



Financial Aid 101



Taking your Education to the Next Level!

What Is Financial Aid?



Financial aid consists of funds provided to students and families to *help* pay for postsecondary educational expenses.

- Gift Aid – Grants/Scholarships free money
- Self-Help: Work, Savings, Tuition Account Programs – 529s, etc.
- Loans

Funding Sources



Federal Government



State Government



School or College



Scholarships

Financial Aid Made Simple

5 Steps to Financial Aid



Step 1: Look For Free Money First

- Start searching early
- Use **FREE** scholarship search sites
- Don't ignore scholarships with smaller award amounts
- Don't miss deadlines
- Search for scholarships every year
- Check corporate websites such as Target, Walmart, Kentucky Fried Chicken:
 - » All have scholarship programs and you don't have to work there to be eligible



Step 2: Know Your Deadlines

- Applications for Admission
- Deadlines for Scholarships
 - » Institutions, Outside Sources
- Free Application for Financial Aid (FAFSA)
 - » Available October 1 of Senior Year
 - » Schools have Priority Deadlines
 - Find out what the Deadlines are

PA State Grant Deadlines

- **May 1** – If you plan to enroll in a degree program or a college transferable program at a junior college or other college or university (excludes community colleges)
- **August 1** – If you plan to enroll in a community college; a business, trade, or technical school; a hospital school of nursing; or a 2-year program that is not transferable to another institution

DON'T MISS THE DEADLINE!

Step 3: The FAFSA is Your Connection to Funding

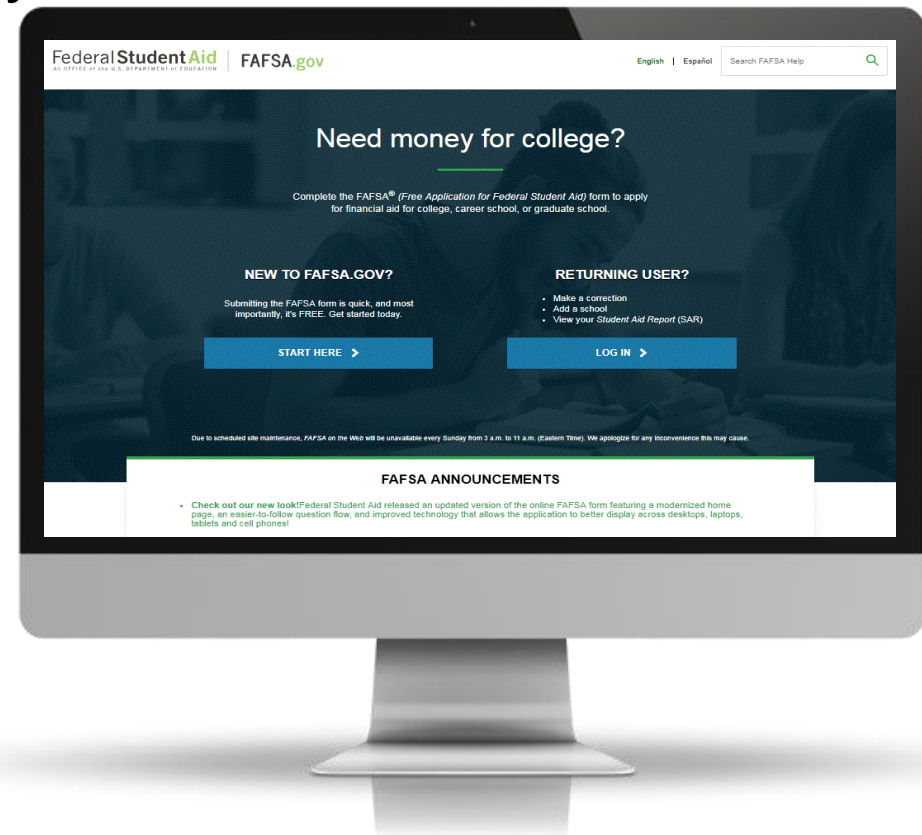
The FAFSA is a federal form used to determine student eligibility for the following:

- Federal programs, such as Pell Grants, work-study, and student loans
- State programs, such as Pennsylvania State Grant, and other special programs
- School programs, such as need-based grants and scholarships



FAFSA (Free Application for Federal Student Aid) – FAFSA.gov

- The FAFSA is the primary federal form for financial assistance to attend postsecondary school.
- Must file a FAFSA each year a student attends school to be eligible.
- The FAFSA is available as early as October 1 of student's senior year of high school



Create Your FSA ID Accounts

- The student applying for aid and one parent providing information on the FAFSA need to create an FSA ID at **fsaid.ed.gov**.
- Create prior to completing the FAFSA.
- Legal signature for student and parent.
- Provides access to FAFSA and Federal Student Aid online systems.

