

# Financial Aid 101

## THE PROCESS



# Your Presenter

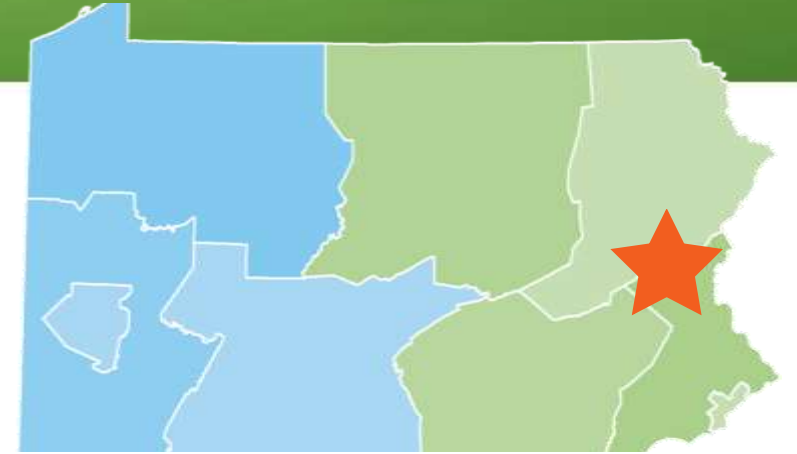
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# Topics



- Basic principles
- What is financial aid
- Funding sources available
- How do I apply
- What happens next
- Federal and State aid
- Options to fund the gap

# Basic Principles, Federal Aid

- Paying is the joint responsibility of the student and parent(s), to the extent possible.
- Need-based financial aid is subject to a federal formula to determine financial aid.
- Not all families qualify for need-based aid. There is no guarantee that you will get any free money to pay for higher education.

# 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**



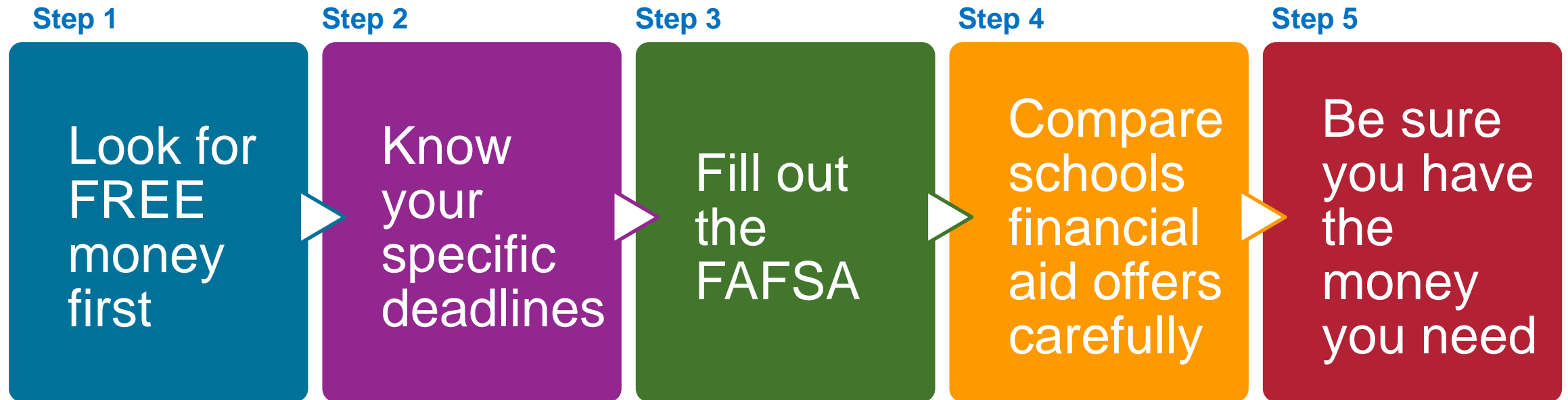
**School or College**



**Scholarships**

# Financial Aid Made Simple

## 5 Steps to Financial Aid



# Financial Aid 101



# APPLYING



# Start with the **FORMS**

**FAFSA** – Free Application for Federal Student Aid

- Required by **ALL Schools, PHEAA** and some scholarship organizations
- Required every year attending

**STATE GRANT FORM** through PHEAA

- Required first year for all students

Some schools require additional forms:

**CSS Profile** – through the College Board; additional fees

**Institutional Financial Aid Forms** - through a specific school

**KNOW WHAT FORMS EACH SCHOOL *REQUIRES***



# Other Forms You May Need to Complete



✓ Check with your school

College  
Scholarship  
Service  
(CSS)  
Profile

*or*

College  
Specific  
Form

# CSS Profile



CollegeBoard

CSS Profile™

- **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

\*The CSS Profile™ is now free to students with family incomes up to \$100,000, doubling the number of students who can apply at no cost. This change will make it easier for students to access generous aid and scholarships at hundreds of colleges and universities nationwide. (effective for the 2022-23 application cycle)

<https://www.collegeboard.org/>

# CSS PROFILE = College Scholarship Service

## CSS PROFILE Schools in Pennsylvania – Domestic Students

(As of 8/6/2021)

- Bryn Mawr College
- Bucknell University
- Carnegie Mellon University
- Dickinson College
- Drexel University
- Franklin & Marshall College
- Gettysburg College
- Haverford College
- Kutztown University
- Lafayette College
- Lehigh University
- Swarthmore College
- Univ of Penn: Law School
- Univ of Penn: Perelman Sch of Med
- Univ of Pennsylvania
- Univ of Pittsburgh: Sch of Med
- Villanova University

<https://profile.collegeboard.org/profile/ppi/participatingInstitutions.aspx>

# Know Your Deadlines

**DON'T MISS THE DEADLINE!**

**Federal Deadlines** - Apply anytime after  
October 1 in the year prior to when you will attend school  
(AY 2022-23: 10/1/21 to 6/30/23)

**School Deadlines** - vary, check websites!



## PA State Grant Deadlines for FAFSA

**May 1, 2022** - First-time and renewal students attending colleges, universities & college transferrable programs (excluding community colleges)

**August 1, 2022** – First-time students attending community college; a business, trade or technical schools, hospital school of nursing; Open Admissions Institutions or a 2-year non-transferrable degree program at a Jr or 4-year college

# Deadlines Are Crucial



- Make sure you know the priority FAFSA filing deadlines for the schools you are researching.
- File your FAFSA prior to the earliest deadline of your school possibilities.
- Students do not have to be accepted or applied for admission to list any schools on the FAFSA.

