KEEP CALM AND ASK FINANCIAL AID

Heather McKane
Dean of Student Financial Services
Aurora University
WHY FINANCIAL LITERACY IS IMPORTANT
Financial Literacy

- Budgeting
- Debt management
- Credit

- Identity theft and financial scams
- Financial planning
Why College Students Drop Out

- Financial Pressures: 38%
- Academic Disqualification: 28%
- Poor Social Fit: 13%
- Family Support: 9%
- Health Problems: 5%
- Distance From Home: 4%
- Mental/Emotional Issues: 3%

Aurora University 1893
What can I do before January 1?

- Net Price Calculators
- Apply for Admission
- Apply for PIN (pin.ed.gov)
- Research the process
FAFSA Filing

Free Application for Federal Student Aid
fafsa.gov
Before Getting Started

• For the 2014-2015 school year, you will need financial information from 2013. You may need to refer to:
  ▫ Social security card
  ▫ Driver’s license (if any)
  ▫ Alien registration/permanent resident card (if applicable)
  ▫ 2013 W-2 forms and other records of money earned
  ▫ 2013 Federal Income Tax Return
    • IRS 1040, 1040A, 1040 EZ or a Foreign Tax Return
      • Married students also need spouse information
      • Dependent students also need parent information
  ▫ 2013 untaxed income records
  ▫ Current bank statements
  ▫ Current investment records
    • Investment mortgage information
    • Business and farm records
    • Stock, bond and other investment records

Please Note: You may not use all of these documents
FAFSA: Student Demographics

- Name must match social security card exactly
- Social security number must be correct
- Permanent address is the address listed on your taxes
FAFSA: Student Demographics

• Must be a citizen or eligible non-citizen to receive aid
• Males over the age of 18 must register with the Selective Service in order to receive aid
  ▪ Can register when completing FAFSA
FAFSA: Student Demographics

- Enter as much information as possible to receive the most relevant search results
- Click **Confirm** after selecting your high school from the drop down list
FAFSA: School Selection

You can add up to 10 colleges to your FAFSA. If you know your college's school code, use the option to the right to search. If you need help finding your college, use the state (required), city (optional), and school name (optional) fields to begin your search.

State: [Select]  
City: [ ] (optional)  
School Name: [ ] (optional)  
Federal School Code: 001634

Select a school from the Search Results table and click Add >> to add a school to the Selected Schools table.

Search Results: 238, Showing 101 - 200

Selected Schools:

- UNIVERSITY OF PITTSBURGH
- PITTSBURGH, PA
- Federal School Code: E00418
- Johns Hopkins Bloomberg Sch of PH
- BALTIMORE, MD
- Federal School Code: E00234
- Johns Hopkins Hospital School of Tech
- BALTIMORE, MD
- Federal School Code: 012958
- Johns Hopkins Hospital School of Tech
- BALTIMORE, MD
- Federal School Code: 005782
- Johns Hopkins University Peabody Conserv
- BALTIMORE, MD
- Federal School Code: 001634

Aurora University
FAFSA: Dependency Status

Dependent vs. Independent?

- Were you born before January 1, 1991?
- As of today, are you married?
  - Answer "Yes" if you are separated but not divorced
- Will you be working on a graduate degree?
- Are you currently serving on active duty?
- Are you a veteran of the U.S. Armed Forces?
- Do you have children who will receive more than half of their support from you?
- Do you have dependents (other than your children or spouse) who live with you?
- Are you an orphan/ward of the court?
- Are you in legal guardianship?
FAFSA: Parent Demographics

Who is the Parent?

- In cases of divorce, report information on the parent that the student lived with most and/or received more than 50% of their financial support from during 2012
  - Biological
  - Adoptive
- In cases of re-marriage, step-parents are considered parents for financial aid purposes
- A foster parent, legal guardian, or a grandparent/other relative is not treated as a parent for the purpose of filing a FAFSA unless they have legally adopted the student.
FAFSA: Financial Information

- IRS Data Retrieval Tool (DRT)
  - Preferred method
  - Eligibility to use IRS DRT depends on:
    - Filing status
    - Type of tax return
    - Timeliness of filing
  - Became available February 2014
IRS Data Retrieval Tool (DRT)