After verifying, the mobile phone number can be used as the username to login.

Username

Password

Email Address

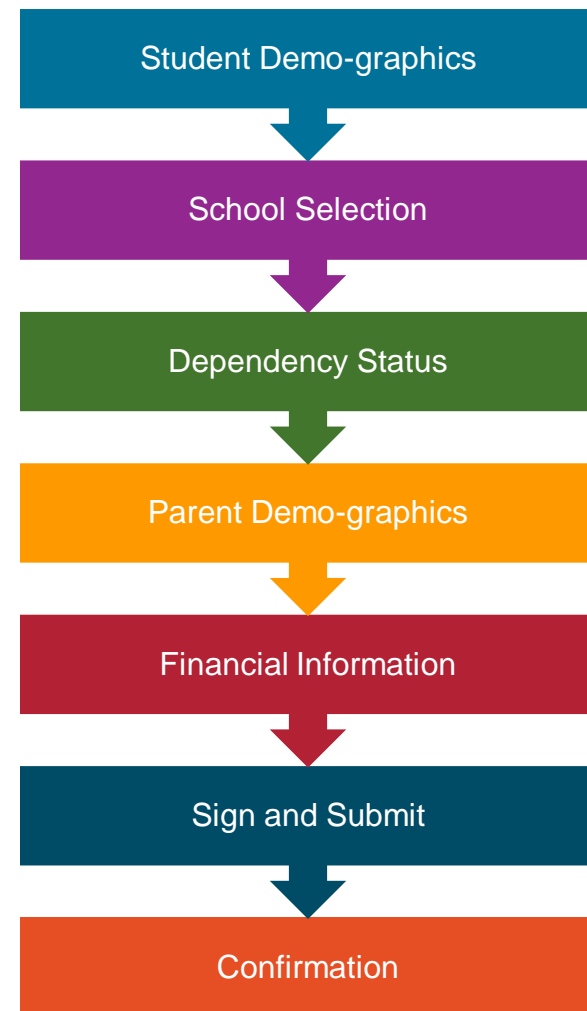
Mobile Phone

Security Questions

Social Security
Number

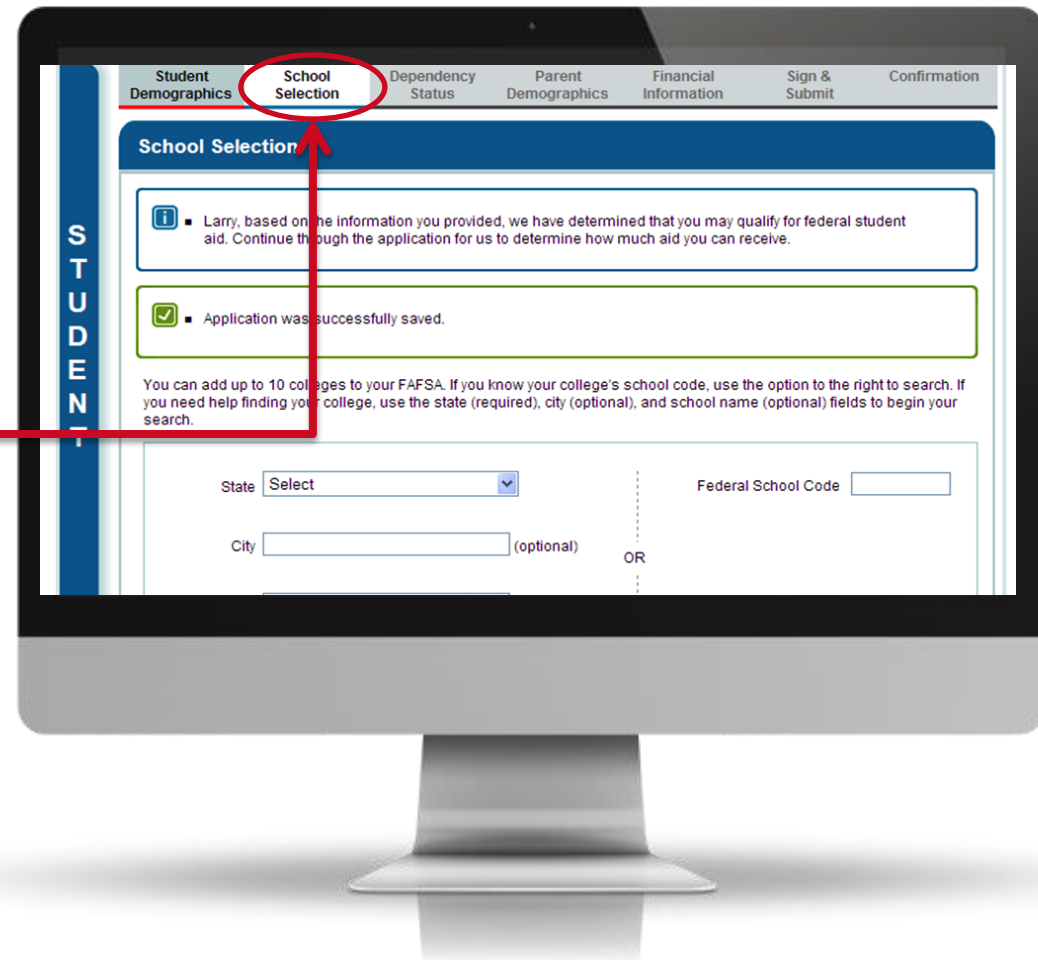
Information Needed to Complete the FAFSA

- ✓ Social Security Numbers
- ✓ 2019 Federal Tax Returns and W-2s
- ✓ 2019 Untaxed Income
- ✓ Checking/Savings Account Statement Balances and Investment Records as of filing date



FAFSA – School Selection

- List more than one!
- Only schools that are listed will be able to see your FAFSA information.
- **Students can list up to 10 colleges at a time – Schools can be added or deleted at any time**
- Once the final school choice is made, students should update their PA State Grant record.



When Is A Student Automatically Considered “Independent”?



- 24 or older on Jan 1st of 2021
- Married
- Veteran (includes active duty personnel)
- Working on graduate level degree
- Emancipated minor in legal guardianship
- Orphan, in foster care or ward of the court at anytime when student was age 13 or older
- Have legal dependents other than spouse
- Student deemed homeless by proper authority
(PA State Grant status can be different)

Aside from the Student, Who Reports Info on the FAFSA?

YES

- Married parents living together
- Biological parents living together
- Divorced or separated parents:
 - » The parent the student lived with the most over the past 12 months
 - » If equal, then the parent who provided more than 50% of student's support
- Stepparent – If part of the student's household
- Adoptive parents

NO

- Foster Parents
- Legal Guardians
 - » By Court Order
- Anyone else the student is living with

IRS Data Retrieval Tool (DRT)

- Is a component of the FAFSA.
- Automatically imports IRS tax info from parents and students, if applicable, and adds it to the FAFSA.
- There are some exceptions – not everyone can use the IRS DRT.
- Not everyone is required to file taxes, filing is not required to complete the FAFSA.

Signing with the FSA ID

- Student and filing-parent sign electronically with an FSA ID Account.
- A FAFSA is not complete until it is signed!

The screenshot displays the 'Signature Status' page for a FAFSA application. At the top, a progress bar shows the following steps: Student Demographics, School Selection, Dependency Status, Parent Demographics, Parent Financials, Student Financials, Sign & Submit, and Confirmation. The first six steps are marked with green checkmarks, while 'Sign & Submit' is marked with a blue pencil icon, indicating it is the current step.

An information box contains the following text:

i Both you and a parent need to sign your FAFSA.

