



# Paying For College

Understanding, Selecting,  
and Working the Options

Presented by:  
David W. Diehl, CPA  
Heather Granart

# What You Need to Know About Paying For College

- College is a big investment, but a lucrative one.
- According to the Social Security Administration Bachelor's Degrees result in an average increase in lifetime earnings of \$650,000 to \$900,000 over those with no degree.
- The challenge for students is to find the optimum array of resources to minimize the out-of-pocket cost of their degree.
- To that end, we will discuss:
  - Forms of aid and loans and how to qualify for each;
  - The importance of the FAFSA, how to access it, and successfully complete it;
  - The content of your offer letter and the choices it offers;
  - How to complete the process to receive everything for which you are eligible; and,
  - Means of paying any expenses not covered by aid.

# Available Resources to Pay for College

- **Scholarships**
  - Offered from the institution, federal or state agencies, or outside organizations with no expectation of repayment
- **Grants**
  - Often from Governmental entities (Federal, state, Local) or foundations. Like scholarships, no repayment is expected.
- **Loans**
  - Federal Loan Programs are lowest cost. Some are Subsidized during your studies.
  - Plus loans are not subsidized and Higher cost.
  - Loans Must be repaid.
- **Work Study**
  - Some qualify for federally funded work study
  - Others may choose work study if the institution has sufficient budget to support it.
- **Veterans' Benefits**

**Let's Look at Each in Detail**

# Scholarships

- Aurora University Automatically provides the Institutional Scholarships for Which You Qualify
- You are Encouraged to Apply for Scholarships offered by Organizations Outside the University

# Scholarship Conditions

- In order for your AU and other scholarships to persist throughout your time at AU, you must conform to their conditions. Examples may include:
  - Grade Point Average
  - Satisfactory Academic Progress
  - Full-time Student Status
  - Participation in specified educational or co-curricular activities
- Be certain you know the conditions of your scholarships
  - Check the financial aid website at:  
[www.aurora.edu/satisfactoryacademicprogress](http://www.aurora.edu/satisfactoryacademicprogress)
  - Check with Financial aid if you are uncertain

# Grants

- Federal, state and university grants are awarded based on financial need
- **To qualify for need-based grants, you must file the Free Application for Federal Student Aid (FAFSA).** These grants are only awarded to students pursuing their first degree.
- **Aurora University Grants:**
  - Based on financial need
  - Both Illinois and out-of-state students are eligible
- **Federal Pell Grants:**
  - Award based on the processed FAFSA and the funding level approved by Congress.
- **Federal Supplemental Educational Opportunity Grants (SEOG):**
  - Available to students with exceptional financial need
  - Must be Pell Eligible
  - Limited funds are dependent on Congressional appropriations
- **State of IL Monetary Award Program (MAP) Grants**
  - Available to Illinois residents attending an Illinois college or university.
  - Parents of a dependent student must be a legal resident of the state at the time of the application.
  - An independent student must have resided in Illinois for 12 continuous months prior to the beginning of the academic year.
  - Students must apply and meet the criteria each year to renew this grant.
  - Applicants must file prior to deadlines set by the State of Illinois.

# Federal Direct Stafford Loans

- **All Federal Loans Require FAFSA**
  - **Subsidized**
    - Need-based and available to undergraduate students
    - Federal government pays the interest while the student is in school (enrolled at least half-time)
  - **Unsubsidized**
    - Available to undergraduate and graduate students
    - Federal government does not pay the interest
    - The student may choose to make interest payments while enrolled or allow the interest to accrue
  - Entrance Counseling is required for first time Federal Stafford Loan borrowers
  - Exit Counseling is required for all Federal Stafford Loan borrowers who graduate, withdraw or are registered less than half-time
  - Repayment begins six months after leaving school
- Annual Stafford Loan Limits for Undergraduate Students

| YEAR IN SCHOOL                                  | DEPENDENT | INDEPENDENT |
|---|-----------|-------------|
| Freshman (0-29 credits)                         | \$5,500   | \$9,500     |
| Sophomore (30-59 credits)                       | \$6,500   | \$10,500    |
| Junior (60-89 credits) and Senior (90+ credits) | \$7,500   | \$12,500    |

