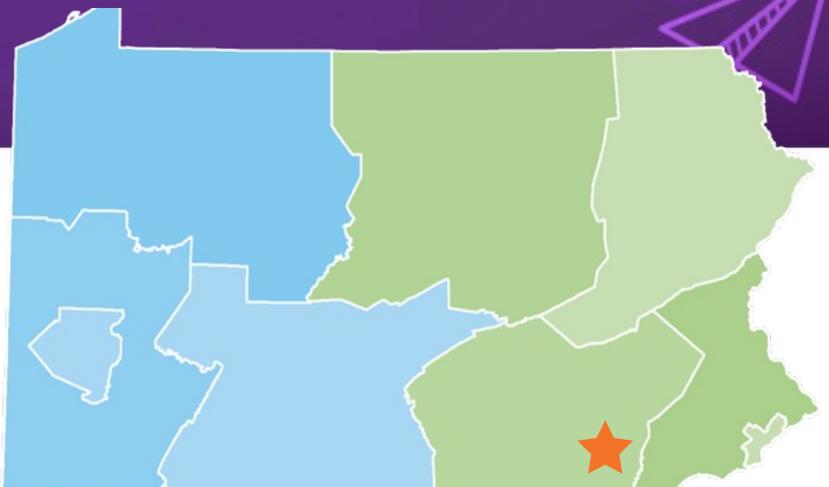


Financial Aid 101



Take your education to the next level

Your Presenter



Diona Brown

Higher Education Access Partner

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Counties: Adams, Cumberland, Franklin, Fulton and York



Topics of Discussion



Financial Aid 101

- Financial Aid Basics
 - Types & Sources of Aid
- Federal & State Aid
- Five Steps to Financial Aid
- Applying for Aid
- What Happens Next?
- Final Thoughts
- Questions

Financial Aid Basics



Financial Aid: financial assistance to help students pay the cost of an education at a post-secondary school.

- **Paying is the joint responsibility of the student and parent(s), to the extent possible**
- **Eligibility criteria may apply in order to receive/maintain financial aid, such as:**
 - Students must maintain satisfactory academic progress
 - Additional criteria may be required based on the type and source of aid
- **Students should play an active role in the process**
 - Talk with children about goals/plans (**review educationplanner.org & mysmartborrowing.org**)
 - Take advantage of college fairs & school visits (*ask about cost and available aid*)
- **Some students may not qualify for all forms of aid**
- **Must apply every year to be considered**

Financial Aid Basics



Cost of Attendance(COA):

Costs that the student can expect to incur during the school year (direct + indirect costs)

- **Direct costs:** billed by the school
- **Indirect costs:** not included in bill but may be incurred

School costs include:

- **Tuition and fees**
- **Room and board**
- **Books and supplies**
- **Transportation**
- **Miscellaneous living expenses**

Student Aid Index (SAI)

A measure of a family's financial strength, namely its ability to pay for college. The SAI is calculated from a federal formula using info collected from the Free Application for Federal Student Aid (FAFSA)

Financial Need = COA – SAI-OFA

- OFA is estimated financial aid from non federal sources. Schools will determine need after reviewing financial aid applications.
- Schools will create an award package based on need and available funding at their schools

Types of Financial Aid

Gift Aid (Free Money)



- **Grants:** aid, based on financial need and generally does not have to be repaid
 - Student must complete financial aid paperwork to determine eligibility
 - Looks at COA & SAI
- **Scholarships:** aid, usually based on merit, that generally does not have to be repaid. Most students must meet certain qualifications to receive and maintain scholarships.
 - Academic & athletic
 - Talent (music, art, etc.)
 - Grades, religious, ethnic or cultural background
 - Select criteria determined by scholarship organization(s)

Types of Financial Aid

Self-Help Aid



- **Work Study:** Student obtains job, often coordinated through the campus and/or State.
 - Wages earned help cover the cost of attendance
 - Not offered at all schools
- **Student Loans:** Borrowed money that must be repaid (with interest)
 - **Federal Direct Loans -Student's Name**
 - **Federal PLUS Loans -Parent's Name**
 - **Private/Alternative Student Loans – Varies amongst lender**



Federal Programs



- Pell Grant: 2023-24 max award \$7,395*
 - Max amount reviewed every year
- Campus-based aid: amounts determined by Financial Aid Office (FAO)
 - FSEOG.....up to \$4,000
 - Federal Work-Study...FAO determines

