

Financial Aid 101





Your Presenter



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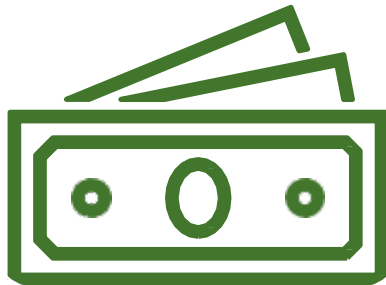
Topics

- What is financial aid
- Funding sources available
- The application process
- What happens next
- Federal and State aid
- Student Loans
- Resources



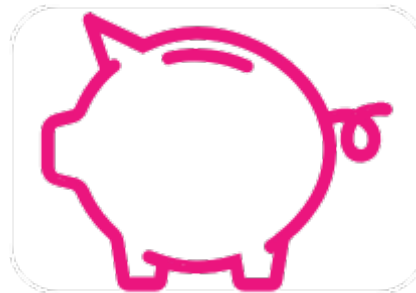
What Is Financial Aid?

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



Gift Aid

Grants/Scholarships



Self-Help

Work-Study



Loans

Federal Student Loans,
PLUS, Private Loans



Federal Government



State Government



School or College



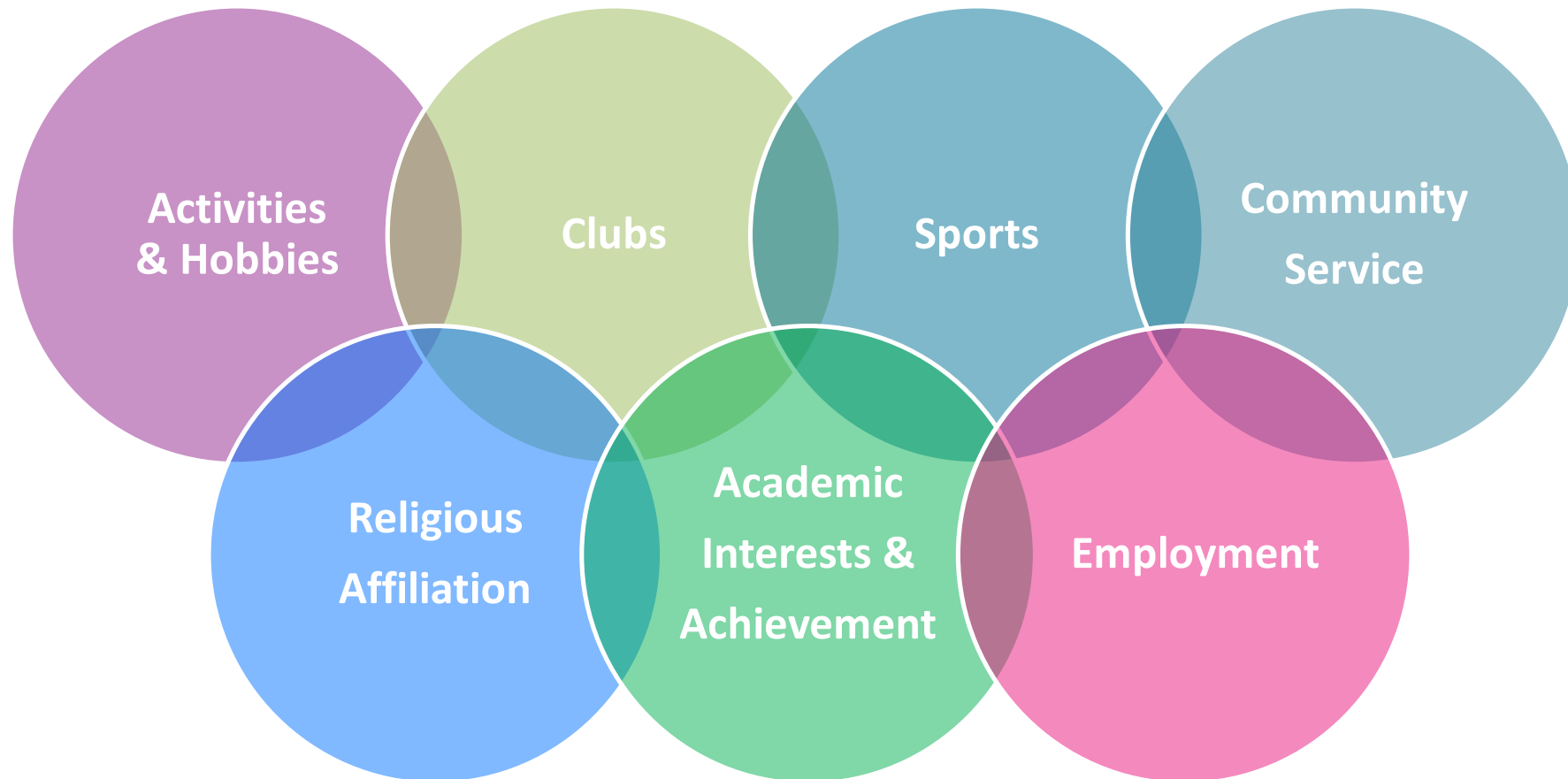
Scholarships

Scholarship Search Tips

- 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



Your Scholarship Resume





Scholarships

There is something for everyone!

Scholarships come in all shapes, sizes & forms

- Athletics
- E-sports
- Music – chorus, band
- Community and Volunteer Service
- Ethnicity
- Special Interests -hobbies, club membership (Elks, Moose), church
- Employment
- Religion
- Talent / Creativity

- ✓ Appily.com
- ✓ BigFuture.Collegeboard.org
- ✓ Chegg.com
- ✓ CollegeAnswer.com
- ✓ CollegeNet.com
- ✓ DoSomething.org/Scholarships
- ✓ FastWeb.com
- ✓ Goingmerry.com
- ✓ Hbcuconnect.com
- ✓ Internationalscholarships.com
- ✓ www.iefafoundation.org
- ✓ thepasshefoundation.com
- ✓ Raise.me
- ✓ Wwww.sacfoundation.com
- ✓ ScholarshipExperts.com
- ✓ Wwww.sacfoundation.com
- ✓ Tfec.org
- ✓ Uncf.org
- ✓ Unigo.com

Financial Aid 101



The Application Process

Start with the **FORMS**

Know which forms are required by each school

FAFSA – Free Application for Federal Student Aid