# Whose Info Goes 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

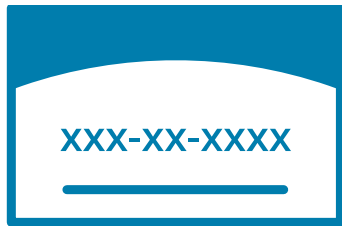
## NO

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



# 2022-2023 FAFSA Prep

## Information Needed for FAFSA



**Social Security Numbers**



**Federal Tax Returns and W-2's (2020)**



**2020 Untaxed Income**



**Checking and Savings Account Statement Balances as of FAFSA Filing Date**



**Investment Records**



**Email Addresses**



**Student & Parent Federal Student Aid Account (FSA ID)**





# Who Is Independent?

- Born before January 1, 1999
  - 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)**

## Do I Have to Provide My Parents' Information on the FAFSA® Form?



All applicants for federal student aid are considered either "independent" or "dependent."

### INDEPENDENT STUDENT

If you answer **YES** to ANY of these questions, then you may be an independent student. You may not be required to provide parental information on your Free Application for Federal Student Aid (FAFSA) form.

### DEPENDENT STUDENT\*

If you answer **NO** to ALL of these questions, then you may be considered a dependent student and may be required to provide your parents' financial information when completing the FAFSA form.

- 1 Will you be 24 or older by Jan. 1 of the school year for which you are applying for financial aid? For example, if you plan to start school in August 2021 for the 2021-22 school year, will you be 24 by Jan. 1, 2021 (i.e., were you born before Jan. 1, 1998)?
- 2 Are you married or separated but not divorced?
- 3 Will you be working toward a master's or doctorate degree (such as M.A., MBA, M.D., J.D., Ph.D., Ed.D., etc.)?
- 4 Do you have children who receive more than half of their support from you?
- 5 Do you have dependents (other than children or a spouse) who live with you and receive more than half of their support from you?
- 6 Are you currently serving on active duty in the U.S. armed forces for purposes other than training?
- 7 Are you a veteran of the U.S. armed forces?
- 8 At any time since you turned age 13, were both of your parents deceased, were you in foster care, or were you a ward or dependent of the court?
- 9 Are you an emancipated minor or are you in a legal guardianship as determined by a court?
- 10 Are you an unaccompanied youth who is homeless or self-supporting and at risk of being homeless?

\*If you don't answer "yes" to any of the questions above, you're still considered a dependent student for purposes of applying for federal student aid even if you don't live with your parents, are not claimed by your parents on their tax forms, or are paying for your own bills and educational expenses.

For more information, visit [StudentAid.gov/dependency](https://studentaid.gov/dependency).

# Create Your FSA ID Accounts

HOW TO CREATE AN FSA ID  
(Account Username and Password)



<https://www.youtube.com/watch?v=yj1Pn-shze8>

- The student applying for aid and one parent providing information on the FAFSA need to create an FSA ID at StudentAid.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

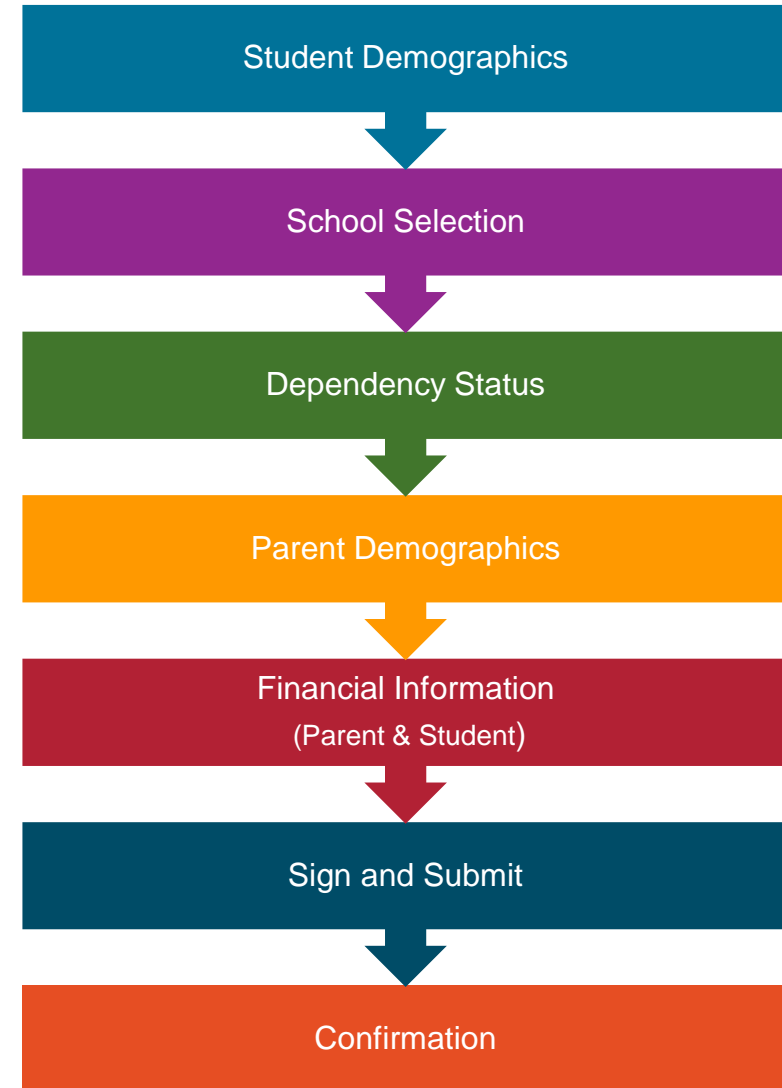
Mobile Phone

Security Questions

Social Security Number

# FAFSA Steps

1. Login – student or parent
2. Disclaimer – select accept
3. Application Year
4. Save Key
5. Introduction



# Certified Browsers



**Mozilla Firefox**  
(Version 68+)



**Google Chrome**  
(Version 76+)

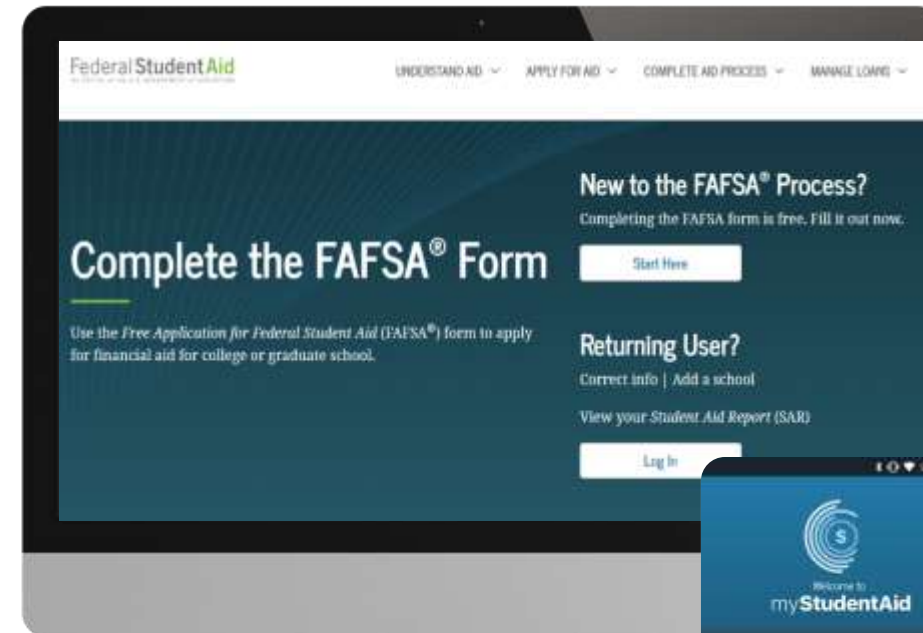


**Apple Safari**  
(Version 9+)

Visit [studentaid.gov/help/browser-requirements](https://studentaid.gov/help/browser-requirements) for the most up-to-date information on browsers.

