FINANCIAL AID 2027-2028

INTRODUCTION

This guide presents an overview of the federal financial aid process, which has been streamlined in recent years. To quality for any federal aid [grant or loan], families must complete the FAFSA, the Free Application for Federal Student Aid, any time after October 1 of the student's senior year in high school.

The Department of Education is under scrutiny from the current administration; programs, policies, and procedures are subject to change. Please stay in touch with your high school counselor and the financial aid officer at a college in which you are interested throughout this process.

This guide is arranged in the following format:

--Overview of Financial Aid
--Submitting the FAFSA
--Tips on Completing the FAFSA
--Terms, Resources, Comparing Financial Aid Awards

In addition, there is an addendum for Illinois residents about the state MAP Program.

There have been significant changes to the Parent PLUS program this year. We urge every parent to review the information below.

OVERVIEW OF FINANCIAL AID

A student's financial need is determined by the following equation:

Cost of Attendance
- SAI [Student Aid Index]
- OFA [Other Financial Assistance
= Financial Need

The Cost of Attendance is the total amount it will cost a family for a student to go to college for an academic year. It takes into consideration tuition and fees, room and board, books, supplies, transportation, childcare, costs associated with a disability, and miscellaneous expenses. The college sets this figure. 'The Student Aid Index is an index determined by formulas established by Congress and the individual college that

indicate how much of a family's financial resources should be available to help pay for school.

After the FAFSA has been totally completed and submitted with identifying, demographic, and financial information that the student and parent[s] provide, the financial aid administrator at each college receives the FAFSA results and creates a financial aid package [or award] for each student. Using available resources, the aid administrator gives each student the best possible combination of *gift aid* (scholarship and grant monies which do not have to be repaid) and *self-help* (loans and work study programs) monies to meet the student's need. These monies may be from federal and state (and, in the case of some public and private schools, campus) sources.

Financial aid offers are sent only after the student is admitted.

Students are typically given a timeframe in which to respond to each school's offers. Colleges and universities try to mail their award letters in a timely fashion, so that families can consider actual cost of attendance before students must choose their college.

The best contact person each family has while applying for financial aid is the financial aid officer at each college in which a student is interested. They are the experts; reach out to them for information and support.

FEDERAL FINANCIAL AID PROGRAMS

While the list here does not represent an exhaustive list of all federal financial aid programs, we have highlighted those programs most popular with our families. Students and parents demonstrate eligibility for these programs by completing the FAFSA.

FEDERAL PELL GRANT: A federal program, which awards up to $7,445 for the 2027-2028 award year to families with exceptional need.

FEDERAL LOAN PROGRAMS:

Student loan interest rates for the 2027-2028 year will not be determined until spring 2027.

WILLIAM D. FORD FEDERAL DIRECT SUBSIDIZED LOAN: A need-based, low-interest loan program. There is a fixed interest rate of 6.52% for loans disbursed between July 1, 2025 and June 30, 2026.

Maximum annual loan amounts* are:

Freshmen	$3,500
Sophomore	$4,500
Juniors, Seniors (per year)	$5,500
Subsequent Undergrad Years	$5,500

*In addition, students may borrow an additional $2,000 for each grade level as an unsubsidized loan. [See below for information on these loans.] These limits apply to a combination of both subsidized and unsubsidized Stafford loans. Maximum total debt from Stafford loans for an undergraduate degree is $31,000 [but only $23,000 **c**an be in subsidized loans.]

With a subsidized loan, the government pays the interest on the student's behalf while the student is in school and during any authorized deferment periods. Students repay the subsidized William D. Ford Federal Subsidized Loan back over a period of 10 to 25 years monthly.

Students demonstrate eligibility for this program by completing the FAFSA.

WILLIAM D. FORD FEDERAL DIRECT UNSUBSIDIZED LOAN: A non-need-based, low-interest loan program. Only available to students who are not eligible for a full subsidized Federal Stafford Loan.

The interest rate as of July 1, 2025 is 6.52% for the life of the loan. Maximum loan amounts are the same as above for dependent students. Interest begins shortly after funds are disbursed but can be added to the principal balance of the loan. Repayment of the balance begins 6 months after the student leaves school or graduates. Students repay the unsubsidized Federal Stafford Loan back over a period of 10 to 25 years monthly.