- Required by **ALL Schools, PHEAA** and some scholarship organizations
- Apply annually

PA STATE GRANT FORM

- Required first year for all students
- PA State Grant application process – pheaa.org

Some schools require additional forms:

CSS Profile – through the College Board; additional fees

Institutional Financial Aid Forms - through a specific school

KNOW WHAT FORM EACH SCHOOL REQUIRES



Free Application for Federal Student Aid (FAFSA®)

- 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.
- While filing the FAFSA online is preferred, a printable PDF version is available at **StudentAid.gov**.
- Students do not have to be accepted for admission to list a school on the FAFSA



**File online at studentaid.gov
or [FAFSA.gov](https://fafsa.gov)**

Know Your Deadlines

File the FAFSA® by the earliest deadline

Federal Deadlines - The FAFSA normally is available October 1st each year but, **for the 2025-2026 FAFSA, the application will not be available until December 2024.**

Normally apply anytime after October 1 in the year prior to when you will attend School

- Federal deadline for 2025-26 AY: June 30, 2026
- **School Deadlines** - vary, check websites!

PA State Grant Deadlines for FAFSA

May 1, 2025 - First-time and renewal students attending colleges, universities & college transferrable programs (excluding community colleges)

August 1, 2025 – 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



For Dependent Students, Who Reports Info on the 2025-26 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 the parent with greater 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



When Is A Student Automatically Considered “Independent”?