# Other Loan Options

- **Federal Direct PLUS Loans**
  - Loans are available to parents who have a dependent child (or independent students) enrolled in college and to graduate students.
  - These loans are guaranteed by the federal government and are contingent upon credit approval.
  - Individual eligibility is determined by subtracting all financial aid available for the academic year from the cost of attendance.
- **Alternative (Private) Loans**
  - Borrowed through a private lender of the borrower's choice
  - Assists students who are in need of additional financing after having exhausted all other financing options such as grants, scholarships, and all types of federal loans.
  - Loan approval is credit based and may require a co-signer
  - Be aware of the lender's fees, interest rates, and repayment options
- **For All Loans, Students must be enrolled at least half-time to be loan eligible. Enrollment definitions are listed below.**

| ENROLLMENT TYPE    | UNDERGRADUATE | GRADUATE    |
|--------------------|---------------|-------------|
| Full-time          | 12 credits    | 6 credits   |
| Three-quarter-time | 9 credits     | 5 credits   |
| Half-time          | 6 credits     | 3-4 credits |



# Work - Study

- **Federal Work Study**

- Federal Work-Study (FWS) is a financial aid program based on need computed from the information provided on the FAFSA.
- Even though FWS monies are listed on your financial aid offer letter, it is not credited to your student account like a grant or scholarship.
- A variety of on-campus student employment opportunities are available at Aurora University through Career Services. There are also employment opportunities available in off-campus community service settings.
- FWS earnings are paid to the student in the form of a bi-weekly payroll check. Students may work up to 15 hours per week and are paid following the current minimum wage guidelines.
- You Are **NOT** obliged to engage in Work Study.

- **Other Campus Employment**

- If you do not qualify for federal Work study, you may still compete for campus employment
- The balance of the rules for Federal work study apply for other campus employment

# How do I Access Aid?

- AU Merit Scholarships are automatically considered
- All other forms of Aid **require** you submit a FAFSA or Free Application for Federal Student Aid.
- File FAFSA each year as soon as it is available.
- Do not pay for a FAFSA; it is free.
- The general steps to completing FAFSA are:
  - Create your FSA ID
  - Gather the necessary Materials
  - Answer the FAFSA questions
  - Add AU to the FAFSA (Code 001634)
  - Submit as soon as possible but no later than the deadline
- The following web site will offer access to FAFSA and provide instructions for completing it:  
[FAFSA.gov](https://fafsa.gov)
- You can also ask financial aid for guidance if necessary.
- You will need to involve your parent or parents if you are still their dependent since parental tax return data will required.
- DACA students are not eligible for Federal Direct Student Loans, but may apply for MAP via the Alternative Aid Application at <https://studentportal.isac.org/en/alternativeapp>

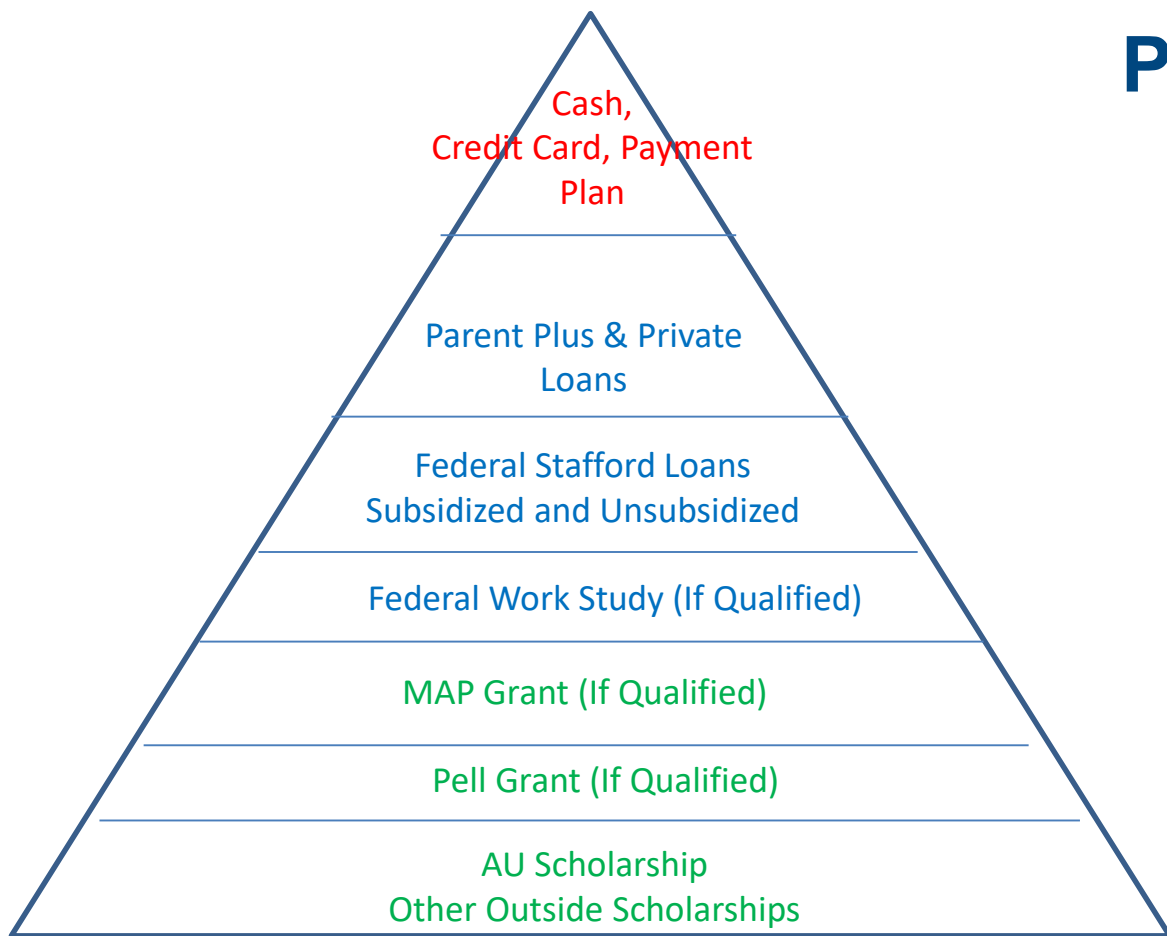
# I filed FAFSA. How do I find out what aid I am eligible to receive?