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

- Must complete the FAFSA

*** Goes to most financially needy students**

Pennsylvania State Grant



PA State Grant: 2023-24 max award \$5,750

- Awarded to eligible PA residents who demonstrate financial need
- Required: approved school/ approved program of study
- Out of State schools in DE, MA, OH, WV, VT & DC: max \$600
 - Veterans: up to \$800

Cost Tier	Minimum Award	Maximum Award
\$0 - \$12,000	\$500	\$3,059
\$12,001 - \$19,000	\$500	\$4,894
\$19,001 - \$29,000	\$500	\$5,260
\$29,001 - \$32,000	\$500	\$5,750

PA State Administered Programs



- State Work-Study - job related to major
- 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
- Postsecondary Educational Gratuity Program (PEGP)
- **Partnerships for Access to Higher Education (PATH)**
- **Pennsylvania Targeted Industry Program (PA –TIP)**
- Ready to Succeed Scholarship (RTSS)

For details, visit [PHEAA.org](https://www.pheaa.org).



Financial Aid Made Simple



5 Steps to Financial Aid





Step 1: Look For Free Money First



➤ National

- Most found on corporate websites, scholarship databases & HS guidance offices/webpages
- Lots of competition

➤ Local & Regional

- Check with HS Guidance office/webpage
- Businesses, churches, local foundations, etc. (stay on the lookout)
- Less competition

➤ Post-Secondary:

- Check the school's financial aid & admissions pages on website
- Inquire with financial aid office about scholarships from alumni and endowment funds



Scholarship Search



Don't miss out on FREE money!



- Start Early and Search Often
- Create an Academic Resume:
 - Academic success
 - Extra Curricular Activities
 - Community Involvement/Volunteerism
- Create an Essay(s)- Write an essay, free from errors, that can be tweaked based on individual scholarships (be creative)
- Secure Letter of Recommendations early
- **Pay attention to deadlines and understand the terms**

- ✓ [FastWeb.com](https://www.fastweb.com)
- ✓ [EducationPlanner.org](https://www.educationplanner.org)
- ✓ [FinAid.org](https://www.finaid.org)
- ✓ [BigFuture.Collegeboard.org](https://bigfuture.collegeboard.org)
- ✓ [Scholarshipamerica.org](https://www.scholarshipamerica.org)



Step 2: Know Your Deadlines



- Applications for Admission
- Deadlines for Scholarships
 - Institutions, Outside Sources
- Free Application for Federal Student Aid (FAFSA)
 - Available October 1 of Senior Year. This year the FAFSA is delayed until December.
 - Schools have Priority Deadlines
 - Don't have to have applied or been accepted to list schools on FAFSA

DON'T MISS THE DEADLINE!



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
- This year PHEAA will send an email to the student once the State grant application is ready to be completed.

DON'T MISS THE DEADLINE!

Free Application for Federal Student Aid: FAFSA

All students who wish to be considered for financial aid must complete the form.

- Complete the correct FAFSA (2024-2025 AY)
- Can start FAFSA and save to complete at a later time
- File as early as October 1 of student's senior year in high school (this year December 31st.)

Plan to Attend College From	Submit the FAFSA From	Using Tax Information From
Jul 1, 2023 - Jun 30, 2024	Oct 1, 2022 - Jun 30, 2024	2021
Jul 1, 2024 - Jun 30, 2025	Dec 2023 - Jun 30, 2025	2022
Jul 1, 2025- Jun 30, 2026	Oct 1, 2024 - Jun 30, 2026	2023

Create Your FSA ID Accounts

- The student applying for aid and all contributors providing information on the FAFSA need to create an FSA ID at studentaid.gov/fsa-id.
- Create 4 days prior to completing the FAFSA.
- Legal signature for student and contributors.
- Users without an SSN will be able to acquire an FSA ID.