# FAFSA (Free Application for Federal Student Aid) – StudentAid.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.
- File online – Fast, Secure, SKIP LOGIC and Built-in Edits.



**FAFSA®**  
FREE APPLICATION for FEDERAL STUDENT AID

**July 1, 2022 – June 30, 2023**

**FederalStudentAid** PRIDE SPONSOR at THE AMERICAN WING®  
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

Use this form to apply free for federal and state student grants, work-study, and loans.  
Or apply free online at [fafsa.gov](https://fafsa.gov).

**Apply by the Deadlines**  
For federal aid, submit your application as early as possible, but no earlier than October 1, 2021. We must receive your application no later than June 30, 2023. Your

**Pay attention to any symbols listed after your state deadline.**  
States and territories not included in the main listing below: AL\*, AS\*\*, AZ\*, CD\*, FM\*\*, GU\*\*, HI\*\*, KY\*\*, NH\*\*, NC\*\*, ND\*\*, NE\*, NH\*\*, NM\*, OK\*\*, PR\*, PW\*\*, RI\*\*, SD\*\*, UT\*\*, VA\*\*, VI\*\*, VT\*\*, WA\*\*, WI\*\*, and WY\*\*.

**State Deadline**

AK	Alaska Education Grant ^ §
	Alaska Performance Scholarship; June 30, 2022 # §
	Academic Challenge; July 1, 2022 (date received)
AR	Arkansas Grant; fall term, July 1, 2022 (date received) spring term,

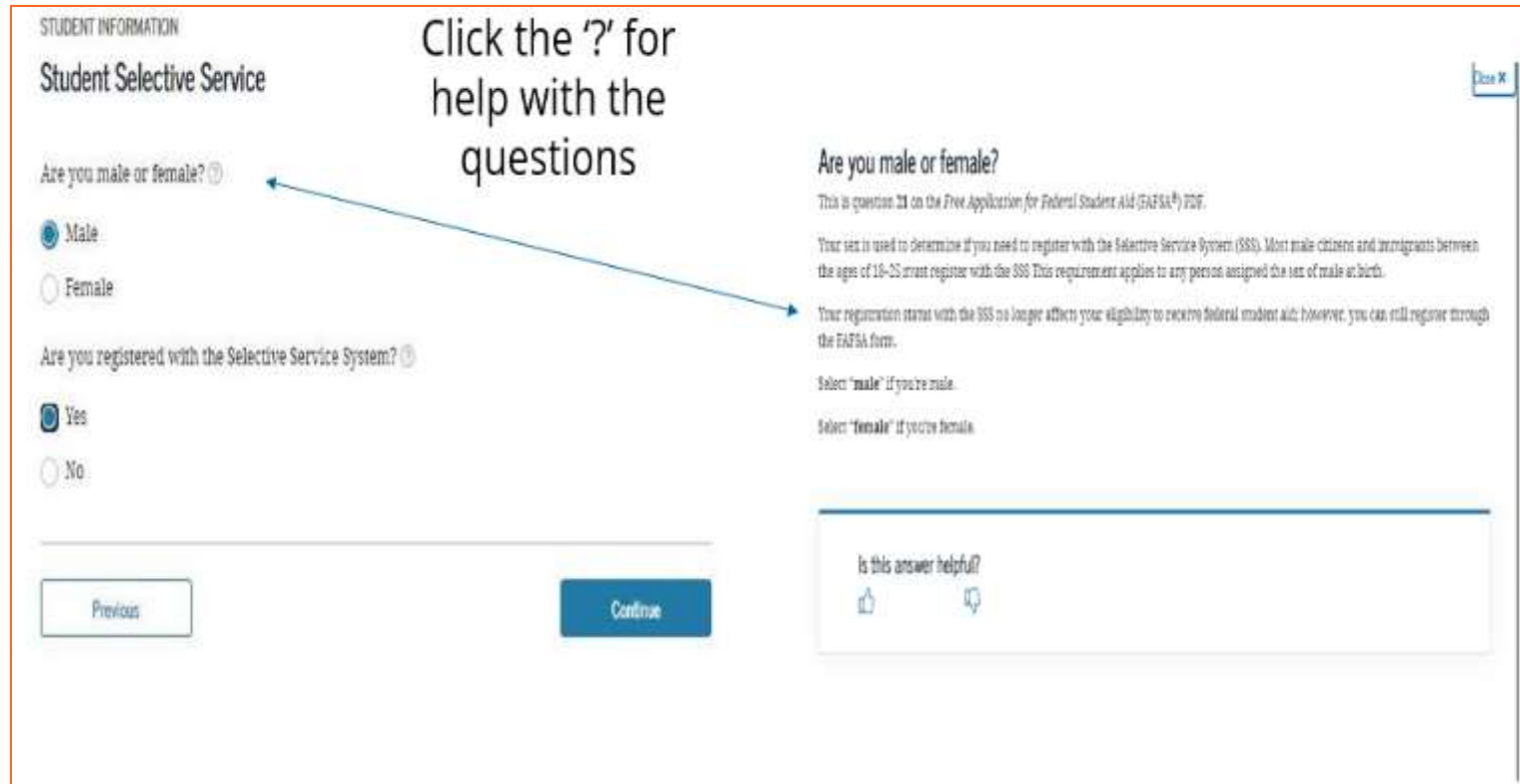


# Get Help while Completing the FAFSA

Need assistance while completing the FAFSA?

<https://studentaid.gov/help-center/contact>

- » Live chat
- » email
- » Phone: 800-433-3243



The screenshot shows the 'STUDENT INFORMATION' section for 'Student Selective Service'. It contains two questions: 'Are you male or female?' and 'Are you registered with the Selective Service System?'. The first question has radio buttons for 'Male' (selected) and 'Female'. The second question has radio buttons for 'Yes' (selected) and 'No'. Below the questions are 'Previous' and 'Continue' buttons. A tooltip is displayed over the first question, containing the text: 'Click the '?' for help with the questions'. The tooltip also includes a 'Close X' button in the top right corner. Below the tooltip, there is a feedback section titled 'Is this answer helpful?' with thumbs up and thumbs down icons.