Only sign for yourself. If you and your parent are not together, one of you can sign, save the application and then exit. Give the "save key" to the other person who can log in with it and sign and submit the FAFSA.

Be sure not to mix up your and your parent's FSA IDs when signing.

Below the information box are two signature boxes:

- Student Signature Needed**: Signature Status: Unsigned. A button labeled 'PROVIDE STUDENT SIGNATURE' with a pencil icon is located below the status.
- Parent Signature Needed**: Signature Status: Unsigned. A button labeled 'PROVIDE PARENT SIGNATURE' with a pencil icon is located below the status.

A 'PREVIOUS' button is located at the bottom right of the page.

At the bottom of the page, there is a footer with the text: 'Site Last Updated: Sunday, September 29, 2019' and 'Download Adobe Reader'. Below that is the copyright notice: '©2010 fafsa.gov. All rights reserved.'

Confirmation Page & Link to the PA State Grant Form

- On the confirmation page follow the link to the State Grant Form. You will need the following to complete the form:
 - Enrollment Status (full-time/part-time)
 - Value of PA 529 College Savings Program
 - Employment Status
 - Program of student for students in vocational programs
- Missed the link? Complete the form directly by going to pheaa.org.

2020-2021 Confirmation Page

Congratulations, first!
Your FAFSA was successfully submitted to Federal Student Aid.

Confirmation Number: F 14500020309 08/01/2019 13:00:17
Data Release Number (DRN): 4440

What Happens Next

- You will receive an e-mail version of this page.
- In 3-5 business days, you will receive an e-mail notifying you that your FAFSA was processed.
- Your FAFSA information will be made available to your school(s), and they will use it to determine the aid you may be eligible to receive.
- Your school(s) will contact you if they need more information or when they are ready to discuss your financial aid award.
- If you have questions about your financial aid package, contact your school(s).

An abbreviated version of your confirmation page has been sent to you at the e-mail address: test@gmail.com

[PRINT THIS PAGE](#)

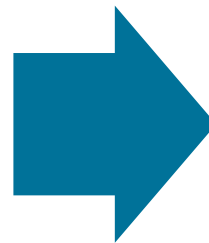
Start your state application to apply for Iowa state-based financial aid.

Does your brother or sister need to complete a FAFSA?
If so, you can transfer your parents' information into a new FAFSA for your brother or sister to save time. Your parents will have to provide a signature again, but that's all.

Other Forms You May Need to Complete



✓ Check with your school





- **C**ollege **S**cholarship **S**ervice Profile
- Created/Maintained by the College Board
- Required at **Some** Institutions & Scholarship Organizations – 400 Across the US
- Used in Addition to the FAFSA, not a Replacement
- Used to Award Need Based & Institutional Aid
- **Also** Complete the FAFSA for Federal Aid options
- CSS Profile Costs \$25.00 + \$16.00 for Additional Schools – A Waiver May be Available for Domestic Students

www.student.collegeboard.org

After Filing

Information will be shared with PHEAA and all college choices.

In a few days an email will be sent to the student regarding the processing of their FAFSA and their Student Aid Report.

Students should monitor the email account provided on the FAFSA and respond to requests from Federal Student Aid, PHEAA and the colleges.

Special Circumstances

If things change....

- Divorced or separated parents
- Stepparents
- Adoptive parents
- Foster parents
- Legal guardians
- Living with others
- Recent death or disability
- Reduced income

How is the EFC Calculated?

- In theory, the EFC is a number calculated to measure and compare the general financial strength of all families applying for aid - it is **NOT** the amount you are expected to pay.
- EFC formula considers a family's taxed & untaxed income, assets, size, how many will be attending college, and age of oldest parent



COA (Cost)

- EFC

= NEED

Federal Programs

- Pell Grant - max award \$6,345*
- Max EFC is 5711
- Campus-based aid (amounts determined by Financial Aid Office at each potential school)
 - » FSEOG.....up to \$4,000
 - » Federal Work-Study...FAO determines

For most programs, student must be enrolled at least half-time.