Social Security
Number

Username

Email Address

Password

Mobile Phone

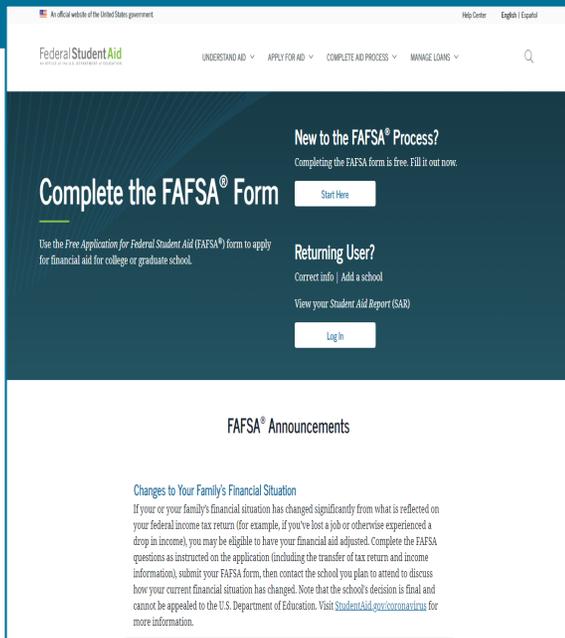
Security Questions

Enable Two-Step
Verification

Free Application for Federal Student Aid (FAFSA)

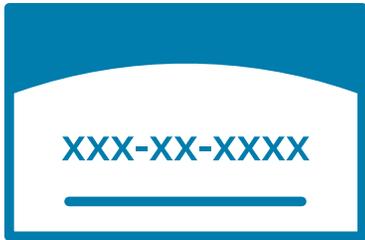
Studentaid.gov

PDF at studentaid.gov or
1-800-433-3243.



2024-2025 FAFSA Prep

Information Needed for FAFSA



Social Security Numbers



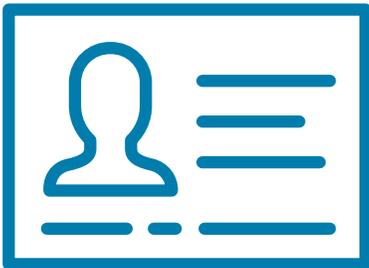
Email Addresses (Not high school email address)



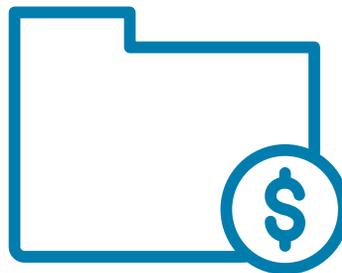
2022 Federal Tax Returns and W-2's



Current bank statements and records of other investment accounts (as of the FAFSA filing date including farm value and value of small business)



Student & Contributor(s) Federal Student Aid Account FSA ID



Current Records of any stocks, bonds and other investments, including 529 for student for whom the FAFSA is being completed



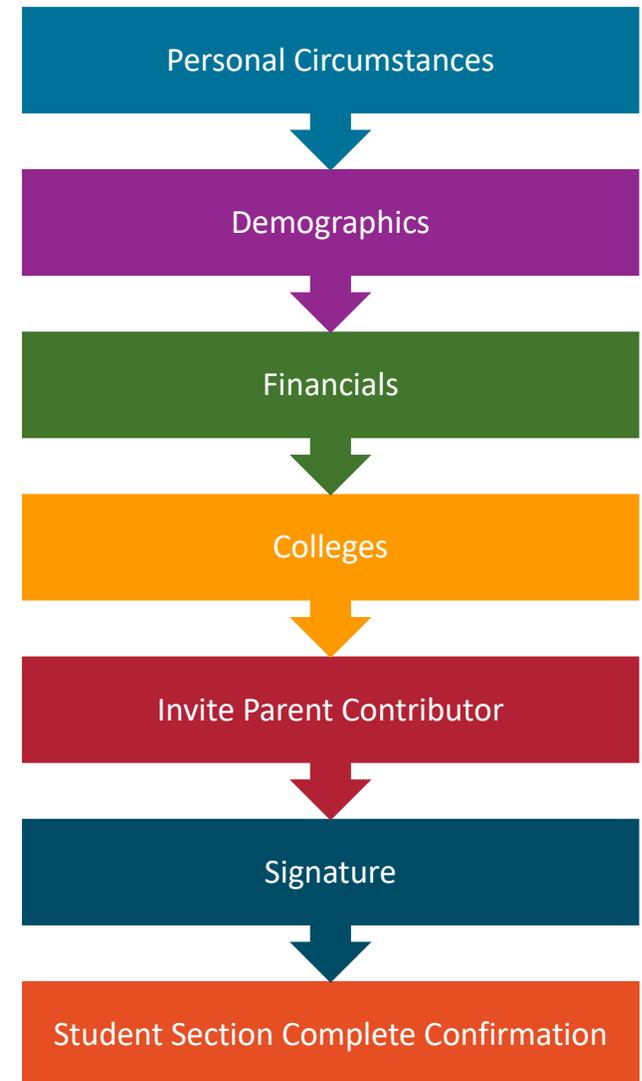
Total child support received from the most recently complete calendar year

Step 3 : Fill out the FAFSA

FAFSA Steps – Dependent Student



1. Login – dependent student
2. Dependent Onboarding Steps
3. Verify Student Identity Information
4. Student Provides Consent



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 20 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.