STUDENT INFORMATION

Student Selective Service

Are you male or female? ⓘ

Male

Female

Are you registered with the Selective Service System? ⓘ

Yes

No

Previous Continue

Click the '?' for help with the questions

Are you male or female?

This is question 21 on the Free Application for Federal Student Aid (FAFSA®) PDF.

Your sex is used to determine if you need to register with the Selective Service System (SSS). Most male citizens and immigrants between the ages of 18-25 must register with the SSS. This requirement applies to any person assigned the sex of male at birth.

Your registration status with the SSS no longer affects your eligibility to receive federal student aid; however, you can still register through the FAFSA form.

Select "male" if you're male.

Select "female" if you're female.

Is this answer helpful?

👍 👎

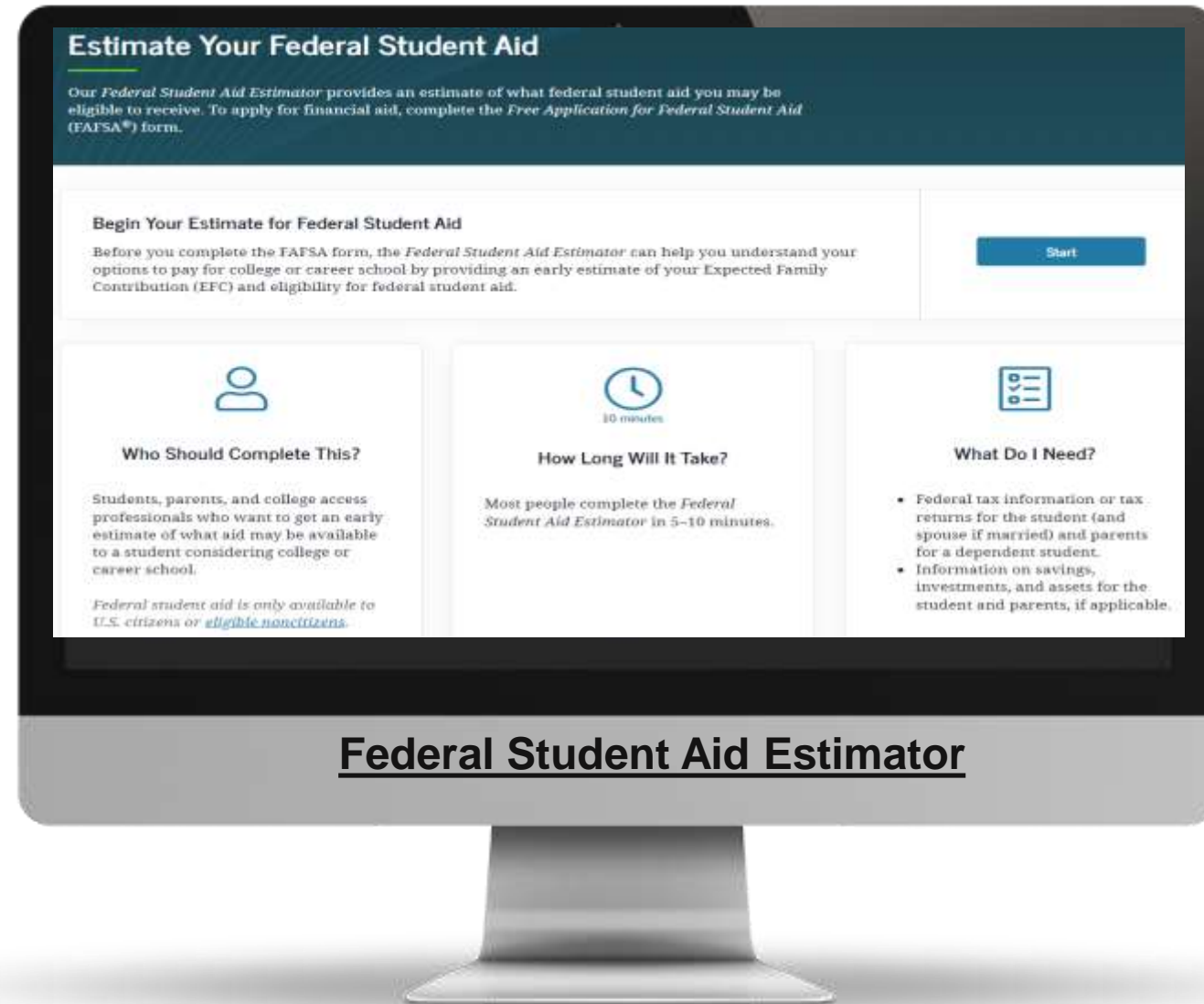
# Federal Student Aid Estimator – StudentAid.gov

## Want practice?

As you prepare for higher education, use the Federal Student Aid Calculator to estimate what federal aid you may be eligible to receive.

Check out the [Federal Student Aid Estimator](https://studentaid.gov/h/understand-aid) via StudentAid.gov

<https://studentaid.gov/h/understand-aid>



# What's *NEW* in Financial Aid

**FAFSA®Simplification** –The Department of Ed is implementing for the 2021-22 AY. Key changes include:

Failing to register with Selective Service or having a drug conviction while receiving federal Title IV financial aid will no longer affect a student's Title IV aid eligibility (begins 2021-22 AY)

The lifetime limit on the period for which a borrower can receive subsidized loans of up to 150% of program length (often referred to as Subsidized Usage Limit Applies, or SULA) has been removed (2021-22 AY)

**Learn more about FAFSA simplification here:** <https://fsapartners.ed.gov/knowledge-center/library/dear-colleague-letters/2021-06-11/early-implementation-fafsa-simplification-acts-removal-selective-service-and-drug-conviction-requirements-title-iv-eligibility>



# What's NEW in Financial Aid: *Coming Soon/ Future Changes*



NEW

**Delayed FAFSA® Simplification Items** –The Department of Ed expects to complete FAFSA simplification by the 2024-25 award year. Key changes include:

The Expected Family Contribution(EFC) will be replaced by the Student Aid Index

Removes the number of family members in college from the calculation

Income protection allowances increased. Cash support and certain types of income will no longer have to be reported on the FAFSA, such as funds from a grandparent-owned 529 plan

Changes to the Federal Pell Grant that will link eligibility to family size and federal poverty level

Divorced parents and child dependency rules will be based on IRS rules.