Students apply for this program by completing a FAFSA to demonstrate ineligibility for a full subsidized Federal Stafford Loan.

FEDERAL DIRECT PLUS LOAN for PARENTS: Loan for parents of dependent undergraduate students, not based on financial need. This program has undergone a major change for 2027-2028. Please read carefully.
Parents now have a loan limit per year and per child. The amount a parent may borrow is subject to a credit check, is capped at $20,000 per year per student, with a $65,000 maximum cap per student. These are conventional loans, with repayment beginning within 60 days; parents have from 10 to 25 years to repay these loans.

The current interest rate is fixed at 9.07% for loans disbursed between July 1, 2025 and June 20, 2026. In all probability, interest rates may change for the 2027-2028 school year.
Parents must file a FAFSA to determine if the family is eligible for any other aid.

FEDERAL WORK STUDY: Students work a set number of hours, usually 10-12, each week on campus. The money is either deducted from a student's bill or is paid directly to the student for miscellaneous expenses.

FINANCIAL AID FORMS

All federal and state aid programs utilize the same federal core methodology to determine a family's eligibility for financial aid. Families need to file a **Free Application for Federal Student Aid (FAFSA)** to determine eligibility. Since public universities have only federal dollars to spend, if your child is planning to attend a public university, you need only file the FAFSA.

The federal core methodology does not factor in home equity, medical deductions, or elementary and secondary tuition paid for students other than the aid applicant. Today's financial aid process is very much income-driven; assets do not matter as much as your family's annual income.

A number of private schools still consider the value of the above or additional factors when disbursing campus dollars (any monies directly available from the school itself and not funded from the federal or state governments). Therefore, schools may require families to register with the College Scholarship Service, which is the financial aid division of the College Board to complete the **CSS PROFILE** form. Not all schools require this form, so please call or email the school's admission or financial aid office! CSS Profile registration forms are available through the College Board web page at *http://www.collegeboard.com*.

Schools may also require families to fill out an **institutional** form (written by the institution) that will provide them with additional information not available on the FAFSA. Please contact the school to secure a form, if necessary.

Check with individual colleges to find their FAFSA filling deadline.

SUBMITTING THE FAFSA
https: studentaid.gov

Bookmark this website! This government site contains all the information you need to understand the federal financial process.

GET A FEDERAL STUDENT AID [FSA] ID!

This is your FAFSA username and password and is the first step in the financial aid process. Families cannot complete a FAFSA without this ID. Both students and parent[s] need their own unique FSA ID. Log on to https: studentaid.gov and follow the prompts to create your account. Students and parents need to provide an email address, cell phone number, a unique username and password, Social Security number, date of birth, and mailing address. After this information is submitted, filers will be asked to verify their email address and cell phone number using Multi-Factor Authorization to verify their identity and receive their secure code.

Each person sharing financial information on the FAFSA is considered a **contributor** and must secure an individual FSA ID. Only one parent in a two-parent household needs a FSA ID [with one exception – see Parent Information below.]

The FSA ID can be used immediately upon its creation; there is no longer a three-day waiting period. Additionally, the FSA ID is a permanent item; there is no need to re-apply for an ID every year, so keep this information in a safe place.

HOW TO COMPLETE THE FAFSA

Documents needed to complete the form(s) are:

* Student and Parent Social Security Number (can be found on Social Security card)
* Student's W-2 Forms and other records of money earned
* 2025 bank statements
* 2025 business and investment mortgage information, business and farm records, stock, bond, and other investment records
* Student's alien registration card (if not a U.S. citizen).

The FAFSA uses tax information from the prior-prior year, so information from 2025 federal tax returns will be used to calculate eligibility for financial aid for students entering college in fall 2027.

FUTURE Act Direct Data Exchange [FA-DDX]

Today, the FAFSA process connects each filer's federal tax information directly to the federal government using direct data exchange. Every contributor to the FAFSA **must** consent and approve to have their federal tax information transferred directly into the FAFSA form via direct data exchange. If anyone refuses to do so, the student **will not be eligible** for any federal financial aid.