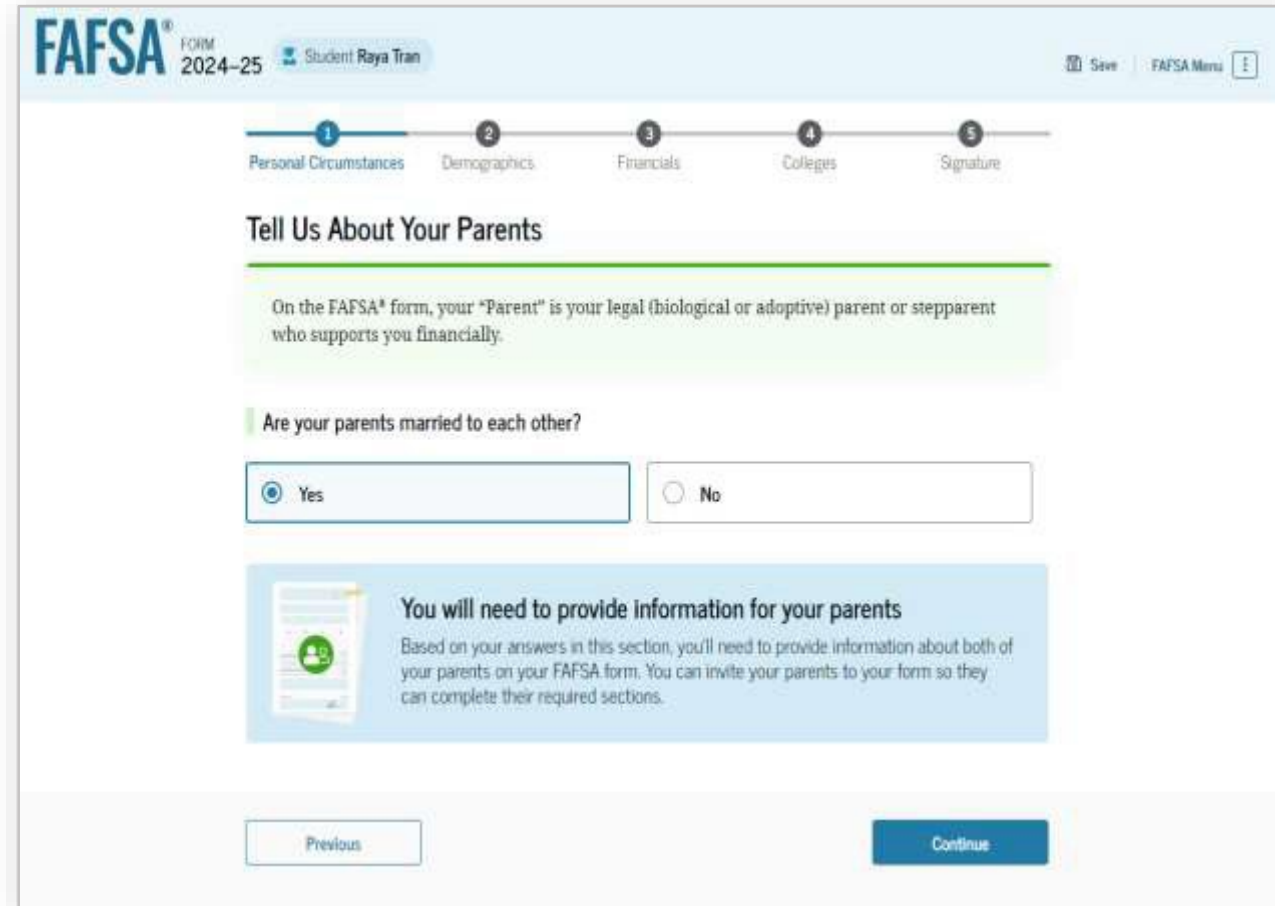
- Born prior to the year 2002
- Married (not separated)
- Veteran (includes active-duty personnel)
- Working on graduate level degree
- Legally emancipated minor or in a legal guardianship with someone other than their parent or stepparent, as determined by a court in state of residence
- Orphan, in 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)