Changes to financial aid appeals process

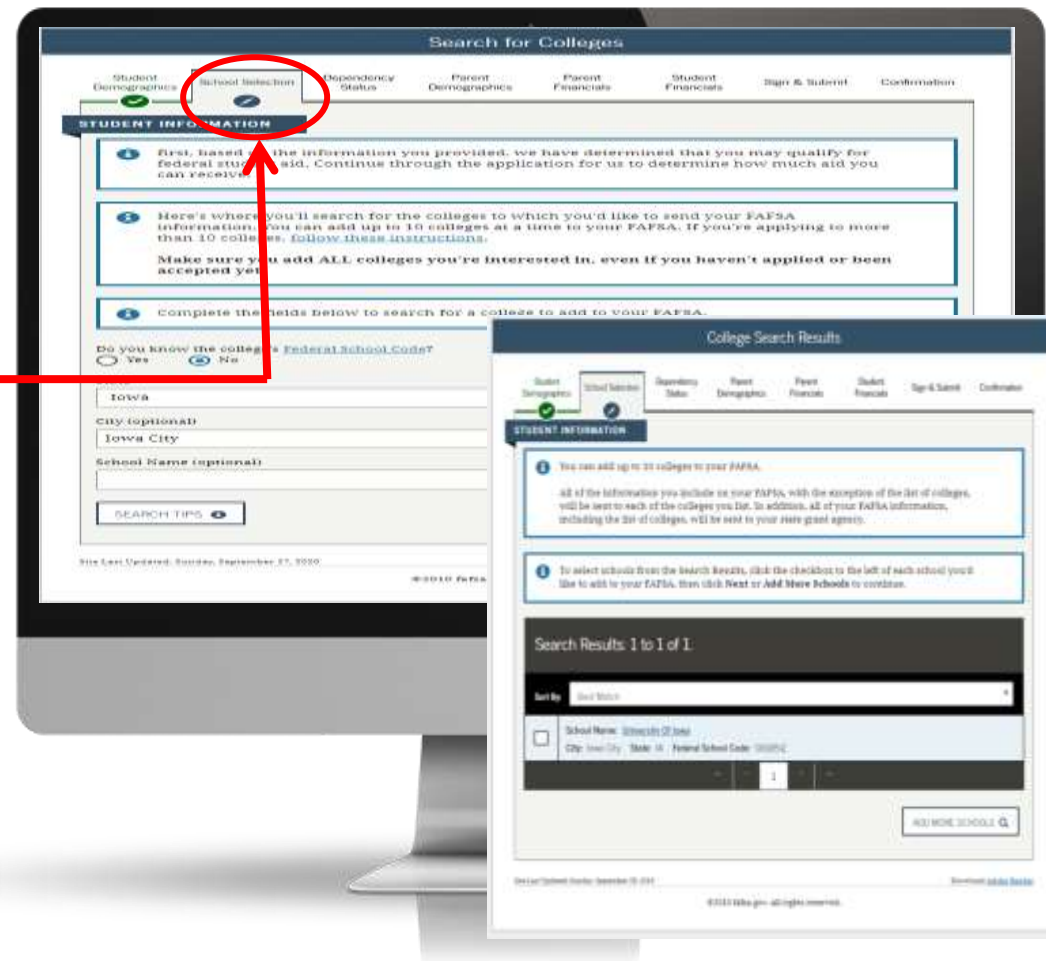
**Learn more about FAFSA simplification here:** <https://fsapartners.ed.gov/knowledge-center/library/dear-colleague-letters/2021-06-11/early-implementation-fafsa-simplification-acts-removal-selective-service-and-drug-conviction-requirements-title-iv-eligibility>

# On the FAFSA, Students: Answer “YES”

- Interested in Work Study?
  - » Gaining an on campus WS job is not guaranteed
  - » WS income is not counted towards the EFC generated from the FAFSA
  - » Understand the process on your campus of being hired
- Interested in Federal Student Loans?
  - » No obligation, all aid can be rejected by student

# 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.



# IRS Data Retrieval Tool

## After taxes are filed:

- Is a component of the FAFSA
- Automatically pulls in 2020 IRS Tax info for parents and students and places data into 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
- If estimated income is used to complete the FAFSA, go back later and use IRS Data Retrieval Tool



# Parent Eligible for IRS DRT

PARENT INFORMATION

## Parent Eligible for IRS DRT

✓  
Parent Financials

**Applying is faster and easier with the IRS Data Retrieval Tool (DRT)!**

Based on your responses, we recommend that you, the parents, transfer your information from the IRS into this FAFSA form. The [IRS DRT](#) allows you to link to the IRS website and securely transfer original IRS tax return information into the FAFSA form.

If you use the IRS DRT, you may not have to provide additional IRS documentation later for the student to qualify for federal student aid.

No Thanks

Proceed to the IRS

**Get My Federal Income Tax Information**  
 See our Privacy Notice regarding our request for your personal information.

Enter the following information from your 2019 Federal Income Tax Return.

All fields are required unless marked otherwise.

**First Name**  
 First

**Last Name**  
 Last

**Social Security Number**  
 No input required  
 \*\*\* - \*\* - 2017

**Date of Birth**  
 MM/DD/YYYY  
 01/01/1999

**Filing Status**  
 Single

**Street Address**  
 Must match your 2019 Federal Income Tax Return  
 123 Oakdale Dr.

**P.O. Box**  
 Required if entered on your tax return

**Apartment Number**  
 Required if entered on your tax return

**Country**  
 United States

**City, Town or Post Office**  
 Coralville

**State / U.S. Territory**  
 Iowa

**ZIP Code**  
 52317

By submitting this information, you certify that you are the person identified. It may result in civil and criminal penalties.

**SUBMIT**

Select the button below to exit the IRS system and return to your FAFSA.

**CANCEL**



Enter address information exactly as it appears on the IRS tax return

**2020 Federal Income Tax Information**

Based on the information you provided, the Internal Revenue Service (IRS) located your income tax return. With your permission below, the IRS will securely transfer your tax information to the U.S. Department of Education (ED) to populate any applicable FAFSA® questions.

For your protection, the IRS will not display your tax information and will further encrypt any tax information transferred using the IRS DRT; therefore, ED is unable to display your tax information on your FAFSA form.

The data retrieved from your tax return is limited to the items listed below as you reported to the IRS:

Tax Year	Type of Return Filed	Untaxed Portion of IRA Distributions & Pensions/Annuities
Name(s)	Adjusted Gross Income	Tax-exempt Interest Income
Social Security Number	Income Earned from Work	IRA Deductions and Payments
Filing Status	Income Tax	Status of Amended Returns Received
IRS Exemptions	Education Credits	Module 1 Evaluation

Refer to your tax records if you have a question about the values you reported.

**Transfer My Tax information into the FAFSA Form**

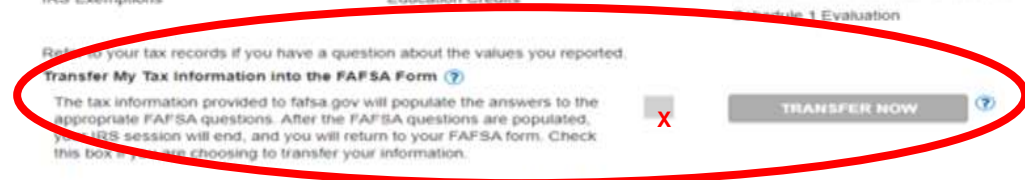
The tax information provided to fafsa.gov will populate the answers to the appropriate FAFSA questions. After the FAFSA questions are populated, your IRS session will end, and you will return to your FAFSA form. Check this box if you are choosing to transfer your information.