* **Goes to most financially needy students**

PA State Grant Maximum Awards



Reciprocal states: Delaware, DC, Massachusetts, Ohio, Vermont,
West Virginia

The maximum award for student attending an approved school in a reciprocal state is \$578, and \$770 (qualified veteran)

- *Must be at least half-time to be eligible*

Cost Tier	Final Maximum Award	Minimum Award
\$0 - \$12,000	\$2,407	\$500
\$12,001 - \$19,000	\$3,851	\$500
\$19,001 - \$29,000	\$4,140	\$500
\$29,001 - \$32,000	\$4,525	\$500

Other State Programs



- State Work-Study
- Blind or Deaf Beneficiary Grant
- Educational Assistance Grant (EAP) – National Guard
- PA Military Family Education Program (MFEP)
- Chafee Education and Training Grant – co-administered with the PA Department of Human Services
- Foster Ed Tuition Waiver

Other State Programs



- Postsecondary Educational Gratuities Program (PEGP)
- Partnerships for Access to Higher Education (PATH)
- Pennsylvania Targeted Industry Program (PA –TIP)
- Ready to Succeed Scholarship (RTSS)
- For details, see the PA Student Aid Guide, or visit [PHEAA.org](https://www.pheaa.org).

Federal Student Loan Program

- Available to **ALL** students (US citizens and eligible non-citizens) **REGARDLESS** of need
- Additional unsubsidized funds available for Independent & Parent PLUS denials
- In student's name, no collateral or credit check, must sign MPN
- Available loan amounts increase in subsequent years
- No payments required while attending school & six-month grace period
- Flexible Repayment options

Subsidized

- ***Based on financial need***
- No interest charged to student while enrolled or in grace period
- There is a 1.059% fee deducted from loan amount at disbursement

Unsubsidized

- Interest accrues while student is in school and in grace period
- Any interest not paid during grace will be capitalized at repayment
- There is a 1.059% fee deducted from loan amount at disbursement

Federal Direct Stafford Loan Borrowing Limits

Undergraduate Students			Graduate Students
Annual Limits	Dependent Students	Independent or dependent students whose parents are unable to borrow a PLUS Loan	Graduate or Professional Studies
1st Year	\$5,500 Total No more than \$3,500 may be subsidized	\$9,500 Total No more than \$3,500 may be subsidized	\$20,500 each academic year Graduate / Professional students are no longer eligible for subsidized loans
2nd Year	\$6,500 Total No more than \$4,500 may be subsidized	\$10,500 Total No more than \$4,500 may be subsidized	
3rd Year and beyond	\$7,500 Total No more than \$5,500 may be subsidized	\$12,500 Total No more than \$5,500 may be subsidized	
Aggregate Limits	\$31,000 Total No more than \$23,000 may be subsidized	\$57,500 Total No more than \$23,000 may be subsidized	\$138,500 Total No more than \$65,000 may be subsidized

Step 4: Compare Schools' Financial Aid Notices Carefully

- There is no required standard format for Financial Aid Notices from schools.
- Some include Federal loans, some do not.
- If you receive a scholarship, do you know if there are conditions for maintaining it?
- Is the scholarship for the first year only or can you renew it?
- Do you understand what is offered to you as a grant, scholarship or the need for you to borrow?

Bottom Line: What are your out of pocket costs?

What School Costs Are Considered?

School costs include:

- Tuition and fees
- Room and board
- Books and supplies
- Transportation
- Miscellaneous living expenses
- Child care, if necessary



You can receive financial aid up to the total of the school regardless of your EFC!

Calculating Financial Need

Schools/colleges receive financial aid information and calculate financial need

- Financial Aid Office (FAO) “packages” student based on financial need and available funding (varies from school to school)
- Financial aid notification letter sent to student



School cost	\$26,000
EFC	-\$3,000
<hr/>	
Financial Need	\$23,000

Financial Aid Notification

- Official notification from school about financial aid, terms and conditions
- Lists the type and amount of aid to be received
- Describes what must be done to accept or reject any aid
- Discloses students rights, responsibilities and academic requirements

Reviewing the Financial Aid Notification

How much of the financial aid is free money?

Which awards are based on need, and which are based on merit?

Are there any conditions on the free money? GPA requirement?

Will awards increase as tuition increases?

Will awards change from year to year?

Will loans be needed?