To provide greater security, your federal tax information will not populate into your copy of the FAFSA, but colleges will see all the financial information that has been transferred.

If a parent contributor does not have a Social Security number (SSN), they will need to **manually** enter all their financial information.

There is a more detailed discussion under Parent Information below.

STUDENT INFORMATION

It is important to note that contributors may only see the information they provide. Students cannot see parental information and parents cannot access student information. Once an individual declares what kind of contributor they are [student,

parent, stepparent], the information requested pertains only to that individual. To avoid potential conflicts, only one family member should be completing the FAFSA at any given time.

We urge students to be the first contributors to the FAFSA. The student section opens with several introductory slides explaining how to complete the form. There is also a lengthy and detailed explanation of the direct data exchange process, and the student is asked to consent and approve the transfer of IRS information to their FAFSA. Students must also submit just the name and email of at least one parent. FAFSA will then generate a random code that is shared with the parent. This code links the student and parent sections. Once parents click on this link, they can begin their section; FAFSA will then send that person an email invitation with instructions on how to complete their portion of the FAFSA.

Next, students are asked demographic information about their state of residence, gender, race, high school, and parental educational background. Students are then asked several questions that determine their dependent or independent status. If students answer "yes" to any of the questions about their marital, military, or parental status as well as any history with foster care, legal guardianship, or homelessness, then they are considered independent. Many high school seniors are dependent because they answer "no" to all the questions; dependent students must provide information about their parent(s). The section below on Parent Information defines which parent(s) need to complete the FAFSA.

Students may list up to 20 colleges to receive information from the FAFSA. Last, students will electronically sign their FAFSA form with another reminder that a parent must complete the FAFSA as well.

PARENT INFORMATION

Here are some guidelines that clarify which parent[s] need to complete the FAFSA. There is an excellent discussion about this topic on the student.aid.gov website, including a tool that helps determine which parent[s] need to file the form.

Simply put, who completes the FAFSA depends in large measure on parental tax information from 2025.

Here is a breakdown:

--If there are two adults living together, are legally married and filed their tax return jointly, then only one parent needs to complete the FAFSA. However, the dates of birth for both parents are required.

--If parents are married and they filed their taxes separately, then both parents need to complete the FAFSA. Each parent needs to secure a FSA ID and be a contributor.

--If there are two adults living together but **not** legally married, then only the biological parent provides FAFSA information.

--If both biological parents are living together but are not legally married, then both parents must provide information for the FAFSA.

--If the legal parent is widowed or was never married, answer the questions about that parent.

--If parents are divorced or separated and don't live together, financial information about the parent providing most of the financial support over the last twelve months is required. In-kind support [such as food, housing, misc.] is considered in that calculation. If each parent provides equal support for the student, then the parent with the greater income and assets completes the FAFSA. If that parent is remarried, then income information about the stepparent is also required.

—If parental status has changed since they filed their 2025 taxes, that change will need to be reflected on the FAFSA. For example, if parents were legally married in 2025 but are no longer married, then the spouse's income from 2024 will need to be subtracted. The college's Financial Aid Office can offer assistance.

As they begin the FAFSA, parents receive the same introductory information about the FAFSA as the student. They also must consent and approve to have their federal tax data directly exchanged by the IRS via direct data exchange.

Parents also complete information about demographic items, marital status, finances and family size. "Family size" is defined as the number of people claimed by the parent on their tax return and can be updated if that figure is incorrect.
The FAFSA no longer considers the number of children in college when calculating family need. If a family will have multiple children in college, they should ask the financial aid officer to consider this information when determining their eligibility for aid.

FAFSA SUBMISSION SUMMARY

After filing the FAFSA, filers will receive this summary which will provide an overview of their eligibility for aid and list their SAI, or Student Aid Index. Colleges use this index to help determine a family's financial need and is not the actual dollar amount they will be expected to pay for college. New this year, families can expect an estimate of their federal aid eligibility within minutes of submitting the form.