**TRANSFER NOW**

**Do Not Transfer My Tax Information and Return to the FAFSA Form**

By clicking the "Do Not Transfer" button, you are choosing not to transfer your tax information electronically. Your IRS session will end, and you will return to your FAFSA form.

**DO NOT TRANSFER**



**Student IRS Info**

Student Demographics ✓ School Selection ✓ Dependency Status ✓ Parent Demographics ✓ Parent Financials ✓ Student Financials ✓ Sign & Submit Confirmation

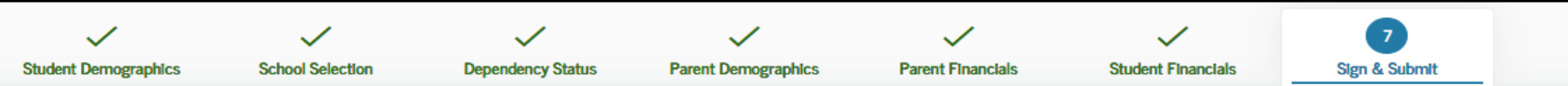
**STUDENT INFORMATION**

What was your adjusted gross income for 2019? Transferred from the IRS

**PREVIOUS** **NEXT**



# Signature Status – Sign & Submit



SIGN & SUBMIT

## Signature Status

**i** A parent must sign the FAFSA<sup>®</sup> form. If you're a parent, select "Provide Parent Signature" to sign your child's FAFSA form.

Note: If you're the student and your parent isn't present, select "Save FAFSA Form" and then "Exit FAFSA." Your parent should log in to the FAFSA form using the student's identifiers and the save key to sign and submit your FAFSA form.



### Student Signed With FSA ID

Signed With FSA ID

Last Name

Anderson

Date of Birth

08/09/2002

Social Security Number

.....1483



### Parent Signature Needed

UNSIGNED

[Provide Parent Signature](#)

[Previous](#)



# Confirmation Page & Link to the PA State Grant Form (SGF)

## Congratulations, Nikki!

Your FAFSA form was successfully submitted to Federal Student Aid.

[FAFSA Home](#) [Exit FAFSA Form](#) [Help](#)

08/20/2021 09:52:18

Confirmation Number: F 18900006505

Data Release Number (DRN): 4661

### Here's what happens next

- You will receive an email version of this page.
- In 3-5 business days, you will receive an email notifying you that your FAFSA form 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 following email address:

rebecca.battelini@ed.gov

[Print This Page](#)

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

[Apply Now](#)

We want to hear from you!

[Fill out Our Short Survey](#)

Share with your friends!



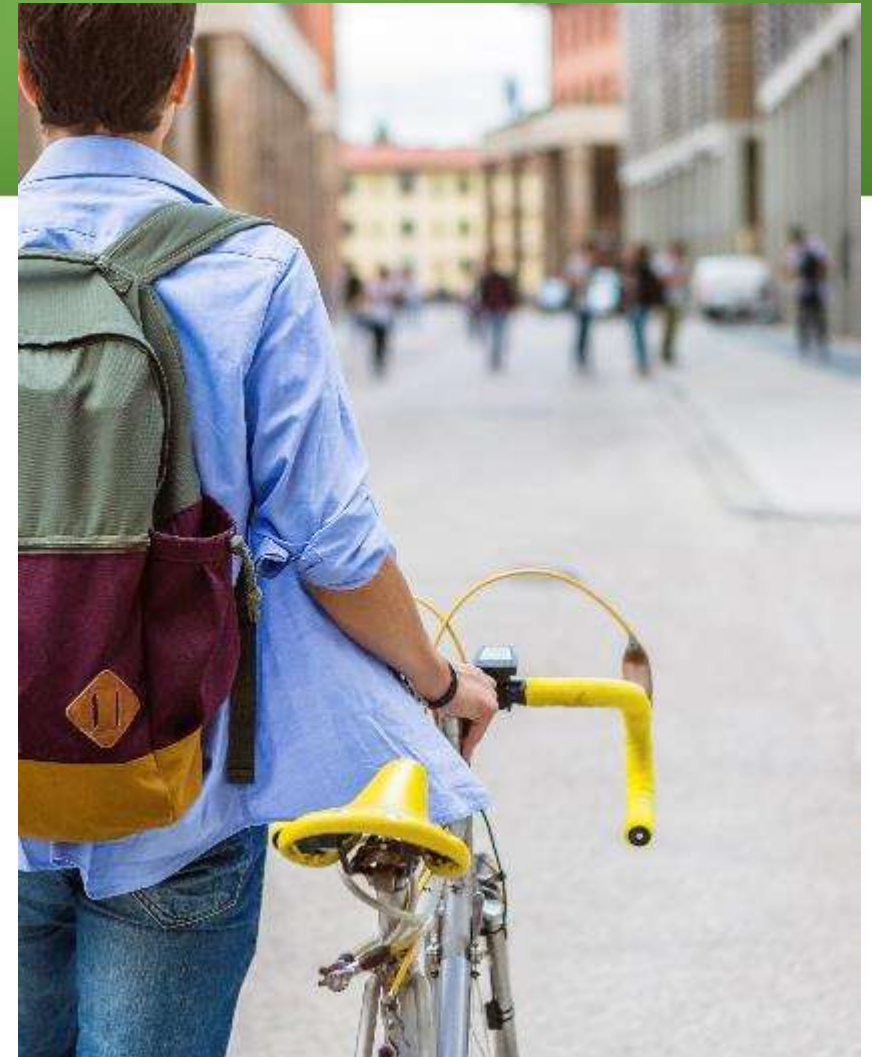


# Special Circumstances

## If things change....

- Divorced or separated parents
- Recent death or disability
- Reduced income
- Unemployment
- Medical or dental expenses not covered by insurance
- Non-recurring Income or Expenses

- ✓ Only a school can change a FAFSA related to circumstances
- ✓ Decisions are final and cannot be appealed to U.S. Department of Education
- ✓ Contact PHEAA for PA State Grant re-consideration



# What Happens Next?



## The process.....

Department of Education's Central Processing System uses the FAFSA calculations to create your **NEED ANALYSIS**

EFC is calculated – number used to determine need

SAR/ISIR – reports information to you and your school choices

Schools and State receive your results

Grant eligibility is calculated

You Apply/Applied to your school choices

Once Accepted – schools produces Financial Aid Notification based on Need and any Internal Aid  
(Cost – EFC = Need)

You compare Financial Aid Offers

Determine true costs of school and make affordable choices



# Need Analysis is Calculated by Your School



Schools use FAFSA calculations to determine a student's financial need based on –

## Two Components:

- The student's Cost Of Attendance at the chosen institution.
- The student's Expected Family Contribution (EFC).