Step 5: Be Sure You Have The Money You Need

- Have you made an affordable choice of school?
 - » Do you understand your actual costs?
- Have you considered annual out of pocket costs **beyond the first year?**
- Do you have a strategy for handling out of pocket costs?
- Do you understand loan options and their limitations?

Federal Direct PLUS Loan

- For parents of dependent undergraduate or graduate level students
- In parent's name for student costs
- Rates set every July 1st for the life of that year's loan; fees are deducted from disbursement
- Can borrow up to the Cost of Attendance
- MUST apply each year
- No Debt-to-Income test, only lenient credit check
- Can have an endorser (co-signer)
- Principal can be deferred while student is in school; Interest will continue to accrue
- IF denied - student is eligible for an additional \$4,000 unsubsidized loan
- Must file a FAFSA

Private/Alternative Loans

- From private lenders or financial institutions
 - » In student's name/co-signers usually required
 - » Can borrow up to the Cost of Attendance
 - » Based on credit scores and debt-to-income
 - » Repayment may be deferred until education completed
 - » Terms vary by lender – compare before making choices
 - » Students must sign a “Self Certification Form” per DOE
- **READ THE FINE PRINT**

PHEAA's New – PA Forward Education Loan Program

- Low cost affordable student loan products, originated and serviced through PHEAA, available to **help Pennsylvania Students & families.**
- Variety of repayment options.

Who can use PA Forward?

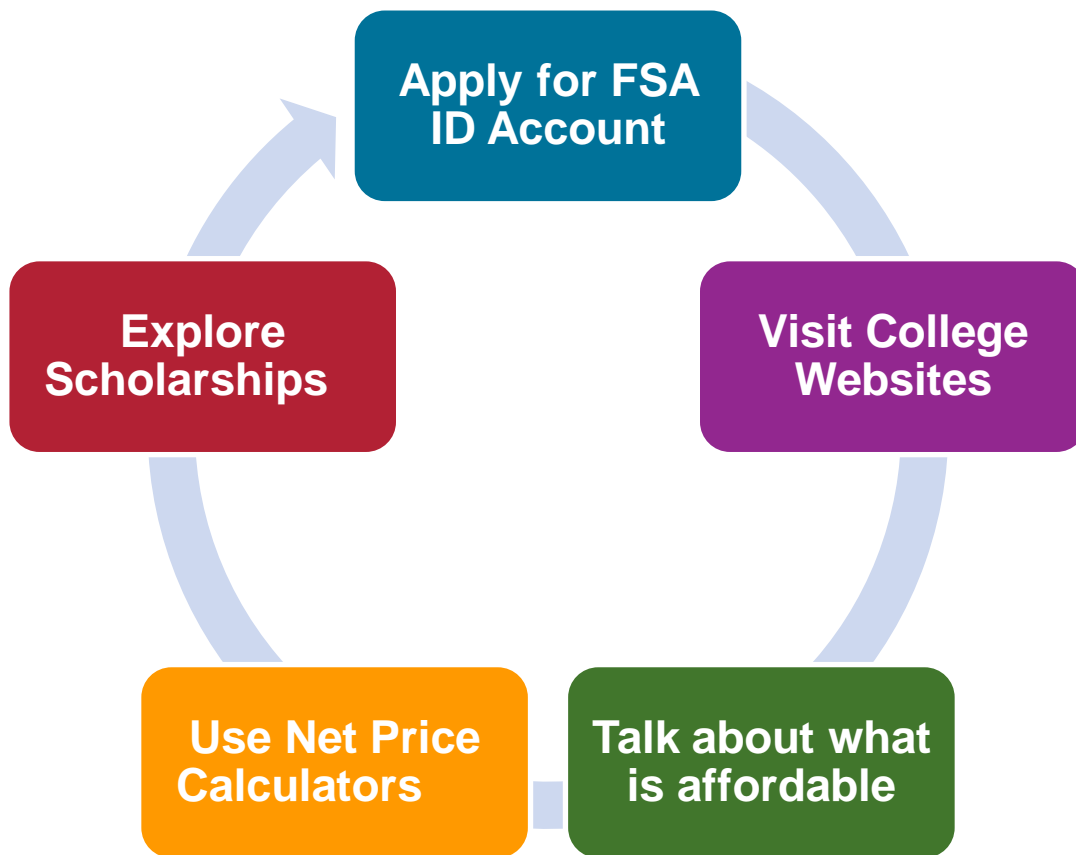
- Undergraduate Students
- Graduate Students
- Parents, Stepparents, Guardians
- Refinancing Option
- PA Residents attending any Title IV eligible school
- OH, NY, NJ, DE, MD, VA residents attending a PA school



Apply and find more details on PA Forward at PHEAA.org/PAForward.

