

Elmhurst University Presents:

# Financial Aid 101

2024-2025

# What is Financial Aid?

- Money from various sources to assist you in paying for a university and making it accessible for families
  - Financial aid refers to funds the student receives, whether gifted, working, or in the form of a loan
  - This is used to help supplement the amount that a family cannot contribute to cover the cost of college



# Topics we will cover:

- Cost of attendance (COA)
- Student aid index (SAI)
- Financial need
- Categories, types, and sources of financial aid
- Financial aid applications available
- Special and unusual circumstances
- Understanding your award letter
- Minimizing debt

# What is Cost of Attendance (COA)?

- A student's COA consists of the direct and indirect costs associated with attending school, including:



Tuition and fees

*Direct*



Housing and food

*Direct or Indirect*



Books and supplies



Transportation



Miscellaneous and personal

*Indirect*



# What is the Student Aid Index (SAI)?

Number resulting from the evaluation of a student's (and family's) financial resources for a student's postsecondary education – determined by the FAFSA

Student Contribution

Parent(s) contribution  
(for dependent students)

How is this used to determine financial need?

**Cost of attendance (COA)**

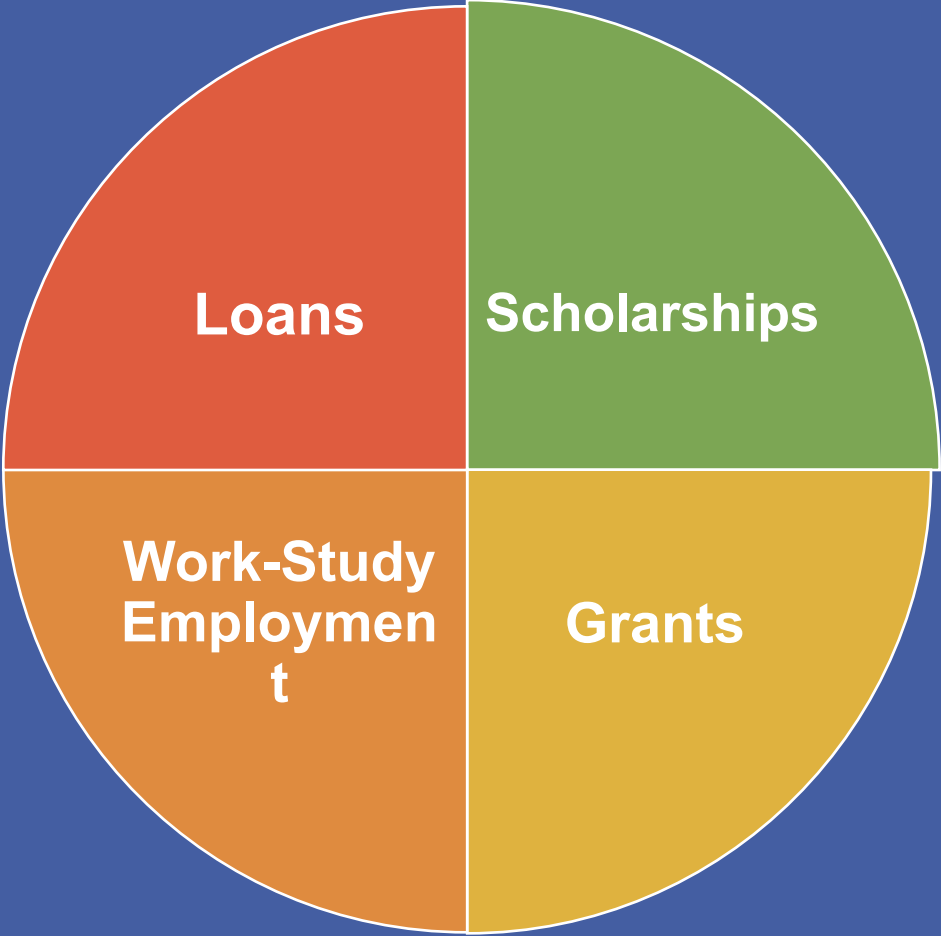
**- Student aid index (SAI)**

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**= Financial need**

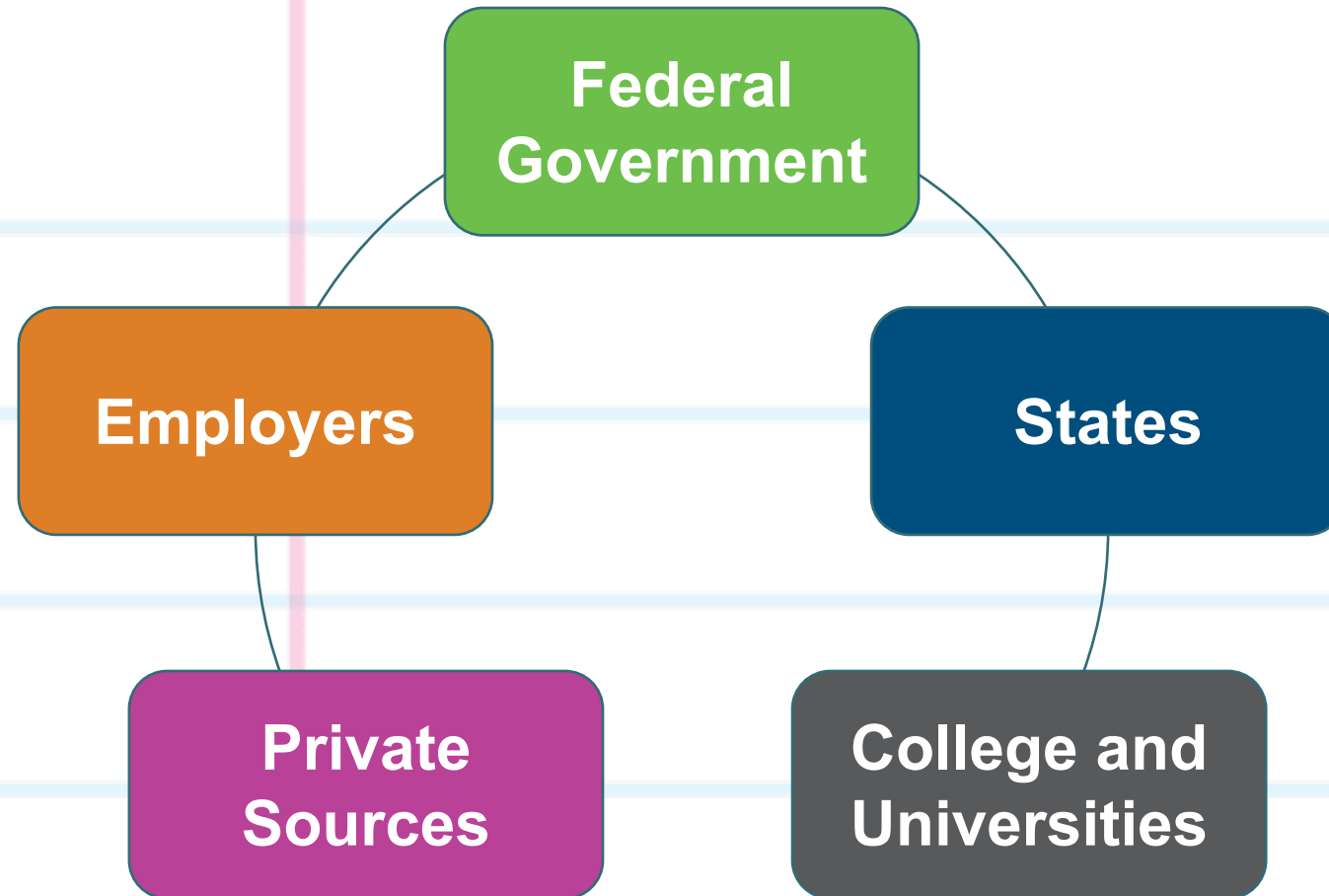
# Types of Financial Aid:

Self-Help  
Aid



Gift Aid

# Sources for Financial Aid:



# Federal Financial Aid

Largest source of financial aid

Aid provided primarily based on financial need

Must apply each year using the FAFSA

Eligibility requirements must be met

# Federal Student Aid Programs:

## Federal Pell Grant

- Maximum award of \$7,395 annually
- Need-based aid; prorated based on SAI

## Federal Supplemental Educational Opportunity Grant (FSEOG)

- Maximum award of \$4,000 annually
- May be lower depending on school's allotment of funds

## Federal Work Study (FWS)

- Based on financial need
- Opportunity for on-campus employment to earn money to use for educational/personal expenses

## Federal Direct Student Loans

- Borrowed money, must be paid back after student stops attending school
- Students can be offered Subsidized or Unsubsidized loans (or both!)