EFC figure includes parent(s) & student's contribution.

# 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



# 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**

# How is 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. The EFC remains the same no matter which school the student attends.

- **Expected Family Contribution (EFC) is determined based on:**
  - ✓ Parent income and assets
  - ✓ Student income and assets
  - ✓ Family size
  - ✓ Number in college
  - ✓ Age of the older parent



This is NOT necessarily the amount you will pay each year!

# Parent Income & Assets

- Allowances are made for federal, state, local and social security taxes; working parent households and a standard living allowance based on family size
- An **ASSET PROTECTION ALLOWANCE** is applied against a Parent's assets, based on the information provided on the FAFSA application

The screenshot shows the FAFSA application progress bar with steps: Student Demographics, School Selection, Dependency Status, Parent Demographics, Financial Information, Sign & Submit, and Confirmation. The 'Financial Information' step is currently active. Below the progress bar, a blue banner reads 'PARENT INFORMATION'. The question asks: 'As of today, does the total amount of your parents' current assets exceed \$33,600.00?' with radio buttons for 'Yes' and 'No'. A red circle highlights the word 'assets' and the dollar amount, with a red arrow pointing to a callout box that states: 'Each family's number is unique to them'.

**NOT AN ASSET: Home, Personal Property, Qualified Retirement Funds; Value of Life Insurance**

Report **NET ASSETS** (Current Value – Current Debt = Net Asset)

529 college savings accounts are reported as Parent Investments.

# Student Income & Assets



- Income protection allowance of \$7,040 is applied and the remaining amount is assessed at 50%
- Dependent students must report assets in their name
- Student assets are assessed at 20%



# Calculating Financial **NEED**



## 1. Using FAFSA calculations:

School Cost .....	\$32,000
<b>-EFC</b> .....	<u>-\$ 5,000</u>
<b>FINANCIAL NEED</b> .....	\$27,000

2. FAO “**Packages**” students based on Financial Need and available funding (varies by school)

3. Financial **Award Offer** is sent to the Student

**NOTE: EFC Stays the same, Costs Vary**

# Financial Aid Notification

- Official notification from school about financial aid, terms and conditions
- Lists the type and amount of each offer to be received
- Describes what must be done to accept or reject any aid offered
- Discloses student's rights, responsibilities and academic requirements
- There is no required standard format for Aid Notices

# Reviewing the Financial Aid Notification

After reviewing their notifications, students should be sure they know and understand the following:

How much of the financial aid is free money?

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

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

Will offers increase as tuition increases?

Will offers change from year to year?

Will loans be needed?

# Financial Aid 101



## Federal & State Aid

# Federal Programs

- Pell Grant\* - max award \$6,495 (AY 2021-22)
- Max EFC is 5846 (AY 2021-22)
- 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**

# Other Federal Programs

(Based on specific situations & criteria)

- Teach Grant
- Iraq & Afghanistan Service Grant
- Dependents Education Assistance (DEA) Grant - Veteran Affairs
- Vocational Rehabilitation Program (students with disabilities)
- Americorps - [www.americorps.gov](http://www.americorps.gov)

***StudentAid.gov***


# Pennsylvania State Grant\* (2021-22)

- In-state (PA) - Full-time: up to \$5,000
  - In-state (PA) – Part-time: 1/2 of the FT award
  - Out-of-state - Up to \$600 in DC, DE, MA, OH, VT, WV. \$800 for veterans.
  - Amount determined in part by the cost of the school.
- \* **Must be at least half-time to be eligible**



# 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
- 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)



# Financial Aid 101



## Federal Loans



# Federal Direct Loan Program

- Available to **ALL** students **REGARDLESS** of need
- Additional unsubsidized funds available for Independent & Parent PLUS denials
  - » 3.73% interest rate (AY 21-22), 1.057% fee
  - » Rates set every July 1st for the life of that year's loan; fees are deducted from disbursement
- 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

## Based on FAFSA, students have a combination of:

- Subsidized:  
Federal government pays interest in school and grace status
- Unsubsidized: interest accrues in school and grace

**StudentAid.gov &  
school's website!**

# 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
<b>1<sup>st</sup> Year</b>	<b>\$5,500</b> Total No more than \$3,500 may be subsidized	<b>\$9,500</b> Total No more than \$3,500 may be subsidized	<b>\$20,500</b> each academic year Graduate / Professional students are no longer eligible for subsidized loans
<b>2<sup>nd</sup> Year</b>	<b>\$6,500</b> Total No more than \$4,500 may be subsidized	<b>\$10,500</b> Total No more than \$4,500 may be subsidized	
<b>3<sup>rd</sup> Year and beyond</b>	<b>\$7,500</b> Total No more than \$5,500 may be subsidized	<b>\$12,500</b> Total No more than \$5,500 may be subsidized	
<b>Aggregate Limits</b>	<b>\$31,000</b> Total No more than \$23,000 may be subsidized	<b>\$57,500</b> Total No more than \$23,000 may be subsidized	<b>\$138,500</b> Total No more than \$65,000 may be subsidized

# 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
  - » 6.28 % variable/fixed interest rate; 4.228% fees (AY 21-22)
- 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

# Financial Aid 101



# Private/Alternative Loans



**ONLY consider private or  
alternative loans after looking into  
all other sources of financial aid.**

# 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
  - Fees, interest rates, loan amounts, and repayment provisions vary by lender
  - Repayment may be deferred until education completed
  - Students must sign a “Self Certification Form”

***READ THE FINE PRINT***

A sample of a Private Education Loan Applicant Self-Certification form. The form is titled "Private Education Loan Applicant Self-Certification" and contains various sections for the applicant to complete, including personal information, loan details, and a declaration of the borrower's understanding of the loan terms. The form is presented as a document with a white background and black text, with some fields highlighted in light blue.



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

Low, Fixed Rates  
**3.73-6.69%**<sup>1,2</sup>  
APR

Effective as of 5/12/21

Learn more at [PHEAA.org/PAForward](https://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 student borrower who selected an Immediate Repayment Plan and a repayment term of 120 months, monthly payments of \$100.87 and a final payment \$78.29, a fixed periodic interest rate of 4.17%, and a total amount financed of \$11,980.40. The student 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 student borrower who selected a Fully Deferred Repayment Plan and a repayment term of 180 months, monthly payments of \$117.93, a fixed periodic interest rate of 7.07%, and a total amount financed of \$21,227.72. The student borrower received an in-school deferment of 46 months and a grace period of 6 months. The student 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.  
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.