It's worth a look to find what works for you!

What Can You Do Now?



Net Price Calculators



- Enables current and prospective students, families and consumers to determine an estimate of an individual net price at a particular institution.
- **ESTIMATED** data must be provided by each institution:
 - » Total price of attendance
 - » Tuition, Fees, Room and Board
 - » Expenses (i.e., personal, transportation)
 - » Estimated total merit and need-based grant aid
 - » Estimated net price (attendance minus grant aid)
- **May not include scholarships**

Return On Investment (ROI)

- Return on investment measures the gain or loss generated on an investment
- ROI is relative to the amount of money invested.



Necessary Things to Consider

Students – Return On Investment

- Your Academic Major Choice, Academic Demands – Realistic?
- What is your Expected Salary?
 - » Versus the Cost of Your Education Choice
- What are the Employment Demands? Now/Future?
- Where are your best Employment Options?
 - » Big city? Rural location? What is the Cost of Living where you may work?

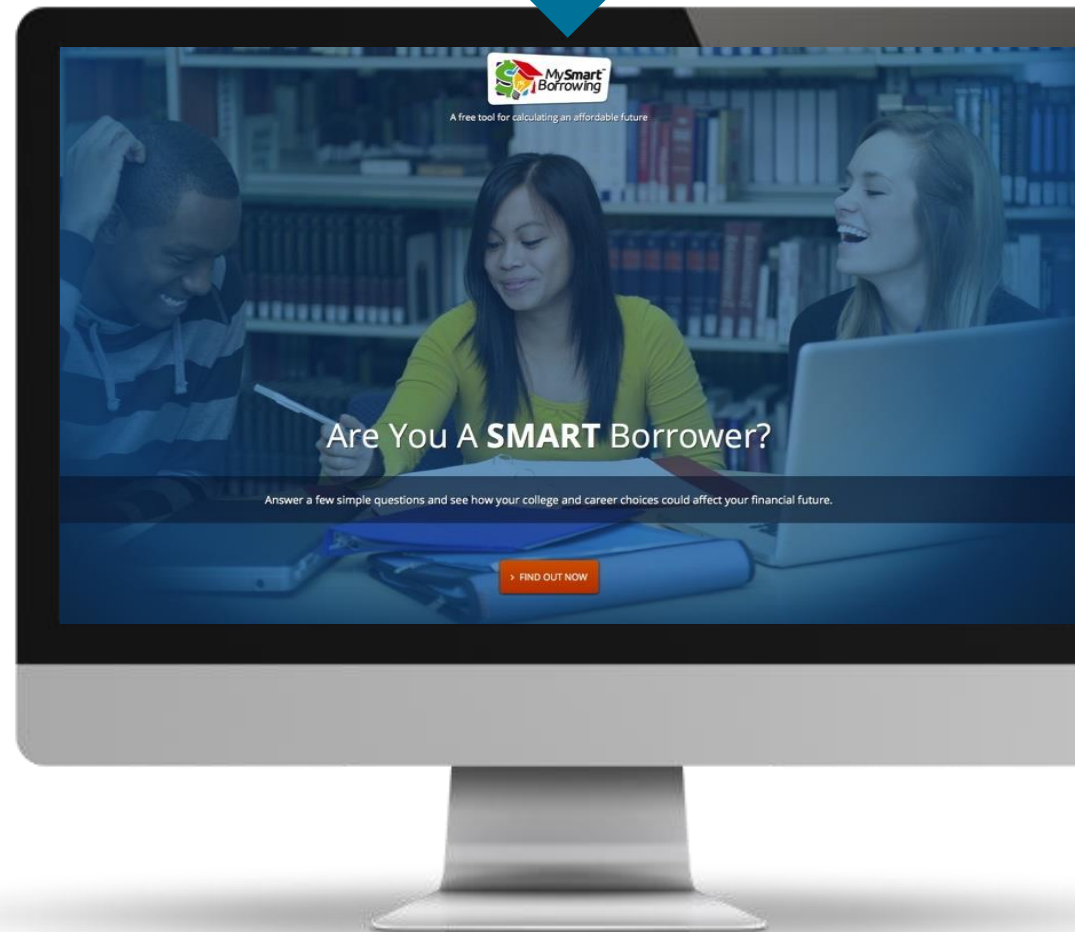


MySmartBorrowing.org

