



# Financial Aid:

An Overview



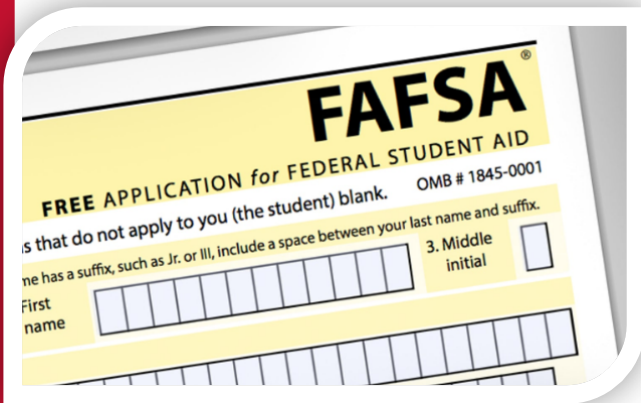
WAUBONSEE  
COMMUNITY COLLEGE



## Overview

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- ✓ What is financial aid?
- ✓ Cost of attendance (COA)
- ✓ Expected family contribution (EFC)
- ✓ Financial need
- ✓ Types of financial aid
- ✓ Free Application for Federal Student Aid (FAFSA®)
- ✓ Alternative Application for Illinois Financial Aid
- ✓ Role of the Financial Aid Office



# What is Financial Aid?

- ❑ Consists of funds provided to students and families to help pay for postsecondary educational expenses.
  - ❑ Scholarships
  - ❑ State Grants
  - ❑ Federal Grants
  - ❑ Federal Direct Loans
  - ❑ Work-Study Employment
- ❑ The amount and type of Federal financial aid offered is based on the:
  - ❑ School's Cost of Attendance (COA)
  - ❑ Student's Expected Family Contribution (EFC)



# Cost of Attendance (COA)

- Estimation of educational costs a student is expected to incur during the period of enrollment
- Direct and Indirect Costs are combined to create the COA
- Varies at each college/university