FAFSA FORM 2024-25 Student Raya Tran Save FAFSA Menu

Your Colleges

In this section, you'll search for and select schools you're considering so they will automatically receive an electronic copy of your FAFSA form. You don't need to worry if you don't end up applying to them - there is nothing else you need to do.

Previous Continue

FAFSA FORM 2024-25 Student Raya Tran Save FAFSA Menu

Personal Circumstances Demographics Financials **Colleges** Signature

Where should we send your FAFSA?

Search for the colleges to which you'd like to send your FAFSA® information.

You can add up to 20 colleges to your FAFSA form.

0 of 20 Schools Selected View Selected Schools

Search by School Name Search by School Code

State
 × ⓘ
 California (CA) ⓘ

School Name - optional
 ⓘ

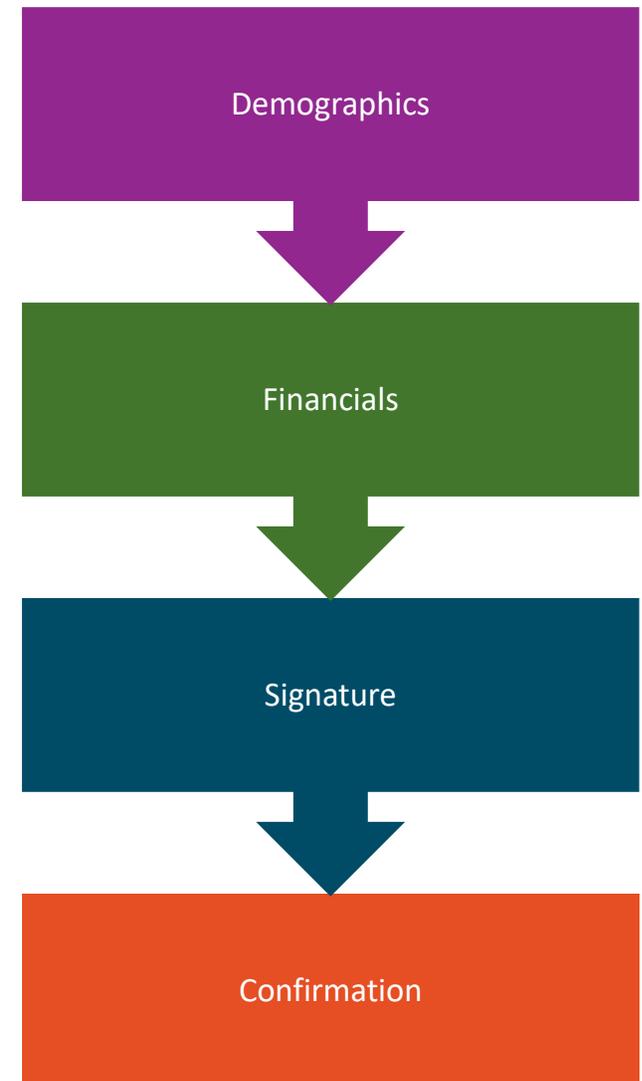
Search

Previous Continue

FAFSA Steps – Parent Contributor

1. Following link in email invite – Parent Log In
2. Parent Onboarding Steps
3. Verify Parent Identity Information
4. Parent Provides Consent

Once all required data has been provided and all sections have been signed, any role can submit the FAFSA form



For Dependent Students, Who Reports Info on the 2024-25 FAFSA?

YES

- Married parents living together
- Biological parents living together
- Divorced or separated parents:
 - The parent that provided the most financial support to student over the past 12 months
 - If equal, then student would invite the parent with the higher income and assets
- 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



Consent

- Applicant and any required contributor on the FAFSA must provide consent. They are consenting to:
- Direct Data Exchange to import applicant, parent, parent spouse, and/or student spouse Federal Tax Information (FTI).
- Redisclose FTI to state entities, institutions, and scholarship organizations.
- If consent is not given student will not be eligible for need based aid.



