

Financial Aid Video Presentation for Orientation for 2006-2007
2/7/06

Welcome to the Financial Aid Office at Northern Illinois University, located at 245 Swen Parson Hall. With the cost of education rising, more students than ever are applying for financial assistance. Whether you need a small or large amount of assistance the Financial Aid Office at Northern Illinois University can help students finance their education.

Applying for Financial Aid

The best time to apply for financial aid each year is in January or February prior to the academic year the student plans to attend. For example, if planning to attend the Fall 2006 semester the student should complete their form in January or February 2006, using 2005 Federal Income Tax Returns. Apply as early as possible, some funds run out quickly.

Even if you are planning on receiving non-need based loans, such as the Unsubsidized Stafford Loan, the Parent Loan for Undergraduate Students, (PLUS), or Alternative Loan, you must first apply for financial aid.

NIU begins processing financial aid with a priority date of March 1. This means that students who have applied by this early date will get their aid first. By applying early, you are doing two things, ensuring that financial aid will be available at the beginning of the school semester, and secondly, giving yourself enough time to find other sources of funding if you are not eligible.

All students must complete the Free Application for Federal Student Aid, (FAFSA) each year. The Student Financial Aid Office will contact the student by email if additional information is needed. Correspondence will be sent to the email address listed on the FAFSA, or to the student's NIU Z-id email address once the semester begins.

You can complete the FAFSA on the Internet at the address listed, or you can use the paper application. Make sure you do not leave any question blank, unless you are instructed to skip it. You will also need to supply NIU's school code, 001737 on this form. When completing the FAFSA online you must either use your pin number or print the signature page and mail it to the address supplied. If you are completing a paper FAFSA, mail it in the envelope provided with the form. The FAFSA should NOT be mailed to the college.

Determining your Financial Aid

Eligibility for all federal and state need-based aid is determined by the information you reported on the FAFSA and other documents you submit to our office. This information is used to calculate an expected family contribution or EFC.

We take the cost of education (which includes tuition and fees, room and board, books and supplies, travel and personal expenses) minus your EFC, which equals financial aid need.

Financial Aid Programs

By applying for financial aid, the student is considered for Federal and State Funds that can come in the form of grants (free money), work-study (money that is earned by working an on-campus job), and loans (money that has to be paid back).

Types of Financial Aid

The types of aid based on financial need include:

The Federal Pell Grant: This is a federally funded program offered to undergraduate students pursuing their first bachelor's degree. It does not have to be paid back. Pell Grants for the 2005-2006 academic year ranged from \$400 to \$4050 and may increase for the 2006-2007 academic year.

The Federal Supplemental Educational Opportunity Grant: (FSEOG) This program is also federally funded and offered to undergraduate students pursuing their first bachelor's degree and does not have to be paid back. It goes to our neediest

students. Students who apply early have a better chance of receiving this award since funds are limited and run out quickly. Eligible students must be enrolled at least 12 credit hours per semester at NIU to receive this award. Award amounts vary from school to school.

The State of IL Map Grant: This is money that is funded through the state and offered to undergraduate students pursuing their first bachelor's degree. The State of IL Map Grant will assist in paying tuition and mandatory fees. The award amounts are based on a student's eligibility and the tuition cost at the school. This award does not have to be paid back and is limited to Illinois residents attending Illinois schools.

There is also self help aid available, which requires repayment or work commitment.

The Federal Perkins Loan: This is a low interest loan that is offered to our neediest students who apply early for financial assistance. The school is the lender. Repayment begins 9 months after the student graduates or drops to less than half-time, 6 hours per semester. The student may be allowed up to ten years to repay. To receive this loan, eligible students must be enrolled for at least twelve credit hours at NIU per semester.

Federal Stafford Loans are low interest loans that are borrowed through a bank or lender by the student. There are two types of Stafford Loans, the Subsidized Stafford Loan and the Unsubsidized Stafford Loan. The Subsidized Stafford Loan is awarded

on the basis of financial need. The government will pay the interest on this loan while the student is attending school at least 6 credit hours per semester.

The Unsubsidized Stafford Loan is not awarded on the basis of need. The student is responsible for the interest payment from the time the loan is disbursed.

Both Subsidized and Unsubsidized Loans have a fixed interest rate of 6.8%. Repayment of the principal amount begins 6 months after the student graduates, leaves school, or drops to less than 6 credit hours per semester.

Loan Limits

Students wishing to borrow through the Federal Stafford Loan Program cannot exceed their Loan limit for the academic year. These limits are determined by their academic status: Freshmen can borrow a maximum of \$2625, Sophomores can borrow a maximum of \$3500, and Juniors and Seniors, as well as Post Graduates and Students at Large can borrow a maximum of \$5500 per academic year. Graduate students can borrow up to \$8500 per academic year.

*Independent students may be eligible to borrow additional Unsubsidized Stafford loan amounts.

Parent Loans for Undergraduate Students or (PLUS) Loans: This is a fixed rate loan at an 8.5% interest rate and is not based on financial need. The loan is borrowed by the parent for the student. The parent will need to obtain credit approval and a Master Promissory Note from the bank or lender they wish to borrow from. Upon

receipt of the signed note, the lender will notify NIU to certify the loan. Repayment of the principal and interest amounts begins 60 days after the loan is disbursed. Contact your lender for repayment options. Plus Loan information is also available on-line at www.salliemae.com

Employment Opportunities

Another form of financial assistance can come from Federal work-study and regular employment. Both programs offer the student an alternative to borrowing loans. Instead of borrowing, students would be working for their money. Students work approximately 10 to 15 hours per week.

There are many types of on-campus employment opportunities available to students, including clerical work, students working as aides, and as media production assistants. If you wish to find out more about these programs please visit NIU's Financial Aid Web Site.

Private Scholarships

In addition to financial aid based programs, there are businesses, organizations, donors, colleges and universities who offer scholarships to students. Most private scholarships are based on a student's academic achievement, major course of study, special ability, or financial need.

Students can start searching for private scholarships each year in October and November and begin applying for them between the months of January through

April. Many scholarship application deadlines are April 1 or earlier, but you may find some with later dates. The best place to look for private scholarships is at your student's high school--talk to the guidance counselor, the financial aid office, on the Internet, at the public library, also local organizations, such as, the Rotary, Elks, Kiwanis, and Lions Club, Veterans Organizations, a parent's place of employment, athletic coaches, and local banks.

At NIU private scholarship awards are always separated into two semesters, $\frac{1}{2}$ for the fall term and $\frac{1}{2}$ for spring term, unless otherwise stated by the donor.

Review

Now that you know the different types of aid and how to apply, let's review the information given to you and explain how it all ties in with the financial aid process.

First, the student must complete the Free Application for Federal Student Aid (FAFSA). Once the FAFSA information is received by NIU, the application will be reviewed and we will send the student either an Award Notification of aid eligibility, or an email requesting additional information.

Email requests will be sent to the address listed on the FAFSA. Once the semester begins emails will be sent to the student's NIU Z-id email address.

The student's first Award Notification will be mailed and must be returned to our office accepting the aid. Subsequent Award Notifications will be sent by email.

Students can find information about their NIU email accounts at

www.newstudents.niu.edu

If the student has no email address, the Award Notification will continue to be mailed until the semester starts. The Award Notification must be returned to our office, or submitted by internet, to apply for a PLUS or Alternative Loan.

And finally....

Pay attention to what you get in the mail or to the student's webmail NIU Z-ID address, we may be asking for additional information and... remember, the earlier you apply, the sooner aid is awarded!

3/06