## Direct Costs

- ✓ Billed by or paid directly to the college



Tuition and fees



Books and supplies



Room and board

## Indirect Costs

- ✓ Necessary expenses not paid to the college



Off Campus Room and board

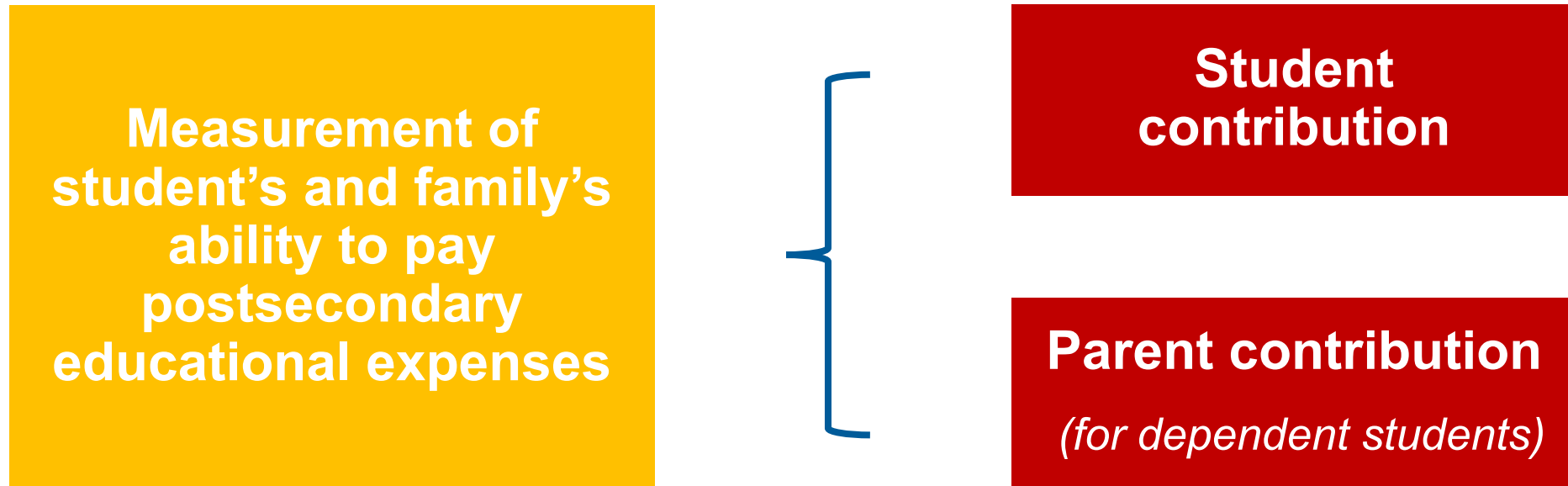


Transportation



Miscellaneous personal expenses

# Expected Family Contribution (EFC)



- Measurement of the family's ability to contribute towards a student's college expenses
- Calculated using information from the FAFSA<sup>®</sup>
- EFC is the same regardless of the college you attend

# Financial Need

- Difference between the COA and the EFC
- Varies based on the COA of different colleges
- Determines how much and what type of aid a student receives
- Colleges may not have enough financial aid to meet the student's total financial need

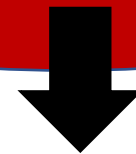


$$\begin{aligned} & \text{Cost of attendance (COA)} \\ - & \text{Expected family contribution (EFC)} \\ \hline = & \text{Financial need} \end{aligned}$$

# Types of financial aid



Money that is not paid back



Money must be paid back  
OR  
Requires something in return

# Grant Programs

- ✓ Money that does not have to be paid back
- ✓ Awarded based on financial need calculated by the FAFSA
- ✓ Three main types:
  - ✓ Federal Pell Grant
  - ✓ Federal Supplemental Educational Opportunity Grant
  - ✓ State Grants (IL has MAP)

## Federal Supplemental Educational Opportunity Grant (SEOG)

- Undergraduates pursuing first bachelor's degree
- Awarded first to students with exceptional financial need
- Usually eligible for Pell Grant
- Annual award amounts are determined by the school and can range from \$100 to \$4,000 based on availability of funds at the college.

## Federal Pell Grant

- Largest federal grant program
- Awarded to eligible undergraduates pursuing first bachelor's with a qualifying EFC.
- Award amount based on Cost of Attendance (COA), Expected Family Contribution (EFC), and enrollment status
- 2020-2021 range from \$6,345 to \$639
- Limited to 12 full-time semesters

## IL Monetary Award Program (MAP)

- Need-based grant
- Eligible students determined by state
- Pays tuition and mandatory fees up to \$5,340
- Must be an Illinois resident
- Must attend a MAP-approved Illinois school
- Maximum of 15 credits and minimum 3 credits hours/semester
- Paid only if funded by the state





# Grant Programs continued....

## Children of Fallen Heroes

- Need-based grant – Pell Grant
- May be available to students whose parent/guardian was:
  - a Public Safety Officer and
  - died while in the line of duty
- At the time of death, student must be:
  - Under the age of 24
  - Or if over 24, was enrolled in college

## Iraq and Afghanistan Service Grant (IASG)

- Non-need-based grant
- Must not be eligible for Pell Grant
- Cannot exceed COA
- May be available to students who parent/guardian:
  - died as a result of U.S. military service
  - on or after September 11, 2001
- At the time of death, student must be:
  - Under the age of 24
  - Or if over 24, was enrolled in college

- ✓ Not available to all students
- ✓ Not available at all schools (TEACH)
- ✓ Criteria is different for each grant
- ✓ Reach out to Financial Aid to see if you qualify

## Teacher Education Assistance Grant

### (TEACH)

- Must have and maintain:
  - 3.25 GPA each term or score at or above the 75th percentile on a standardized college admissions test
- Must agree to teach full time for at least four years:
  - within eight years of college graduation
  - at a school serving a high percentage of low-income students
  - Teach a specific high-need subject
- Grant funds become a Direct Unsubsidized Loan if student does not fulfill teaching requirement

# Scholarship Programs

- ✓ Money that does not have to be paid back
- ✓ Could be based on merit, skill, program, or unique characteristic

The 2021-2022 Waubonsee Foundation Application will be available from October 1, 2020 through February 1, 2021 at [www.waubonsee.edu/foundation](http://www.waubonsee.edu/foundation).

