various funding and scholarship programs for students in Illinois. For more information on the programs or state aid questions go to their website at www.isac.org or call 1-800-899-ISAC. If the student attends a college in Illinois, he or she may be eligible for the Illinois Monetary Award Program (MAP Grant). Eligibility for this award is based on a separate formula used by ISAC, but it is heavily tied into the EFC figure. By completing the FAFSA, students can apply for this program. In order to assure a family’s eligibility for a MAP Grant, families are encouraged to list an Illinois school first on the FAFSA. This does not mean that a student must attend that school or that it even needs to be a number one choice. Please note- MAP narrowly survived the last six years due to the state’s severe financial crisis.

ONLINE CALCULATORS are available to help you estimate college costs, savings needs, and financial aid.

- Each college is now required by the federal government to have a net cost calculator on their website. These are designed to give families a better idea of the cost at that particular school earlier in the process. Be sure to check the colleges’ web sites!
- Illinois Student Assistance Commission: www.isac.org –state and federal aid estimators, loan repayment calculators, resources & FAFSA completion <http://www.isac.org/students/before-college/financial-aid-planning/completing-the-fafsa/index.html>
- FinAid! www.finaid.org – Provides links to many services of information on student financial aid & a scholarship scam alerts.
- www.collegeboard.org – Has links on financial aid and scholarship searches under College Planning.

SCHOLARSHIPS--LOCAL & NATIONAL ORGANIZATIONS-- Scholarships are available through numerous organizations other than the colleges, including places of employment, civic organizations, and private donors, etc. As NVHS receives scholarship information, it will be posted on **Naviance** for seniors, under the “**Scholarship List**”, which is located under the “Colleges” tab.

SCHOLARSHIPS ONLINE--- Online scholarship search engines provide students with a list of scholarships that they may qualify for based on their criteria. Several online scholarship search engines are posted on Naviance.

www.scholarships.com

www.cappex.com

www.fastweb.com

www.studentscholarshipsearch.com

www.college-scholarships.com

<https://jlvcollegecounseling.com/scholarships/>

SCHOLARSHIPS-COLLEGE SPECIFIC--The most typical ones are academic, athletic, talent, and leadership. Remember to check the requirements for the scholarships and see if the scholarships are renewable. The best source for checking college specific scholarships is the college’s own web site. We highly encourage you to research college-specific scholarships prior to filling out college applications.

Submit the FAFSA Earlier: Students will be able to file a 2019–20 FAFSA as early as **Oct. 1, 2018**. The earlier submission date will be a permanent change, enabling students to complete and **submit a FAFSA as early as October 1** every year.

Use Earlier Income Information: For the 2019–20 FAFSA, **students will report income information from an earlier tax year**. On the 2019–20 FAFSA, students and parents will report their **2017 income information**, rather than their 2018 income information.