- Ineligible for IRS DRT because taxes were recently filed:
  - Can update when IRS DRT becomes available
    - Three (3) weeks for tax returns filed electronically
    - Eight (8) weeks for tax returns mailed to the IRS
- Ineligible for IRS DRT because taxes have not been filed:
  - Will be sent a reminder to update FAFSA data using the IRS DRT (if eligible) once taxes have been filed
FAFSA: Sign and Submit

A student and parent can enter their PIN and click “Sign” and the system will retain the signature. This allows parents and students to sign and submit separately.
FAFSA: Confirmation

- Confirmation Number
- Data Release Number (DRN)
- EFC estimate
- Pell Grant and Direct Loan estimates
- Option for parents to transfer info to an application for a sibling
- Option to transfer info to a state application if state participates in API
- Rates for each college on the FAFSA
A need analysis formula established by Congress determines a student’s **Expected Family Contribution**; using information reported on the FAFSA.

<table>
<thead>
<tr>
<th>What?</th>
<th>Why?</th>
<th>Where?</th>
</tr>
</thead>
<tbody>
<tr>
<td>A comparative measure of how much a family can be expected to contribute over the course of an academic year</td>
<td>Used to determine a student’s eligibility for most federal and state assistance</td>
<td>Shown on the Student Aid Report (SAR)</td>
</tr>
</tbody>
</table>
Verification & IRS Data Retrieval
Verification

Verification is a process to confirm the information you provided on the FAFSA.

- Why are students selected for Verification?
  - Random
  - Incomplete, estimated, or inconsistent/conflicting data
What information is verified?

- Household size
- Number in college
- Supplemental Nutrition Assistance Program
  - Food Stamps
- Child support paid
- Adjusted gross income (AGI)
- U.S. income taxes paid
- Untaxed income and benefits
Required Verification Documentation

• Tax Filers, we need:
  ▫ Submit or correct FAFSA with IRS DRT
  ▫ Submit tax return transcript from the IRS
  ▫ Copy of all W2s

• Non-Tax Filers, we need:
  ▫ Copy of all W2s
  ▫ A completed Non-Tax Filer form
The IRS Data Retrieval Tool

Get My Federal Income Tax Information

Required fields *

- First Name *
- Last Name *
- Social Security Number *
- Date of Birth *
- Filing Status *
- Street Address *
- P.O. Box (Required if entered on your tax return)
- Apt. Number (Required if entered on your tax return)
- Country *
- City, Town or Post Office *
- State/U.S. Territory *
- ZIP Code *

Select the button below to exit the IRS system and return to your FAFSA.

By submitting this information, you certify that you are the person identified. Use of this system to access another person’s information may result in civil and criminal penalties.

Submit
The IRS Data Retrieval Tool

The information you entered does not match our records.

What went wrong?

- Your address may have changed.
  Your current address may not be the same as the address we have on record for you. Use the address that matches your 2011 Federal Income Tax Return. Don’t forget to include your apartment number if applicable.

- Your name may have changed.
  Your current name may not be the same as the name we have on record for you. Use the name that matches your 2011 Federal Income Tax Return.

- Check your filing status.
  Use the filing status that matches your 2011 Federal Income Tax Return. If more than one filing status applied to you, you may have chosen the one that gave you the lowest tax obligation. For example, you may have qualified for Single and Head of Household but chose Head of Household on your tax return.

Try Again

Return to FAFSA

Español
The IRS Data Retrieval Tool

### Student 2011 Federal Income Tax Information

The information below is your tax information that will help you answer some of the questions on the FAFSA.

<table>
<thead>
<tr>
<th><strong>Tax Year</strong></th>
<th><strong>My Tax Information</strong></th>
<th><strong>FAFSA Question Numbers</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Name(s)</strong></th>
<th><strong>Nicole B Jones</strong></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>Social Security Number</strong></th>
<th>***** - ** - AAAA**</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Filing Status</strong></td>
<td><strong>Married-Filed Separate Return</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Type of Tax Return Filed</strong></th>
<th><strong>1040A</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adjusted Gross Income</strong></td>
<td><strong>$6,381</strong></td>
</tr>
<tr>
<td><strong>Income Earned From Work</strong></td>
<td><strong>$6,381</strong></td>
</tr>
<tr>
<td><strong>Income Tax</strong></td>
<td><strong>$59</strong></td>
</tr>
<tr>
<td><strong>IRS Exemptions</strong></td>
<td><strong>1</strong></td>
</tr>
<tr>
<td><strong>Education Credits</strong></td>
<td><strong>$0</strong></td>
</tr>
<tr>
<td><strong>IRA Deductions and Payments</strong></td>
<td><strong>$0</strong></td>
</tr>
<tr>
<td><strong>Tax-Exempt Interest Income</strong></td>
<td><strong>$0</strong></td>
</tr>
<tr>
<td><strong>Untaxed IRA Distributions</strong></td>
<td><strong>$0</strong></td>
</tr>
<tr>
<td><strong>Untaxed Pensions</strong></td>
<td><strong>$0</strong></td>
</tr>
</tbody>
</table>