- State Scholarships [www.isac.org](http://www.isac.org)
- University grants/scholarships
- Private scholarships
- Academic & Athletic scholarships
- Resident Assistant benefits

- College Board's Scholarship: [www.collegeboard.com](http://www.collegeboard.com)
- FastWeb Scholarship: [www.fastweb.com](http://www.fastweb.com)
- Scholarships: [www.scholarships.com](http://www.scholarships.com)

# Federal Loan Program

William D. Ford Federal Direct Loan Program (Direct Loan Program) provides funds directly from the federal government. Interest rates and loan fees can change every year.

- ✓ Student borrowed loans, interest rates, and loan fees:
  - ✓ Subsidized Loan is need based for undergraduate students
  - ✓ Unsubsidized Loan is not need based
  - ✓ Interest Rate: 2.75% (effective July 1, 2020 – June 30, 2021)
  - ✓ Loan Fee: 1.057% (effective October 1, 2020 – September 30, 2021)
  - ✓ Repayment begins 6 months after the student graduates, falls below half-time status or completely withdraws from school
- ✓ Parent borrowed loan, interest rate and loan fee:
  - ✓ PLUS Loan
  - ✓ Interest Rate: 5.30% (effective July 1, 2020 – June 30, 2021)
  - ✓ Loan Fee: 4.228% (effective October 1, 2020 – September 30, 2021)
  - ✓ Repayment begins 60 days after the loan is fully disbursed but interest starts with 1st disbursement
- ✓ School determines loan eligibility
- ✓ You can opt to borrow only what is needed
- ✓ Loan proceeds are applied directly to the student's account
- ✓ A loan servicer is assigned will provide:
  - ✓ Customer service
  - ✓ Repayment assistance

Students and parents who borrow must:

- ✓ Complete Loan Entrance Counseling
- ✓ Complete a Master Promissory Note

## Payment of Interest

- ✓ Subsidized- federal government pays interest while the student is in college and during deferment/grace periods
- ✓ Unsubsidized- interest accrues once disbursed and is always the student's responsibility

# Federal Loan Program

## Annual Direct Loan Limits

### Subsidized Loan Limits

\$3,500 Freshmen

\$4,500 Sophomores

\$5,500 Juniors & Seniors

### Unsubsidized Loan Eligibility

\$2,000 Dependent students

\$6,000 Independent students

▪ (or dependent students if PLUS is denied)

### Maximum Dependent Undergrad Loan Limits

\$23,000 subsidized

\$8,000 unsubsidized

\$31,000 Total

### Maximum Independent or Dependent Students whose Parent is Denied the PLUS Loan

\$23,000 subsidized

\$34,500 unsubsidized

\$57,500 Total

# Federal Loan Program

## PLUS Loans

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- ✓ Borrowers are parents of dependent students
- ✓ Non-need-based loan
- ✓ Maximum annual loan limit: cost of attendance minus other aid
- ✓ Borrower must have good credit or creditworthy endorser
  - ✓ If denied, contact Financial Aid for additional information
- ✓ Students must complete a FAFSA® and federal aid eligibility must be determined before PLUS loan amount can be determined.
- ✓ In-school deferment is now available on the PLUS loan
- ✓ 10 year standard repayment, but could be extended depending on total amount borrowed
- ✓ More information on loans is available at: [www.studentaid.gov](http://www.studentaid.gov)

# Federal Work-Study Employment

 ARE YOU A   
**STUDENT**  
LOOKING FOR A JOB?

- ✓ Need based employment program
- ✓ Employment may be on or off campus
- ✓ Student's earn money to pay educational costs
  - ✓ Receive a paycheck for work completed; or
  - ✓ Directly applied towards balance at school
- ✓ Students earn at least the current minimum wage
- ✓ Student and employer determine schedule
- ✓ FWS is good to establish a work history in your desired career field
- ✓ Supervisors can be used as a reference

# Free Application for Federal Student Aid (FAFSA®)

- ✓ Completing and processing the FAFSA® is **FREE**
- ✓ Collects demographic and financial information to calculate the Expected Family Contribution (EFC)
- ✓ Colleges use EFC to award financial aid
- ✓ Available in English and Spanish
- ✓ May be filed at any time during an academic year
  - ✓ 2020-2021 opened October 1, 2019
  - ✓ 2021-2022 opened October 1, 2020
- ✓ Colleges and States may have different priority dates
  - ✓ **2020-2021 WCC FAFSA Priority Date is December 1, 2020**