What is considered an asset?

Report the current value at time of filing the FAFSA:

- ✓ Cash
 - ✓ Checking
 - ✓ Savings
 - ✓ Stocks
 - ✓ Bonds
 - ✓ Certificates of deposit (CD)
 - ✓ Bitcoin
 - ✓ Mutual funds
 - ✓ Net value of real estate
- Value of 529 accounts for the student owned by the parent(s) of a dependent applicant or owned by the student applicant
 - Child support received for the most recently complete calendar year
 - Net Worth of your businesses or for-profit agricultural operations.

Not reported on FAFSA as an asset:

- Value of primary home
- Value of qualified retirement accounts
- Value of life insurance policies
- Value of personal property
- Value of 529 for any other family members (excluding applicant)

When Is A Student Automatically Considered “Independent”?



- 24 or older on Jan 1st of 2024
- Married
- Veteran (includes active-duty personnel)
- Working on graduate level degree
- Legally emancipated minor or in a legal guardianship with someone other than their parent or stepparent, as determined by a court in state of residence
- Orphan, in foster care or ward of the court at anytime since the student turned 13
- Have legal dependents other than spouse
- Student deemed homeless by proper authority
- (PA State Grant status can be different)

Special Circumstances

If things change...

- Professional Judgment exceptions can also be made for special circumstances due to income changes that are experienced before or after the FAFSA has been filed
- Contact the financial aid office to discuss the situation
- Separate forms for PA State Grant pheaa.org/forms

Student Unusual Circumstances

Prevents student from contacting parents or contacting parents would pose a risk to student.

A student may be experiencing **unusual circumstances** if they:

- Left home due to an abusive or threatening environment;
- Are abandoned by or estranged from their parents, and have not been adopted;
- Have refugee or asylee status and are separated from their parents, or their parents are displaced in a foreign country;
- Are a victim of human trafficking;
- Are incarcerated, or their parents are incarcerated, and contact with the parents would pose a risk to the student; or
- Are otherwise unable to contact or locate their parents, and have not been adopted.



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 FAFSA Submission Summary.

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



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

Step 4: Comparing Packages

Cost	\$20,000	\$30,000	\$50,000
SAI	\$ 3,000	\$ 3,000	\$ 3,000
Need	\$17,000	\$27,000	\$47,000
Free Money	\$ 6,000	\$ 8,000	\$18,000
Loans	\$ 5,500	\$ 7,000	\$ 8,000
Work-Study	\$ 0	\$ 2,000	\$ 3,000
TOTAL AID	\$11,500	\$17,000	\$29,000
Gap = (Cost – Aid)	\$ 8,500	\$13,000	\$21,000
Actual Cont. = (Cost – Free \$)	\$14,000	\$22,000	\$32,000



Financial Aid Forms



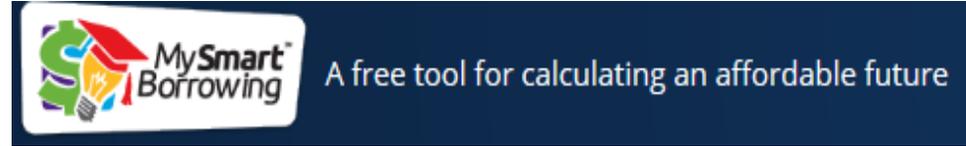
Additional form that may need to be completed:

- **State Grant Form (SGF)** through PHEAA
 - Required for first -year students (addl. information may be required in subsequent years)
 - Once FASFA is completed student will receive an email from PHEAA once the state grant application is ready to be accessed at www.pheaa.org.