After receiving the student's FAFSA results, colleges will respond by sending the student a financial aid award letter. This letter will detail each type of financial aid that has been awarded – grant, loan and/or work study – and students will have the ability to accept or decline each type of aid awarded. Students need to sign and return this form in a timely fashion; failure to do so may negatively impact that award!

If, after a family has received an award letter from a college, they wish to appeal the award, the student needs to initiate the appeal process with the financial aid office

at that college. Families will be required to submit information about any drastic changes in family income, large unanticipated healthcare costs, or other family factors that affect your ability to pay.

FINANCIAL AID RESOURCES

These two websites provide a treasure trove of information about the financial aid process:

https.//studentaid.gov

This website is devoted to the entire college search and selection process. In addition to providing excellent information about the financial aid process, this site also includes information on how to select a college and even a savings chart to help families of younger children determine future costs of college attendance. Bookmark this site.

http://www.finaid.org The Financial Aid Information Page

Sponsored by the National Association of Student Financial Aid Administrators. This page provides links to many services of information about student financial aid. Also included is a "Scholarship Scam Alert", which is information about scholarship scams and how to avoid them.

FINANCIAL AID TERMS TO KNOW

CONTRIBUTOR

Each person whose financial information is required to complete the FAFSA is considered a contributor. The student is the main contributor; at least one parent must also be a contributor.

FAFSA SUBMISSION SUMMARY [formerly the SAR]

The FAFSA Submission Summary received from the federal government informs filers of your eligibility financial aid and lists your SAI. An estimate of eligibility should be available within minutes of submission.

SAI

The Student Aid Index is calculated after submission of the FAFSA. Typically, it takes three to five days for the colleges to receive the FAFSA results with the SAI. This index is what colleges use to determine a family's financial strength and eligibility for all types of aid. The SAI is not the dollar amount a family will be expected to pay.

UNUSUAL CIRCUMSTANCES

The government defines unusual circumstances as "scenarios that prevent a student from supplying parent information and may result in a financial aid office overriding the student's dependency status."

SPECIAL CIRCUMSTANCES

Special circumstances are defined as "financial situations in which a financial aid administrator may determine that professional judgment is warranted."

PROFESSIONAL JUDGMENT

Whenever unusual or special circumstances severely impact the family's ability to pay for college, financial aid directors may exercise professional judgment to assist families. If family income has been severely compromised, or a family has experienced significant ***non-discretionary*** living expenses, please reach out to the financial aid director at the college to see if they can offer assistance.
By regulation, colleges must take your special circumstances into consideration. Most colleges are proactive about this.

DIRECT DATA EXCHANGE

Direct data exchange allows the federal government to access each contributor's IRS tax information. Each contributor must consent and approve to have federal tax information data transferred directly into the FAFSA.

VERIFICATION

The process of matching information on financial aid form with other documentation to determine accuracy of information supplied on financial aid form. Because of direct data exchange, there should be far fewer families selected for verification. Most of these are to clarify or confirm identity. New this year, real-time identity screening tools have been added to reduce student aid fraud.

Verification is <u>not</u> an IRS tax audit! Breathe…

NET PRICE CALCULATOR:

Federal law requires every college to provide an online "Net Price Calculator" [NPC] to help families of prospective first-time students estimate their individual net

cost of attending a particular college. These NPCs can be found either on a college's admission or financial aid webpage. The NPC takes into consideration both need and merit aid, so families will be asked to complete a brief questionnaire about their academic and financial histories to give a more focused, individualized estimate of total cost.
The purpose of the Net Price Calculator is to provide an online, college-specific estimator, calculating approximately the average grant/scholarship available to a family like yours. Average student loan and work-study eligibility are also provided. Please note that this estimated award is not a promise, a guarantee, or an actual aid offer.

SUCCESSFUL FAFSA COMPLETION TIPS

Below are some "lessons learned" from Jerry Cebrzynski, a nationally recognized financial aid expert:

--Create the FSA ID ahead of time, one for the student, one for a parent. It can take a few days to "authenticate" these usernames and passwords before being able to use them to complete the FAFSA.

--Students should use an email that is not connected to their high school and to which they will have continual access.