## Federal PLUS Loans

- Parent and Graduate loans available
- Borrowed money – can begin repayment right away or defer repayment



# State Financial Aid

Residency requirements usually apply

Aid may be provided based on both merit and need

Use information from the FAFSA and/or state aid applications

Deadlines vary by state

\*Such as the Illinois MAP Grant!

# Colleges and Universities – “Institutional Aid”

Aid provided based on both merit and financial need

Aid may be gift aid or self-help aid

Use information from the FAFSA and/or institutional applications

Deadlines and application requirements vary by institution

# Private Sources of Financial Aid

Foundations, businesses, churches, civic, employers, and charitable organizations

Deadlines and applications procedures vary

Begin researching private sources early

# How to Estimate Your Cost



- Most Colleges and Universities, as well as the Federal Government, have Financial Aid Estimators that you can use to see what you may be eligible for.
  - Most schools will refer to this as a “Net Price Calculator”
  - The Department of Education’s estimator tool can be found at: [studentaid.gov/aid-estimator/](https://studentaid.gov/aid-estimator/)

# What if I don't think I'll be eligible for aid?

If you don't try, you'll never know!

- It's a common misconception that if someone makes "too much" money, they won't be eligible for financial aid
- In reality, there is no income cutoff to qualify for federal student aid
- Many factors are taken into account to determine your eligibility, not just income alone
- There is no penalty for completing an application, even if you don't end up using what's offered

# Financial Aid Applications

**FAFSA  
(Free  
Application  
for Federal  
Student  
Aid)**

**Institutional  
Application  
s**

**Alternative  
Application  
for Illinois  
Financial  
Aid**



# Alternative Application for Illinois Financial Aid

- Eligible undocumented students who are disqualified from federal financial aid may apply for all forms of state financial aid
- For 2025-2026, the Alternative Application will open on December 1<sup>st</sup>, 2024 along with the FAFSA application
- Eligibility requirements include:
  - the student resided with parent or guardian while attending an Illinois high school
  - the student attended high school in Illinois for three years and graduated from an Illinois high school
  - the student has not established a residence outside of Illinois



# Starting the FAFSA: Creating your FSA ID

- Used for FAFSA completion and access to certain U.S. Department of Education websites
- Student and parent must create own FSA ID

## Create an Account

Whether you're a student, parent, or borrower, you'll need to create your own account to manage the student loan journey.

[Get Started](#)

Already have an account? [Log In](#)

### 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*

### What You'll Need

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

# FAFSA Contributors

Starting in 2024-2025, students will need to invite contributors (parents or spouse if applicable) to complete their portion of the application.

The screenshot shows the FAFSA 2024-25 website interface. At the top left, it says 'FAFSA FORM 2024-25' and 'Student Raya Tran'. A blue banner reads 'Understanding the FAFSA Form' with '2 of 4' below it. The main heading is 'Contributors to the FAFSA Form'. There are two main sections: 'Parents or Spouses' with an icon of two people and text explaining that contributors complete their own sections and provide personal/financial info without becoming financially responsible; and 'How to Invite' with an icon of a person thinking and text stating contributors need their own FSA ID and that the student must provide their name, date of birth, Social Security number, and email address. Below this is a section titled 'Information or Documents You May Need' with a list of required items: Tax returns, Records of child support received, Current balances of cash, savings, and checking accounts, and Net worth of investments, businesses, and farms. At the bottom are 'Previous' and 'Continue' buttons.

FAFSA<sup>®</sup> FORM 2024-25 Student Raya Tran

Understanding the FAFSA<sup>®</sup> Form  
2 of 4

## Contributors to the FAFSA<sup>®</sup> Form

 **Parents or Spouses**  
Your answers on the FAFSA form will determine if any contributors need to be identified. These contributors will complete their own sections of the form and are asked to provide personal and financial information, but will not become financially responsible for your education.

 **How to Invite**  
Contributors will need to log in with their own FSA ID to provide their information. To invite a contributor to your FAFSA form, you'll need to provide their name, date of birth, Social Security number, and email address.

Information or Documents You May Need ^

You might need the following information or documents as you fill out the FAFSA form:

- Tax returns
- Records of child support received
- Current balances of cash, savings, and checking accounts
- Net worth of investments, businesses, and farms

Previous Continue



# FUTURE Act Direct Data Exchange

- The Direct Data Exchange (DDX) allows for an individual's federal tax information to be directly transferred from the IRS to the FAFSA
- To ensure that the FAFSA is as accurate as possible, all contributors must consent to the use of the DDX, or they will not be eligible for financial aid
- DDX eliminates the need to manually enter tax and income information – making the application quicker and easier!