Print this page for your records before choosing an option below.

**Transfer My Tax Information into the FAFSA**

The tax information provided above will populate the answers to the appropriate FAFSA questions. After the FAFSA is populated your IRS session will end and you will return to your FAFSA. Check this box if you are choosing to transfer your information.

**Do Not Transfer My Tax Information and Return to the FAFSA**

By clicking the “Do Not Transfer” button, you are choosing not to transfer your tax information electronically. Your IRS session will end and you will return to your FAFSA. You may still use this tax information to input the data into your FAFSA.
Verification and the IRS Data Retrieval Tool (DRT)

- Used IRS DRT but changed information
  - Need tax return transcript obtained directly from the IRS
  - Need explanation of why information provided on the FAFSA is more accurate than the IRS retrieved information
Requesting Tax Transcripts

- There are 2 main types
  - Tax Return Transcript
  - Tax Account Transcript
- For verification purposes, a **Tax Return Transcript** must be submitted
- A Tax Account Transcript is needed if the taxes were amended
- Most do not require a fee unless an expedited delivery is requested
- Can be requested online, over the phone, or by mail
Ordering Tax Transcripts

- Visit IRS.gov
  - Click on “Order a Return or Account Transcript”
- Call 800-908-9946
  - May have the option to receive by fax if at the fax machine
- Submit IRS form 4506TEZ or 4506T to the IRS
  - Print from the IRS website
  - Option to have transcript mailed to third party
- Submit your request in person at an IRS Taxpayer Assistance Center
  - Visit IRS.gov and click on “Contact your Local IRS Office” to find the nearest location
Special Circumstances
The Process

Hardship

- Student and/or family experiences significant life changes
- Ongoing expense that is not reflected by the data on the FAFSA

Request

- Submit Special Circumstance form and required documentation to the Office of Financial Aid
- Requests are reviewed by a committee composed of financial aid staff members

Result

- Office of Financial Aid sends letter indicating whether request is approved or denied
- If approved, income is recalculated and FAFSA is adjusted
- Award letter is updated to include any additional aid
Special Circumstance Examples

- Loss of Income or Benefits
- Recent Separation/Divorce of Student or Parent
  ▫ Only adjusted if filed FAFSA as married initially
- Death/Disability of Parent/Spouse
- Major Medical Expenses Paid
- Tuition paid at Private Elementary, Middle and High Schools
- Other
Financial Aid Timeline
Step 1: Create a Financial Aid Folder

- PIN (will need every year for signatures)
- FAFSA Confirmation Page
- Award Letters
- Outside Scholarship Information
- Loan Information
Step 2: File the FAFSA

- fafsa.gov
- File as soon after Jan. 1\textsuperscript{st} as possible \textbf{every year}
- AU school code – 001634
- Print the confirmation page

Step 3: Review your Student Aid Report

- Make any necessary corrections
Step 4: Receive and Review your Award Letter

- Estimate your out of pocket expenses
  - Financial aid doesn’t always cover charges

<table>
<thead>
<tr>
<th>Direct Costs (Tuition, Room and Board)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gift Assistance (Scholarships/Grants)</td>
</tr>
<tr>
<td>Loans</td>
</tr>
</tbody>
</table>

Out of Pocket Expenses
(Plus books and miscellaneous expenses)
Step 5: Plan for Your Estimated Out of Pocket Expenses

• Search and apply for outside scholarships
  ▫ Many deadlines are Feb – April
• Monthly payment plan
• Apply for PLUS loan/alternative loans

Step 6: Return All Requested Items to College

• Priority deadline for Fall 2014 = June 1st
Step 7: Aid Processed

- Allow 2-3 weeks for processing after receipt of ALL needed items
- Good News postcard

Step 8: Receive Official Bill

- Sign up for monthly payment plan
  - Priority deadline is August 1st
- Pay semester balance in full
  - Due date is one week prior to start of term
Aurora University is pleased to provide this award letter based on your budget as an on-campus resident.