An interactive, online tool created by PHEAA that helps students and families:

- Estimate career salaries & college tuition
- View the impact of savings on overall cost
- Calculate loan repayment
- Avoid over borrowing

MySmartBorrowing.org



Ways to Reduce the Need for Financial Aid

- Graduate on time!
- Research the right major
- Earn college credits in high school
- 2+2 or 3+2 Strategy
- Consider commuting or leaving car at home
- Choose your meal plan carefully
- Buy used or rent textbooks



Use Your Resources

- PHEAA.org
- EducationPlanner.org
- MySmartBorrowing.org
- YouCanDealWithIt.com
- MyFedLoan.org
- FASFA.gov
- StudentAid.gov
- StudentLoans.gov
- PHEAA: 800-692-7392
- Federal Student Aid: 800-433-3243
- Fastweb.com
- FinAid.org
- Unigo.com
- Scholarships.com
- Scholarship-Page.com
- DoSomething.org/Scholarships
- Colleges.Niche.com
- StudentScholarships.org
- BigFuture.Collegeboard.org
- CollegeAnswer.com
- CollegeNet.com
- MeritAid.com

Social Media Outreach



PHEAA
American Education Services
FedLoan Servicing

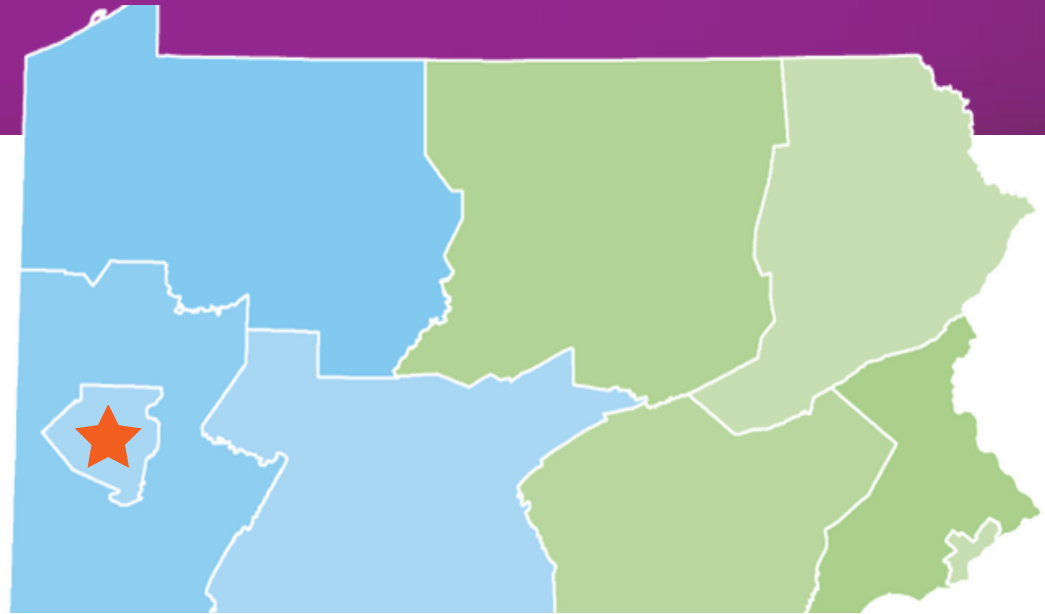


@PHEAAaid
@FedLoan Servicing
@aesSuccessorg



PHEAA

Your Presenter



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