# 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



# How it Works

MySmartBorrowing guides students and families through four easy sections:

**1** Select a  
Career

**2** Select a  
School

**3** Factor in  
Savings

**4** Get Results

# View the Results

Once you input your selections, you can:

- View your potential salary in your new career
- Add & compare up to four colleges
- See if you're borrowing too much



# Scholarships



# Types of Scholarships



- Postsecondary scholarships
  - » Merit, Major, Characteristics
  - » Admissions & Financial Aid
- Local and regional scholarships
  - » School Counselor
  - » Local Foundations
- National scholarships
  - » Websites

# Fastweb.com

- Largest, most accurate and most frequently updated scholarship database
- Matches scholarships to specific student criteria
- Sends email message when students qualify for a scholarship

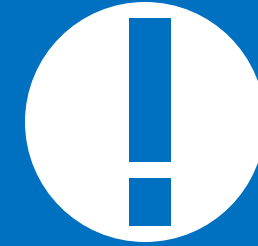
**Fastweb.com**



# Scholarship Search

## Don't miss out on FREE money!

- Start early – and KEEP LOOKING
- Don't forget to continue studies!
- GOOGLE your interests
- Don't PAY for information
- Criteria varies by school
  - » If you're asked to pay, it's not free money (SCAM)
- Don't disqualify yourself until IT disqualifies YOU
- Don't fear ESSAYS
- Provide what is asked
- Small scholarships ADD UP
- Activities, Athletics, Family, Hobbies, Participation, Attributes – DO YOUR RESEARCH
- **Don't miss DEADLINES**
- Write it down!



- ✓ [FastWeb.com](http://FastWeb.com)
- ✓ [EducationPlanner.org](http://EducationPlanner.org)
- ✓ [Chegg.com](http://Chegg.com)
- ✓ [FinAid.org](http://FinAid.org)
- ✓ [ScholarshipExperts.com](http://ScholarshipExperts.com)
- ✓ [Scholarships.com](http://Scholarships.com)
- ✓ [Scholarship-Page.com](http://Scholarship-Page.com)
- ✓ [DoSomething.org/Scholarships](http://DoSomething.org/Scholarships)
- ✓ [Colleges.Niche.com](http://Colleges.Niche.com)
- ✓ [StudentScholarships.org](http://StudentScholarships.org)
- ✓ [BigFuture.Collegeboard.org](http://BigFuture.Collegeboard.org)
- ✓ [CollegeAnswer.com](http://CollegeAnswer.com)
- ✓ [CollegeNet.com](http://CollegeNet.com)
- ✓ [MeritAid.com](http://MeritAid.com)
- ✓ MORE....

# Options for Funding the Gap



# Meeting the Gap

- Research School Options
  - Additional institutional money
  - Tuition payment plan
  - Income Share Agreement (ISA)
  - Institutional Loan
- Consider options for cutting costs
  - Commute or alternative housing options
  - Resident assistant (RA) option
  - Alternative meal plan options
  - Take summer classes
  - Buy used books, rent, research online for cheaper costs, check with the library
- Research private outside scholarships
- Employer reimbursement programs
- Alternative schools (affordable school, community college, 2 + 2 strategy (2 years at a community college then transfer credits to a 4 year school) Check out **Patrac.org**
- Federal parent PLUS loan
- Home equity loan/Line of credit
- Private/Alternative loans
- 529 college saving plan
- AmeriCorps/Peace Corps
- Military (JROTC, ROTC, National Guard)
- Current Wages



# Financial Aid 101

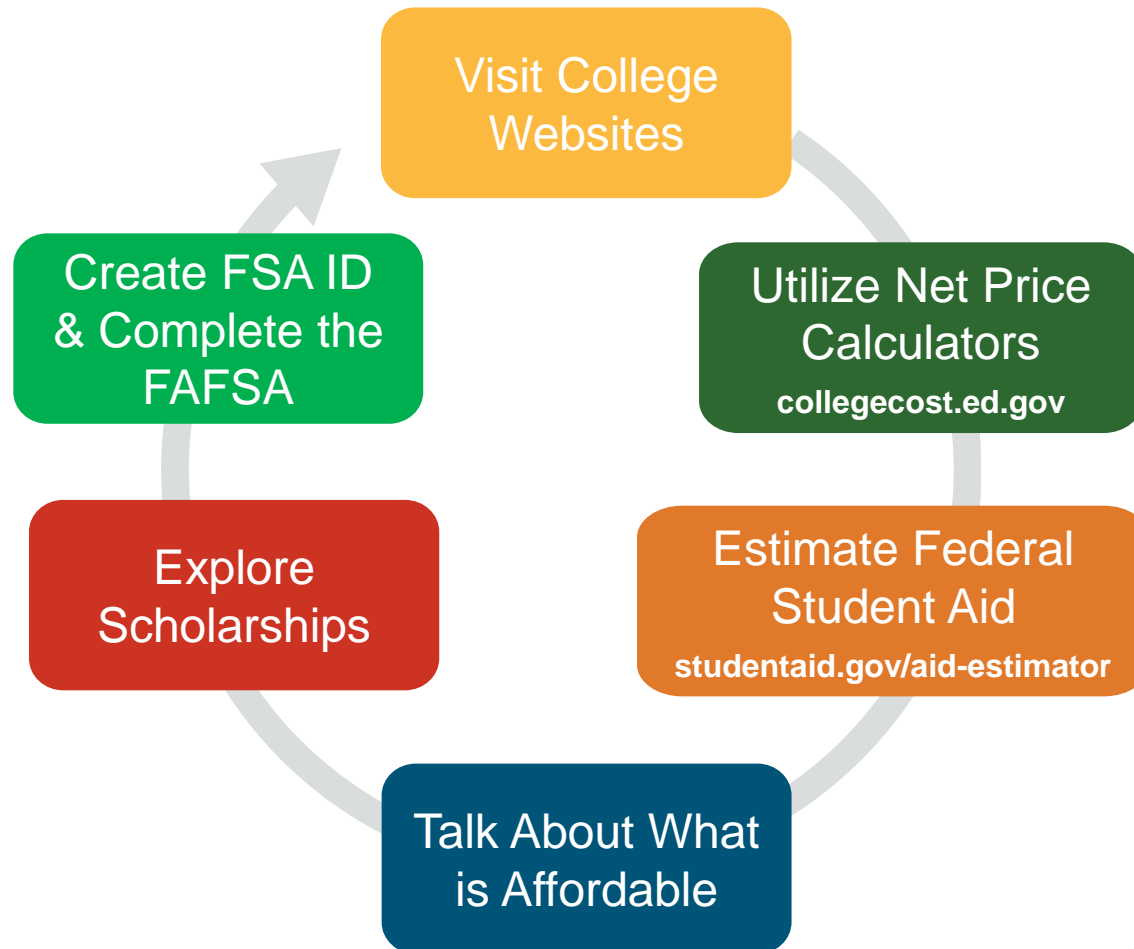


## Final Thoughts & Wrap-Up





# What Can You Do Now?



# Use Your Resources



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

# Social Media Outreach



PHEAA  
American Education Services  
FedLoan Servicing



@PHEAAaid  
@FedLoan Servicing  
@aesSuccessorg



PHEAA

# CONTACT INFORMATION

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