

3. **Financial aid can consist of** a grant, scholarship, or loan. The other answers except “An IOU or Pay Day Loan” are all forms of grants, scholarships, or loans. Grants, and scholarships which could include a stipend or book voucher are known as “gift aid” because you don’t have to pay it back. Some examples of grants are the PELL grant which is portable and can be used at any eligible institution, and Monetary Award Program (MAP) grant, which you only get if you attend a eligible institution in Illinois. Loans and work-study (which is a job) is known as “self-help” aid because you must “help your self” by working for your aid or borrow it now and pay it back later.

4. **People eligible to apply for financial aid include** any U.S. citizen or eligible non citizen seeking a college degree or higher. Students planning to attend a postsecondary institution will apply for financial aid using the FAFSA in their senior year of high school. They will complete the FAFSA Renewal form every year after that at long as they are in school. The FAFSA Renewal form is completed online and keeps all the students former information except family income, which must be updated. The **student** must have a valid social security number or alien registration number to apply. A parent can be undocumented and still provide their household income on the FAFSA. Instead of a social security or registration number they would put all zeros. The Department of Education considers this information confidential and WILL NOT share this with the IRS or immigration department.

1. **The acronym FAFSA stands for Free** Application for Federal Student Aid. This application can be completed online or in the form of a paper application. Completing the FAFSA is the 1st step in applying for all state, federal and most private education funding. The application is free. It should NEVER cost you to complete the FAFSA application. Make sure you go to www.fafsa.ed.gov, not www.fafsa.com otherwise you will be charged!

2. **The EFC refers to** “Expected Family Contribution.” This is a calculated formula the Department of Education uses to determine what your family can pay towards your education based on your household income. It is called “Expected” because whether or not your family can “actually afford” to contribute the specified amount it is still expected. Colleges will subtract the EFC from their total cost of attendance (COA) to determine the student’s financial need and how much aid they are eligible. A family can have an EFC as low as “0” which means they can’t contribute anything towards the student’s education and need the full cost of attendance met. A family can have an EFC that ranges from \$100 to \$10,000 or more based on their income, which can decrease their financial aid eligibility.

7. **A student can file as an independent student** if they meet the 6 eligible criteria for independent status (24 years old, married, already have a bachelors, have a child for whom they provide most of the support, veteran of the military, have deceased parents or is a legal ward of the court). If they don't meet these criteria they are considered a dependent student and must provide the **birth or adoptive parents** information and income. It can not be from a legal guardian or someone the student lives with (grandma). If the parents information can't be obtained, the only way a student can be given independent status is if each college's financial aid administrator grants a dependency override. This will require legal or notarized documented proof of the special circumstance. It is recommended that a student apply for a school they are certain they can get in, afford, and would like as their 1st choice since this process can only be completed one school at a time and would take longer.

8. **Students receiving free/reduced lunch should complete the FAFSA** on January 1 of the financial aid filing season. Families on a fixed income (non-working) are not waiting to file taxes and need only multiply their monthly fixed income by 12 months to get yearly income. They would skip all areas related to taxes. Reduced lunch families probably have a relatively low income and could probably use their W2 or last paycheck to complete the FAFSA. Their taxes will likely be straight forward and the FAFSA can be updated later when the new tax returns are filed.

5. **The FAFSA4Caster tells** a family what their estimated Expected Family Contribution may be and how much they may be eligible for in a Pell Grant, Work-Study and Student/Parent loan. It is an estimate, because it is based on the previous filing year income and could change depending on what was earned in the current year (if it increased or decreased drastically). The FAFSA4Caster is a new tool available on the FAFSA website, and can be completed as early as junior year. Families provide their total untaxed income or tax returns from the previous year when completing the application. Not only will they get an estimate, but they will be able to save the information online and transfer it to their actual FAFSA application online come January 1 of the new filing year. The only thing that will need to be updated is the current income/tax returns and any personal information changes.

6. **You can use financial aid to pay for** tuition, fees, room, board, and other education expenses. Tuition and fees are what it cost to attend classes and use school facilities. Room and board are the costs for living and dining on campus. These expenses are known as direct or billable costs that must be paid to receive service. Other educational expenses can include travel, books/supplies, personal expenses, a computer, and more. These are indirect or non-billable costs students will have but will vary. Though financial aid typically does not pay for a trip around the world or a car note, some students have received scholarships to enter a study abroad or student exchange program. Other students have taken out a higher loan, or used their reimbursement (refund) left over after their billable costs were met and paid their car note with it.

9. **Documents needed to complete the FAFSA are** a valid social security or alien registration number, your current filing year tax returns, and documents of any untaxed income (SSI, public aid, disability, etc.) Tax returns are required over W2 forms because the information is more accurate and exact. When applying for FAFSA, you do not send copies of any of these documents with the application; however a college may ask you to mail copies of one or all the documents to their financial aid office. This process is called “verification” in which they try to verify if what you reported was accurate. If you are flagged for verification, you must provide the requested information in order to have the application processed. Comply as soon as possible.

10. You will receive or be able to download a copy of your Student Aid Report (SAR) after you complete the FAFSA. You should review this thoroughly to make sure your information is correct. If it's not make the corrections and resubmit the SAR. However, the financial aid process is only complete when you receive, accept, sign and send back your financial aid award letter stating how much the school offered in aid to the school you plan to attend. Don't send an award letter to a school unless you plan to enroll there in the Fall, otherwise you will be holding up money away from someone who plans to attend the school. If you receive an award letter from a school before the May 1st, National Decision Deadline Day to let a school know your intent to enroll, go ahead and complete it and send it back so you don't miss out on any funds. However, if you decide to go somewhere else, let the other schools' admissions and financial aid offices know immediately, so they can award that money to another student. Some award letters can be viewed and accepted online at the school's website under your account. Some junior colleges don't provide award letters, contact the financial aid office to find out your financial aid offer.