Some Schools Require:

- **CSS Profile** (College Scholarship Service) required by some postsecondary schools and scholarship organizations
 - <https://student.collegeboard.org/css-financial-aid-profile>
 - \$25 for initial profile and \$16 for each additional profile
 - Fee waivers available for family income up to \$100,000
- **Institutional Financial Aid Forms**
 - Internal forms specific to each school
 - Required by some schools

Be a Smart Borrower



- Exhaust all free financial aid options before borrowing student loans
- Seek federal student loans before private student loans
- Only borrow the amount needed (loans must be repaid)
- Do your research!
- **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 borrowing too much money



1 Select a Career



3 Factor in Savings



2 Select a School



4 Get Results



Types of Federal Student Loans



- Undergraduate Students
 - Subsidized
 - Unsubsidized
- Graduate Students
 - Unsubsidized
 - Grad PLUS Loan
- Parents
 - PLUS Loan

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

Student Loans



Federal Direct Loans

- Loan is in the student's name
- Max. borrowing limits
- May receive a Direct Subsidized and/or Direct Unsubsidized loan
- Fixed rate: 5.50%
- Origination fee of 1.057% of the amount requested
- Deferred payments
- Must complete the FAFSA
- Must complete entrance exam & MPN

Federal PLUS Loans

- Loan is in the parent's name
- Must meet credit requirements
 - May apply with a credit worthy cosigner
 - If denied, student may borrow additional unsubsidized amount
- May borrow up to the COA minus any other aid
- Fixed interest rate: 8.05%
- Origination fee of 4.228%
- Payments may be deferred
- Student must complete the FAFSA

Private Loans

- Loan is in the student's name (cosigner is generally required)
- Student or Cosigner must meet income & credit requirements
- May borrow up to the COA minus any other aid
- Variable or fixed interest rate
- May have cosigner release clauses
- **Terms vary by lender**
 - Do your research
 - Read the fine print



PA's Low-Cost Way to Pay for College!