- Allow approximately two weeks for the federal processing of your FAFSA
- Once the financial aid staff receives this information, a financial aid package will be determined unless further information is required.
- The amount of time between receipt of application and determination of aid varies, but it is generally within two weeks.
- Typically, award offers for returning students will be processed beginning in February.
- You will be notified via AU E-mail when your aid package is available. Please review it promptly in the Self-Service app.

# I've received my Offer Letter. Now What?

- Review your offer letter immediately. It will be in Self-Service once you are notified by AU E-mail that it is ready.
- Create a strategy for meeting your cost of attendance given the offers you have received. An **example** of a payment strategy follows on the next Page.
- You do not have to take advantage of all offers.
- Complete required tasks for offers. For example, accept or decline your loans in AU's Self-Service app.

# Payment Strategy Exemplar



**Strategy:** Let the foundation of the payment plan be support that does not require repayment; then include low interest loans followed by market interest loans. Complete the plan with cash, the no interest payment plan, and credit cards. This will minimize total financial outlay.

**Checkpoint:** Discuss your plan with a Financial Aid Advisor to be sure it meets your needs and does not have any “gotchas”.

# Finally, Arrange to pay your Balances Due

If you have a balance due after assembling all aid, there are a number of options for payment:

1. Pay the full balance by cash, check, or credit card by the publicized due date which is 15 January for the Spring 2023 Semester
2. Have your college saving plan, if any, pay the balance directly to AU by the publicized due date of 15 January for the Spring 2023 Semester
3. Sign up for the interest free monthly payment plan option by the publicized due date of 15 January for the 2023 Spring Semester:
  - Divides remaining semester balance into five monthly payments.
  - Amount due is based on individual charges and balance.
  - Must re-enroll each semester through Self-Service.
  - No enrollment fee.

If you don't make payments by the specified due dates, there may be consequences such as late fees, being dropped from courses or inability to register for the next semester.

# There Are Two Offices to Assist You in Assembling Your Aid and Paying Your Bill

- Office of Financial Aid
  - Helps You with Scholarships, Grants and Loans
  - Answers your Questions about FAFSA
  - Prepares and Delivers Your Offer Letter through AU Electronic Channels
  - Office of Financial Aid Does NOT Assist with Cash Payment Options or Collect Funds for the University.
- Student Accounts Office
  - Helps with choices concerning your options for paying balances due
  - Provides electronic documents to enable the interest free monthly payment plan option.
  - Receives funds paid to the University
  - Student Accounts Office does not help with Scholarships, Grants, Loans, FAFSA, or Notification of your available offers.

# Contact Info

Office of Financial Aid  
Eckhart Hall, Room 324

Phone: 630-844- 6190

Email: [finaid@aurora.edu](mailto:finaid@aurora.edu)

Make an Appointment:  
[www.aurora.edu/finaiddailyappt](http://www.aurora.edu/finaiddailyappt)

Student Accounts Office  
Eckhart Hall, Room 100

Phone: 630-844-5470

Email:  
[student.accts@aurora.edu](mailto:student.accts@aurora.edu)



# Key Points to Remember

- **First**, Know and understand available funding sources
- **Second**, Complete the FAFSA **Promptly** and **without fail**.
- **Third**, Pay attention to your offer letter. You will be notified when it is available via AU E-mail. You can access it on Self-Service.
- **Fourth**, Make arrangements to pay the net price of attendance – the amount not covered by other sources. For the Spring semester 2023, the due date is 15 January.

**The Offices of Financial Aid and Student Accounts are incredible resources.**

**Enlist their assistance.**