# FAFSA® Continued: Eligibility Requirements

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- ✓ Must be enrolled or accepted for enrollment in an eligible program of study
- ✓ Must be pursuing a degree, certificate, or other recognized credential
- ✓ Must be a U.S. citizen or eligible noncitizen
- ✓ Must be registered with Selective Service (if male and required to be)
- ✓ Must have a valid Social Security Number
- ✓ May not have eligibility suspended or terminated due to a drug-related conviction
- ✓ May not be in default on a federal student loan
- ✓ May not owe repayment of a federal grant



# FAFSA® Continued: Students are considered **DEPENDENT**

**and are required to provide parental income information on the FAFSA UNLESS....**

- ✓ they are at least 24 years old by December 31st of the award year covered by the FAFSA;
- ✓ they are married at the time of filing the FAFSA;
- ✓ they are working on a graduate or doctoral degree;
- ✓ they are currently serving on active duty in the U.S Armed Forces for purposes other than training;
- ✓ they are a veteran of the U.S. Armed Forces;
- ✓ they have children who they will provide more than 50% of their support;
- ✓ they have a legal dependent, other than a spouse or children, and provide more than 50% of the dependent's support;
- ✓ since the age of 13, parents were deceased, were in foster care, a ward of the court or were emancipated by a court
- ✓ since June 30, 2019 have been homeless as designated by the high school homeless liaison

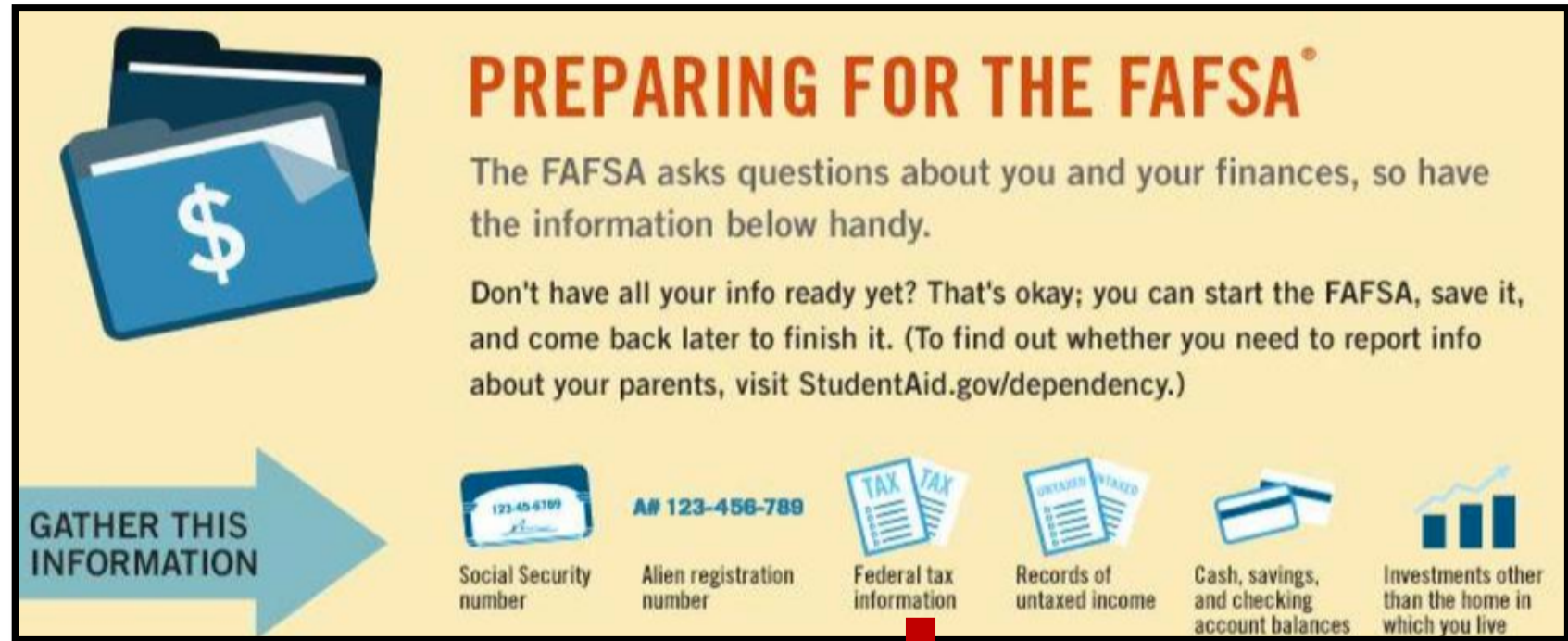
# FAFSA® Continued: Gather Information

Create an FSA ID for:

- <https://fsaid.ed.gov/npas>
- Student
- Parent

FSA ID is used to:

- Sign FAFSA® electronically
- Import taxes from IRS
- Sign Master Promissory Notes
- Access information on Studentaid.gov









## PREPARING FOR THE FAFSA®

The FAFSA asks questions about you and your finances, so have the information below handy.

Don't have all your info ready yet? That's okay; you can start the FAFSA, save it, and come back later to finish it. (To find out whether you need to report info about your parents, visit [StudentAid.gov/dependency](https://StudentAid.gov/dependency).)

**GATHER THIS INFORMATION**

-  Social Security number
-  Alien registration number A# 123-456-789
-  Federal tax information
-  Records of untaxed income
-  Cash, savings, and checking account balances
-  Investments other than the home in which you live

Which tax year do you need?

- The 2021–22 FAFSA form asks for 2019 tax information.
- The 2020–21 FAFSA form asks for 2018 tax information.

# FAFSA® Continued: Completing



FAFSA® on the Web (FOTW)

[fafsa.gov](https://fafsa.gov)



MyStudentAid (mobile app)

**Waubonsee Financial Aid One-on-One Help**

**Reserve your spot at**  
[waubonsee.edu/fafsa](https://waubonsee.edu/fafsa)

# FAFSA® Continued: Common Errors

Not completing the FAFSA	Missing Signatures (Student/Parent)
Wrong Social Security Number	Not using legal name or name as it appears on your social security card
Untaxed income	U.S. income taxes paid
Household size	Number in college
Real estate and investment net worth	Divorced/remarried information
Not reading questions carefully	Not reviewing before submitting

**FAFSA Errors**

That Impact Your

**Financial Aid**

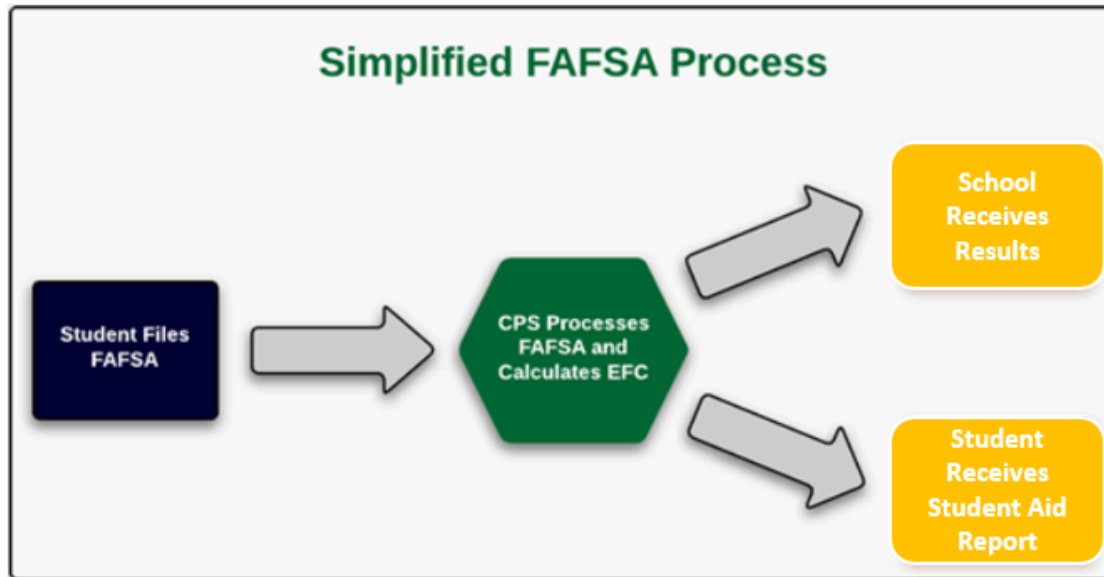


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# FAFSA® Continued: Results, Verification, & Corrections