# Dependency Status

The screenshot shows the FAFSA 2024-25 interface for Student Raya Tran. At the top, there is a progress bar with five steps: 1. Personal Circumstances (highlighted), 2. Demographics, 3. Financials, 4. Colleges, and 5. Signature. Below the progress bar, the section is titled "Student Dependency Status".

**Dependent Student**  
Based on your answers, you're a dependent student, and since we assume parents of dependent students will help pay for your education if they are able, we need information about their finances and backgrounds. This information is used to determine how much financial aid you're eligible to receive.

**Apply for a Direct Unsubsidized Loan Only**  
Are the student's parents unwilling to provide their information, but the student doesn't have an unusual circumstance that prevents them from contacting or obtaining their parents' information?

Select "Yes" if the student wants a financial aid administrator at their school to determine their eligibility for a Direct Unsubsidized Loan only.

Yes  No

At the bottom of the form, there are two buttons: "Previous" and "Continue".

- FAFSA asks questions to determine student's dependency status for Federal student aid purposes:
- If all "No" responses, student is dependent and is prompted to invite parent(s) as a contributor
- If "Yes" to any question, student is independent and does not need to provide parental data.

# What next?

- Once all contributors have done their portion, the student will receive a confirmation that the application was successfully submitted.
- The student will receive a FAFSA Submission Summary (FSS) that summarizes your FAFSA data, including your expected SAI and grant eligibility.
- The colleges you selected will receive a similar document called an Institutional Student Information Record (ISIR) that they will use to create your award package.
- You may be selected for a process called “Verification”

# Verification



The Department of Education or your school may select you for verification.

This process is done to ensure the data on your FAFSA is correct

Your school may request documentation for this, so be sure to look out for additional communication

The documentation is usually required to be submitted before you can be awarded financial aid

# Special Circumstances



Unusual uncovered  
medical/dental  
expenses

Secondary  
school tuition

Extraordinary  
dependent care

Parent  
or  
spouse  
death

Loss of  
employment  
or income

Divorce

Additional  
family  
members in  
college



# Understanding Your Award Letter

Estimated Direct Costs		Annual Amounts
Tuition		41,258.00
Housing		0.00
Board (Meal Plan)		0.00
Technology Fee		370.00
<b>Total</b>		<b>41,628.00</b>
<b>Financial Aid Awarded</b>		
<b>Scholarships and Grants</b>	<b>FALL 2023</b>	<b>SPRING 2024</b>
Transfer Recognition Scholarship	7,000.00	7,000.00
Early Action Scholarship	250.00	
Elmhurst Grant	2,650.00	2,650.00
<b>Total Scholarships and Grant Aid</b>		<b>19,800.00</b>
<b>Federal Loans (Must Be Accepted and Repaid)</b>	<b>FALL 2023</b>	<b>SPRING 2024</b>
Subsidized Direct Loan	2,250.00	2,250.00
Unsubsidized Direct Loan	3,000.00	3,000.00
<b>Total Federal Loans</b>		<b>10,500.00</b>
<b>What You May Owe</b>		
Estimated Tuition		41,258.00
Housing/Meal Plan		0.00
Technology Fee		370.00
<b>Total Estimated Direct Costs</b>		<b>41,628.00</b>
Less Scholarships and Grants Awarded		19,800.00
<b>Estimated Direct Costs before Loans</b>		<b>21,828.00</b>
Less Federal Loans		10,500.00
<b>Estimated Direct Costs with Loans</b>		<b>11,328.00</b>

“Sticker Price” or cost before financial aid

Gift aid offered

Student loans offered

Net price or “out of pocket” cost

# Minimizing Debt

- According to the Educational Data Initiative, the average federal student loan debt for students is \$37,338.
- The same study showed that about 31.5% of students borrowed federal loans last year.
- To minimize the financial strain of student loans, it's important to Borrow Responsibly by borrowing only what you need for your educational costs.



# Minimizing Debt

- Consider what costs are necessary for you
  - For example, do you need to live on-campus or could you commute?
- Prioritize loans with lower interest rates
  - In most cases, Federal Direct loans have the lowest interest rates, while private loans have some of the highest
- Utilize school-offered payment plans
- Utilize your school's financial aid office to review other options for managing tuition payments or to find scholarships.



**Questions?**