

# Managing College Costs

October 5, 2017



**Northern Illinois University**  
*Your Future. Our Focus.*



# College Affordability

## Make Affordable Choices

- Apply to Many Schools
  - Community College is an Excellent Option
- Four-Year Degree Paths
- Use Your Academic Advisor
- Take Summer Classes
- Lifestyle Choices Make a Difference

# 2018-2019 FAFSA

- File beginning October 1, 2017 [www.fafsa.ed.gov](http://www.fafsa.ed.gov)
- Use Completed 2016 Tax Returns
- FSA ID
  - Login process for student and borrower-based Federal Student Aid (FSA) websites.
  - FAFSA, NSLDS, StudentLoans.gov
  - User-selected username and password.
  - Write this down where you can remember!
- EFC (Expected Family Contribution)

# FAFSA IRS Data Retrieval Tool

- Simplifies the application process.
- Reduces the chance of being required to submit additional documentation.
- You will not see what is being brought in from the IRS which enhances data security.
- Click “Link to IRS”

# Common FAFSA Errors

- Updating assets or changing income after submitted
- Including cents

\$700.00 = \$700 not \$70,000

- Reporting parent IRS Adjusted Gross Income (AGI) for both student and parent.
- Using incorrect social security number(s)
- Using incorrect school code(s)

Can send FAFSA to up to 10 schools  
*NIU's school code is 001737*

# Parent Information

- If Parents are Divorced or Separated:
  - The parent that student lived with the most during the 12 months prior to filing the FAFSA is the FAFSA parent, regardless of who claimed student on taxes.
  
- If Parent Completing the FAFSA is Remarried:
  - The step-parent must also report their income and assets.

# Types of Aid

- Scholarships
  - Merit
  - Private
- Grants
  - Need-based
- Loans
  - Subsidized
  - Unsubsidized
  - Private
- Federal Work-Study



# Scholarships

- Merit Scholarships:
  - Based on SAT (ACT) and GPA
  - Automatic or apply-to
  - Be aware of priority deadlines
  - Some may require interviews
  - Usually do not consider financial need
- Private Scholarships:
  - Work with high school guidance office
  - Inquire with your employer, union, church, community organization, etc.
  - Online resources



# Grants

- Need-based, must file a FAFSA
- Federal (Pell Grant or SEOG)
- State (MAP Grant)
  - File early if you think you may qualify for a MAP Grant
  - First-come, first-served
- Institution-specific
  - Can have need and merit components

# Student Loan Options

- Federal Direct Student Loan
  - Must file a FAFSA
  - 4.45% interest rate for 2017-18
  - First time borrower requirements
    - Accept with your institution
    - Log into studentloans.gov with your FSA ID
    - Complete loan entrance counseling
    - Complete Master Promissory Note
    - Good for 10 years
- Private Student Loans

# Federal Subsidized Loans

- Based on financial need as determined by the FAFSA
- The U.S. Department of Education (DOE) will pay interest on the loan while student is attending school at least half-time
- The DOE will pay interest for the first 6 months after student leaves school (grace period)

# Federal Unsubsidized Loans

- Awarded to any student eligible for financial aid regardless of Expected Family Contributions (EFC)
- Interest accrues from the time the loan is disbursed until it is paid in full
- Grace period of 6 months after student graduates or no longer enrolled half-time before going into repayment

# Parent Loan Options

- Federal Parent PLUS Loan
  - For parents of dependent undergraduates
  - Interest rate set July 1 (7.00% for 2017-18)
  - Credit Check
  - Denial for Adverse Credit (student may be eligible for additional unsub loan)
  - Must sign Master Promissory Note
  - Repayment begins within 60 days of final disbursement
    - \$10,000 loan = monthly payment of \$117
  - Deferral options
- Home Equity or Private/Personal Loans

# Federal Work Study

- Determined by the FAFSA based on financial need
- Eligibility: not guaranteed a job
- Student receives a pay check; funds not directly applied to costs



# Estimating Costs

- Tuition
- Fees
- Room and Board
- Books
- Student Medical Insurance
- Travel and personal expenses
- Many institutions will have a planning/cost estimator to help determine out-of-pocket costs
- Determine institution's payment policy (up front, monthly payments allowed)

# Thank You

Never assume that you cannot afford a college degree...

It is our “Mission” to help you!



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