## Results:

- ✓ Take 3 to 5 days if completed electronically
- ✓ Up to 3 weeks or more if filed by mail
- ✓ Students are notified by E-mail OR Postal Mail based on their preference for communication set up through the FSA ID
- ✓ Sent to colleges listed on the FAFSA®
- ✓ Check with the colleges listed to complete any additional information



**Before making  
corrections, speak  
with your Financial  
Aid Office!**

## Verification:

- ✓ About 30% of Applicants are selected by the Department of Education
- ✓ Items to be verified usually include:
  - ✓ Household Size
  - ✓ Number in College
  - ✓ Income for Parent and Student
- ✓ Income is verified by using the IRS Data Retrieval Tool or submitting a tax return transcript from [www.irs.gov](http://www.irs.gov)
- ✓ The IRS Data Retrieval Tool is used by going back to [www.fafsa.gov](http://www.fafsa.gov) and making a correction



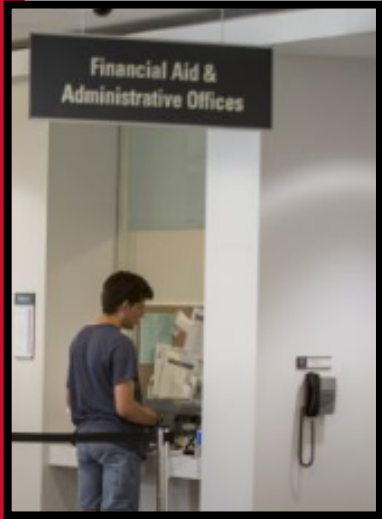
**WAUBONSEE**  
COMMUNITY COLLEGE

ALTERNATIVE  
APPLICATION  
FOR ILLINOIS  
FINANCIAL AID

Intended for qualifying  
undocumented and  
transgender students

# Alternative Application for Illinois Financial Aid

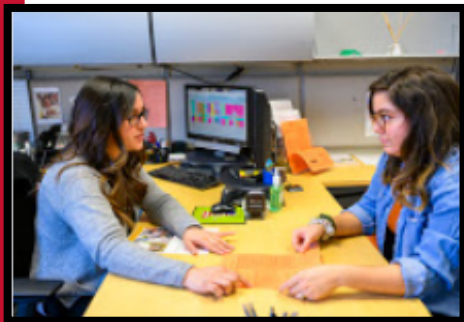
- Who can apply and Eligibility:
  - This application determines eligibility for the State of IL MAP Grant for undocumented students and transgender students who are not eligible for federal financial aid through the FAFSA®.
- Where to Apply:
  - <https://studentportal.isac.org/en/alternativeapp>
- Creating User ID:
  - You will go through a pre-screening questionnaire and then will need to create a user ID and password for the student and parent (if applicable).
- Results:
  - Schools listed on your application will be notified if you are eligible and the amount to award.



# Role of the Financial Aid Office

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- Collects documentation requested by the college and/or the Department of Education
- Makes corrections to the FAFSA to resolve any discrepancies
- Determines eligibility for financial aid
- Sends an award notification which may include:
  - Student's cost of attendance
  - Student's EFC
  - Amount of student's financial need
  - Awarded aid for which the student is eligible
  - Terms and conditions of student's award
- Reviews any special circumstances
- Counsels students and families on financial aid questions





# Get Your Questions Answered...

Waubonsee Community College - Financial Aid Office

Phone: (630) 466-5774

Email: [financialaid@Waubonsee.edu](mailto:financialaid@Waubonsee.edu)

Sugar Grove Campus, Student Center, Room 234  
Aurora Downtown Campus, Room 241



The Financial Aid Office is here to help.



## APPLYING FOR AID

- Creating a Federal Student Aid (FSA) ID and resetting associated passwords
- Filling out the Application for Federal Student Aid (FAFSA)
- Applying for federal/state veterans' benefits

## UNDERSTANDING AID AND FINANCES

- Getting a real sense of what your higher education will cost
- Learning more about your aid package and what to accept/decline
- Building your financial literacy
- Understanding how loans and repayment plans work

## USING YOUR AID

- Applying for Federal Work Study jobs
- Understanding how course withdrawals and credit hours impact your aid
- Using your aid at your transfer school

## State and Federal Contacts:

- ❖ Illinois Student Assistance Commission 800-899-ISAC (4722)
- ❖ U.S. Department of Education (800) 4 FED AID (433-3243)