--Students need to complete their section <u>first</u>, and confirm that it has been processed, before the parent contributor completes their section. Parent[s] click on the link in the email invitation to complete the parent section.

—Print or screenshot a copy of the Personal Information page for each contributor. Each contributor must enter this same information **exactly** as entered for each family FAFSA filer. When a student invites a contributor to their FAFSA form, any detail that deviates from the information provided by the student could lead to errors. That's why we urge students to be the original contributor for the FAFSA process and have the parent(s) copy the personal information exactly as it appears on the student's form. Seemingly trivial deviations (such as writing "Rd." instead of "Road" in an address) could cause issues.

--Other helpful hints about completing the FAFSA:

--Google Chrome browser provides the most consistent performance.

--Using a tablet device will cause display and interaction issues.

--The preferred view is desktop and will provide the most consistent experience.

--Do not use auto-complete to enter any information.

--A blank space at the end of the email address or the username or password can gum up the works!

COMPARING FINANCIAL AID AWARDS

After college and universities receive the FAFSA Submission Summary, a financial aid award will be mailed to the family. Comparing the awards is very important to determine what the "bottom line" will be at each institution. Follow these general tips to compare your award letters:

- Look for the "bottom line" - your "net cost" to attend each institution. Don't be dazzled by the amount of money a particular college offers - focus on how the awards affect the costs you must pay. A $5,000 award may cover your need completely at one school, while a $10,000 award at another could leave you short.
- Look at the combination of awards in each financial aid package. Your aid offer will probably include a mix of several types and sources of aid - "gift aid" (grants and scholarships that do not have to be repaid) and "self help" (jobs a school offers you so you can earn part of your award and/or loans that must be repaid).
- Finally, look for special conditions or requirements stated in the financial aid package. For example, many institutions require scholarship recipients to maintain a certain grade-point average before their award is renewed. Other institutions may require continued enrollment in an academic program.
- Once you choose a school and have been awarded financial aid, follow the instructions in your award letter. You may be asked to provide more information or select a lender for a student or parent loan. Complete any forms that come with the award letter, sign the letter, and return it by the due date. Be sure to notify other schools that accepted you that you will not attend, so any funds you may have been awarded can be given to students who will attend.
- Don't forget that, in the end, the best college for your student is the one that <u>fits</u> the best. We caution you <u>not</u> to make cost the <u>only</u> factor that drives your child's college decision. Just because a particular college will cost you the <u>least</u> doesn't necessarily mean that it is the <u>best</u> school for your child.

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INFORMATION FOR ILLINOIS RESIDENTS ONLY

STATE FINANCIAL AID PROGRAMS

The Illinois Student Assistance Commission (ISAC) administers a host of scholarship and funding programs for Illinois families; we highlight only the Monetary Award Program here. Information on other programs sponsored by the State of Illinois can be found at *www.isac.org*.

IL MONETARY AWARD PROGRAM (MAP) Grant: A State of Illinois grant program; monies received from MAP do not have to be repaid. Only *tuition* and *mandatory fees* at ISAC-approved Illinois postsecondary institutions are eligible for payment. Maximum award for the current year is $8,064 for full-time students. Awards can vary from each institution and can be used for up to 135 earned college credits.

Students apply for this program by completing a FAFSA. For MAP consideration, it is important that students complete the following questions on the FAFSA:

- Student's state of legal residence
- Student's grade level
- Completion of first bachelor's degree (mark "No")
- Working on master's or doctorate degree (mark "No)
- Parent's state of legal residence
- School name (must be an Illinois school) and Federal School Code

Please note:

1. Undocumented students may no longer receive the MAP grant due to a federal court decision.
2. This program is deeply impacted by the state's financial situation and the program has been suspended in past years. To avoid the state's ongoing financial concerns, we **strongly** urge you to file your FAFSA as early as possible to be considered for a MAP grant in Illinois.

http://www.isac.org

ISAC (Illinois Student Assistance Commission) offers a wide variety of resources regarding financial aid. The site provides information ranging from general financial aid information, how to apply for aid, state and federal aid estimators, loan repayment calculators, and other sources of financial aid.