<table>
<thead>
<tr>
<th>Estimated Semester Hours</th>
<th>FALL 15</th>
<th>SPRING 15</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ESTIMATED DIRECT COSTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition</td>
<td>$9,625.00</td>
<td>$9,625.00</td>
<td>$19,250.00</td>
</tr>
<tr>
<td>Activity and Technology Fees</td>
<td>$100.00</td>
<td>$100.00</td>
<td>$200.00</td>
</tr>
<tr>
<td>Room</td>
<td>$5,228.00</td>
<td>$5,228.00</td>
<td>$10,456.00</td>
</tr>
<tr>
<td>Board</td>
<td>$3,155.00</td>
<td>$3,156.00</td>
<td>$6,312.00</td>
</tr>
<tr>
<td><strong>Total Estimated Direct Costs</strong></td>
<td>$18,109.00</td>
<td>$18,109.00</td>
<td>$36,218.00</td>
</tr>
</tbody>
</table>

| SCHOLARSHIPS/GRANTS | | | |
|---------------------|---------|---------|
| Grinni Scholarship  | $4,750.00 | $4,750.00 |
| Alumni Legacy Award | $500.00   | $500.00   |
| "IL MAF Grant (Est)" | $2,360.00 | $2,360.00 |
| Federal Fell Grant  | $2,700.00 | $2,700.00 |
| Aurora University Grant | $199.00 | $198.00 |
| The Franklin Fund    | $375.00   | $375.00   |
| **Total Scholarships/Grants** | $10,884.00 | $10,383.00 | $21,267.00 |

| Estimated Net Price After Scholarships/Grants | | |
|-----------------------------------------------|---------|
| $7,225.00                                    | $7,726.00 |
| **TOTAL**                                    | $14,951.00 |

<table>
<thead>
<tr>
<th>STUDENT LOANS 3</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Sub Stafford Loan</td>
<td>$1,750.00</td>
<td>$1,750.00</td>
</tr>
<tr>
<td>Direct Unsub Stafford Loan</td>
<td>$1,000.00</td>
<td>$1,000.00</td>
</tr>
<tr>
<td><strong>Total Student Loans</strong></td>
<td>$2,750.00</td>
<td>$2,750.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Estimated Net Price After Student Loans</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$4,475.00</td>
<td>$4,976.00</td>
<td>$9,451.00</td>
</tr>
</tbody>
</table>

### Options to Consider

- **Estimated Payment by Semester**
  - $4,475.00
  - $4,976.00
  
  The fall semester payment is due August 20, 2012 and the spring semester payment is due January 3, 2013.

- **Estimated Monthly Payment**
  - $895.00
  - $995.20
  
  An interest-free five month payment plan is available for a $30 enrollment fee each semester. Payment is due the first day of every month.

- **Federal Direct PLUS Loan**
  - These federally guaranteed low-interest loans are available to parents who have a dependent child enrolled in college and are contingent upon credit approval. If a parent is denied based on a credit check, the student may be eligible to borrow additional Direct Unsubsidized Stafford Loan funds. Please contact our office for more information on this loan option.

### STUDENT EMPLOYMENT 5

- **FWS Eligibility**
  - $750.00
  - $750.00
  - $1,500.00
Scholarships, Need-Based Grants, & Veteran Benefits
AU Merit Scholarships

**Freshman**

- Board of Trustees - $12,000
- James E. Crimi Presidential - $11,000
- Deans’ Scholarship - $10,000
- AU Opportunity Grant - $8,000
- AU Promise Grant - $2,000

**Transfer**

- Presidential Transfer - $7,000 **
- Deans’ Transfer - $6,500 **
- Spartan Transfer - $6,000
- AU Transfer Grant - $2,500

** An additional scholarship of $1,500 is available for those with a membership in Phi Theta Kappa

** An additional scholarship of $1,500 is available for those with a membership in Alpha Beta Gamma
Need-Based Grants

**Federal**
- Pell Grant
- Federal Supplemental Educational Opportunity Grant (SEOG)

**State**
- Illinois MAP Grant

**Institutional Grants**
- Need-based grants awarded to students with need not met by State and/or Federal grants
Outside Scholarships

