

Top 10 Things They Don't Tell You About FINANCING YOUR COLLEGE EDUCATION



1 YOU HAVE TO COMPLETE THE FAFSA® EVERY YEAR (OPENS OCTOBER 1ST!)

To apply for federal student aid, such as federal grants, work-study, and loans, you need to complete the Free Application for Federal Student Aid (FAFSA®). Completing and submitting the FAFSA® is free and easier than ever, and it gives you access to the largest source of financial aid to pay for college or career programs. Some organizations and businesses charge for their services related to college support, but there is NO charge for the FAFSA®. There are websites that can help you process the FAFSA®, but they charge. To avoid a fee, use the federal website instead. It's free!

2 THERE IS A FINANCIAL AID LOAN CAP

Subsidized and unsubsidized loans are federal student loans for eligible students to help cover the cost of higher education at a four-year college or university, community college, or trade, career, or technical school. A subsidized loan is a loan that does not charge interest while you are enrolled in school at least half-time, during a grace period, and while a loan is deferred. An unsubsidized loan is a loan that charges interest immediately and through the life of the loan. A dependent student (undergraduate) can borrow up to \$31,000 (a maximum of \$23,000 may be subsidized loans). Independent students (undergraduate) can borrow up to \$57,500 (a maximum of \$23,000 may be subsidized).

3 IN ILLINOIS, THE MAP GRANT RUNS OUT

The Monetary Award Program (MAP) provides grants, which do not need to be repaid, to Illinois residents who attend approved Illinois colleges and demonstrate financial need, based on the information provided on the Free Application for Federal Student Aid (FAFSA®). Remember: this money can only be used on tuition and mandatory fees. This grant is awarded on a first-come first-served basis, so you want to complete the FAFSA® on or as close to October 1st as possible.

4 PELL GRANT - ONLY AVAILABLE TO UNDERGRADUATES

Pell Grants do not need to be repaid. They are federal grants made to students with financial need to help pay for the costs of undergraduate education. There is a maximum amount of Pell Grant funding you can receive over your lifetime. This maximum amount is equal to six years of funding. The amount you are awarded can change from year to year.

5 USE THE IRS DATA RETRIEVAL TOOL

Students and parents who are eligible to use the IRS Data Retrieval Tool (IRS DRT) can access it from within the Free Application for Federal Student Aid (FAFSA®) on the student and parent financial sections. The IRS DRT allows you to securely transfer original IRS tax return information. If you use the IRS DRT to transfer your tax return information from the IRS, the information will not display on your FAFSA®. For your protection, the answer to each question is replaced with "Transferred from the IRS". By using the IRS Data Retrieval Tool, you cut down your chances of being selected for the verification process. If you still are selected for verification, using the IRS Data Retrieval tool helps the process run more smoothly.

6 DON'T GET STUCK IN THE VERIFICATION PROCESS

The federal government requires colleges and universities to verify or confirm the data reported by students and their parent(s) on the FAFSA®. During the verification process you are asked for proof through documentation that the information provided on your Free Application for Federal Student Aid (FAFSA®) is correct. If you do not turn in all required documents during this process, you will not receive an award letter. Submit this information as soon as possible.

7 EFC-0 DOES NOT ALWAYS MEAN FULL RIDE

An Expected Family Contribution (EFC) of zero does not guarantee that a student will not have to pay anything toward their college expenses. Tuition, room and board, book costs, and other expenses such as travel, storage, and personal items add up and many times, financial aid does not cover all of it. Do not assume that it will all be covered. Read your financial aid award packages carefully and compare bottom line numbers. The cost of the school overall and the cost to the student varies due to different levels of support available to different students and their families.

8 APPLY FOR SCHOLARSHIPS

Scholarships are financial aid designed to help students pay for college. Sometimes a scholarship is a one-time check. Other college scholarships are renewable and provide money for students each semester or school year. Students may receive the money directly as a check in their name or money may be paid directly to the institution. Start applying for all scholarships as a junior in high school. It may become a huge lifesaver for your finances.

9 VISIT COLLEGES

Attend a campus tour. Attend a class. Meet with a professor. Meet with an admission officer. Meet with a financial aid officer. Attend a club meeting or a sports practice session. Eat in the dining hall. Spend a weekend at the college for a night. Each of these activities can help you figure out which college is the best fit for you.

10 REFUND CHECK IS NOT FREE MONEY!

A financial aid refund is the money you get back after all your financial aid has been disbursed to your student account. If you have received more aid than you need to cover your account balance, you get the remainder back in the form of a refund from your institution. Do not spend your returned money on things you do not need. Be responsible and save it for an upcoming semester, school books, or school supplies. Refunds can be made up of loans. They can either be saved or given back to the loan provider.

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