Low, Fixed Rates
4.84-9.20%^{1,2}
APR

Effective as of 11/30/23

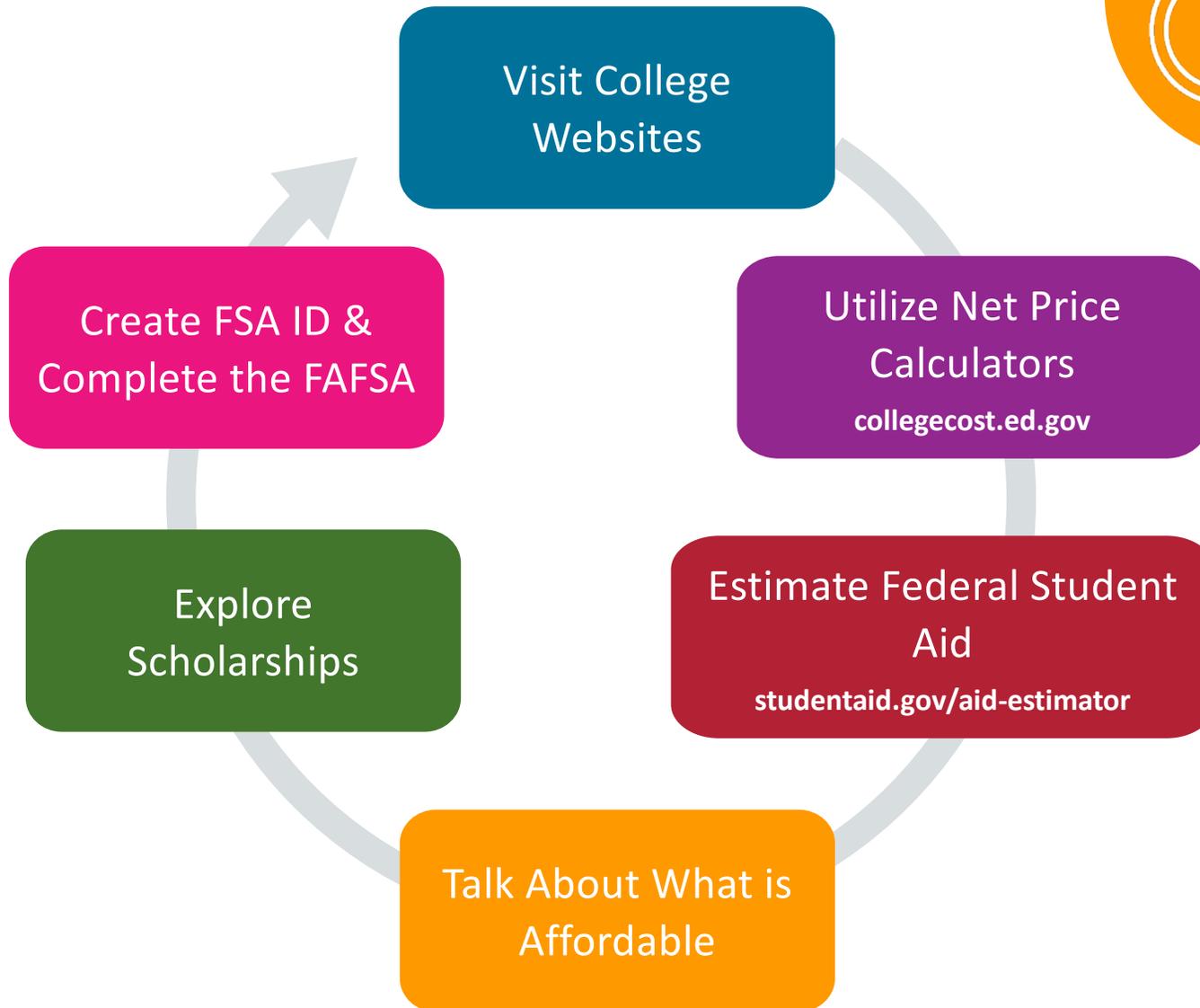
Learn more at pheaa.org/PAForward

1) **Annual Percentage Rate (APR) Calculations** – The lowest APR is based on the following assumptions: a loan of \$10,000 made in a single disbursement, a borrower who selected an Immediate Repayment Plan and a repayment term of 60 months, monthly payments of \$188.16 and a final payment \$179.85, a fixed periodic interest rate of 5.13%, and total payments of \$11,281.47. The borrower in this sample qualified for a 0.25% Direct Debit benefit for the entirety of the repayment period and a 0.50% Graduation benefit was applied 47 months into repayment. The highest APR is based on the following assumptions: a loan of \$10,000 made in a single disbursement, a borrower who selected an Interest Only Repayment Plan and a repayment term of 180 months, monthly payments of \$102.80, a fixed periodic interest rate of 9.23%, and total payments of \$22,503.56. The borrower received an in-school deferment of 46 months and a grace period of 6 months. The borrower in this sample did not qualify for any interest rate discounts. These APRs are estimates and may differ from the actual rates received.

2) The provided rate range includes Undergraduate, Graduate, and Parent loans and may change based on loan type, loan term, repayment plan, and applicable discounts (not all discounts apply to all loan products). See individual loan programs for more specific information. PHEAA uses applicant credit scores to determine eligibility and interest rates. Higher credit scores may mean an applicant is offered a lower interest rate.

Applicants, including co-signers, are subject to credit qualifications, completion of an application and credit agreement, and verification of application information. PHEAA reserves the right to discontinue all programs or benefits without prior notice.

What Can You Do Now?



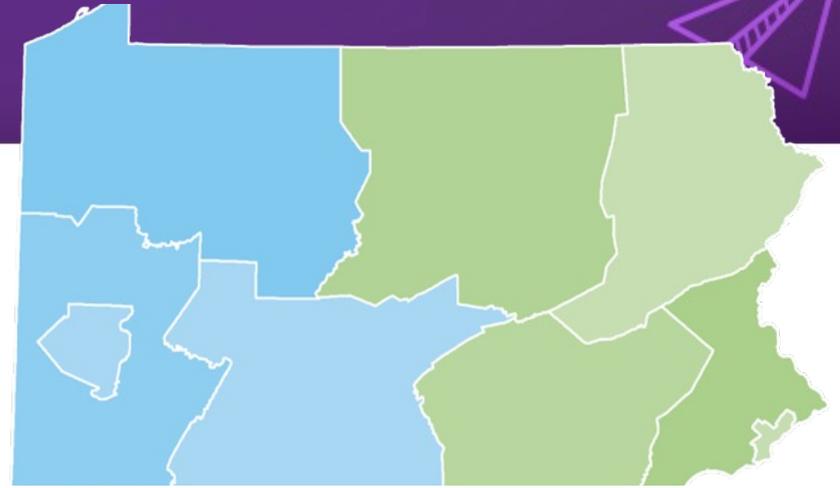
Use Your Resources



- PHEAA.org
- EducationPlanner.org
- MySmartBorrowing.org
- YouCanDealWithIt.com
- PHEAA toll free: 800-692-7392
- Federal Student Aid Info Center: 800-433-3243
- StudentAid.gov – The one-stop shop site for all financial aid information.
- StudentAid.gov/FAFSA – Direct link to the FAFSA



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