- Where to search
- What to do before applying
- Completing the process
- Avoid scams
- Follow up
Student Loans
Loan Options

**Federal Loans**

- Low, fixed interest rates
- Income-based repayment plans
- Cancellation for certain employment
- Deferment (postponement) options
  - i.e. if a student returns to school at least half-time
- Does not require cosigner

**Private/Alternative Loans**

- Variable interest rates
- Repayment options, if any, are determined by each individual lender
- Credit worthy cosigner required in most cases

Aurora University
Types of Federal Loans

• Federal Direct Subsidized Stafford Loan
  ▫ Available to undergraduate students enrolled at least half-time who demonstrate financial need
  ▫ Interest rate is set by the federal government
    • Capped at 6.8%
  ▫ Student is not charged interest while in school
  ▫ Lender is the U.S. Department of Education (ED)

* NOTE: If you receive a Direct Subsidized Stafford Loan first disbursed between July 1, 2012 and July 1, 2014, you will be responsible for paying any interest that accrues during your six month grace period.
Types of Federal Loans

- Federal Direct Unsubsidized Stafford Loan
  - Available to undergraduate and graduate students enrolled at least half-time
  - Interest rate is 6.8%
  - Student is responsible for interest during all periods
  - Lender is the U.S. Department of Education (ED)
Types of Federal Loans

• Federal Direct PLUS Loan for Parents
  ▫ Available to parents of dependent student enrolled at least half-time
    • Parent is the borrower
  ▫ Requires credit approval
  ▫ Interest rate is 6.41%
  ▫ Parent is responsible for interest during all periods
  ▫ Lender is the U.S. Department of Education (ED)
  ▫ Repayment begins 60 days after the final disbursement
  ▫ Begin the PLUS process in our office
# Stafford Loan Limits

<table>
<thead>
<tr>
<th></th>
<th>Dependent (no PLUS denial)</th>
<th>Independent (or Dependent w/ PLUS denial)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Subsidized</td>
<td>Unsubsidized</td>
</tr>
<tr>
<td>Freshman</td>
<td>$3,500</td>
<td>$2,000</td>
</tr>
<tr>
<td>Sophomore</td>
<td>$4,500</td>
<td>$2,000</td>
</tr>
<tr>
<td>Junior</td>
<td>$5,500</td>
<td>$2,000</td>
</tr>
<tr>
<td>Senior</td>
<td>$5,500</td>
<td>$2,000</td>
</tr>
<tr>
<td>Graduate/Doctoral</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Dependent Aggregate Loan Limit = $31,000 (no more than $23,000 in Subsidized loans)

* Independent Aggregate Loan Limit = $57,500 (no more than $23,000 in Subsidized loans)

* Grad/Doc Aggregate Loan Limit = $138,500 (no more than $65,500 in Subsidized loans)
Applying for and Accepting Federal Direct Loans

• Applying
  ▫ The Free Application for Federal Student Aid (FAFSA) must be submitted

• Accepting
  ▫ The Office of Financial Aid will notify students of loan eligibility through an award letter
  ▫ PLUS loans are not included on initial award letters
    • Contact our office if a PLUS loan is desired
  ▫ Submit requested items accepting loans to the Office of Financial Aid
Student Loans

Evaluate your financial aid offer carefully.

In the case of loans, keep in mind that whatever amount you borrow must be paid back with interest!

The website for all your student loan needs!
Student Employment
Federal Work-Study

A need-based employment program that provides on- and off-campus jobs to students

A completed FAFSA is required

The availability of funds is limited; priority deadlines may apply

Compensation is at least the current federal minimum wage

The student is paid by the college bi-weekly
Benefits of Working On Campus

- Earn extra money
- No gas required - you can walk to your job
- Great way to meet new people
- Enhances skills for your future career
- Build your resume
- Increase networking skills
- See how a college campus is operated from the inside
Things to Consider for the Future

- Scholarship Renewal?
- Tuition Increases?
- Cost of education vs. career earning potential?
- Repaying Loans
Helpful Contacts

**Illinois Student Assistance Commission**
(800) 899-ISAC (4722)
collegeillinois.org

**U.S. Department of Education**
(800) 4 FED AID
federalstudentaid.ed.gov
studentloans.gov