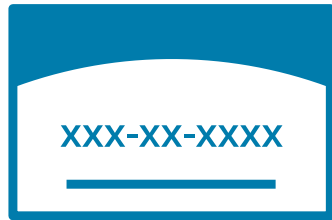
FAFSA Parent Wizard

- Student is asked a number of questions in order to determine which parent's information is to be used on the FAFSA.
- The parent used on the FAFSA **may not** always be the parent the student lives with.
- If divorced or separated, it will be the parent who provided the most financial support for the student over the past 12 months.
- Use of the Parent Wizard will determine which parent is used on the FAFSA.

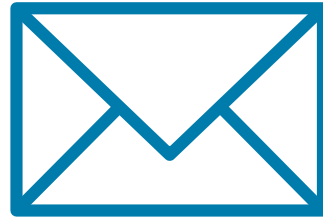


The screenshot shows the FAFSA Parent Wizard interface for the 2024-25 form year. The user is logged in as Student Raya Tran. The progress bar indicates five steps: 1. Personal Circumstances (active), 2. Demographics, 3. Financials, 4. Colleges, and 5. Signature. The current section is titled "Tell Us About Your Parents". A green box explains that the "Parent" on the FAFSA form is the legal (biological or adoptive) parent or stepparent who supports the student financially. Below this, a question asks "Are your parents married to each other?" with radio button options for "Yes" (selected) and "No". A blue box at the bottom states, "You will need to provide information for your parents" and explains that based on the answers, the student will need to provide information about both parents. It also mentions that the student can invite their parents to complete their required sections. At the bottom of the form, there are "Previous" and "Continue" buttons.

Documents Needed to Complete the FAFSA



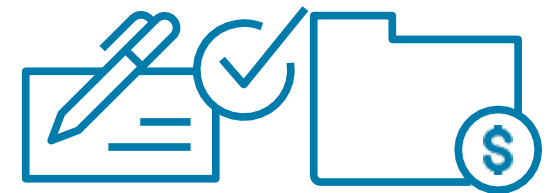
Social Security Numbers



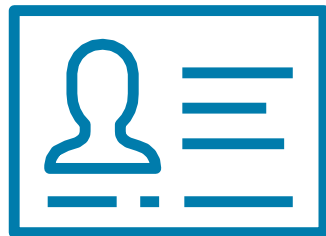
Email Addresses
(Not high school email address)



2023 Federal Tax Returns and W-2's



Current bank statements and records of other investment accounts (as of the FAFSA filing date) including 529 savings plans for student whom the FAFSA is being completed, stocks, stock options, bonds, mutual funds, CDs, real estate (not your home), rental property, farm value, value of business, etc.



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



**Total child support from
the most recently
complete calendar year**

Roles Within the 2025-26 FAFSA



- Required contributors will need an FSA ID to access the FAFSA application.
- Cannot start a FAFSA form with just student identifiers.
- Parent and student contributors must log in separately to complete their respective sections.

Who is a Contributor Starting with the 2025-26 FAFSA?

- Students will need to "invite" their contributors to complete their portion of the FAFSA.
- To invite contributors, students will need contributors First Name, Last Name, Security Numbers, Dates of Birth, and E-mail addresses.



FSA ID - Screenshot of Account Creation Page

Create an Account

Step 1 of 7

Personal Information

I understand that I'll be required to certify that the information I provide to create an account is true and correct and that I'm the individual who I claim to be.

If I'm not the person I claim to be, I understand that I'm not authorized to proceed and that I should exit this form now. If I provide false or misleading information, I understand that I may be subject to a fine, prison time, or both.

First Name
Jesse

Middle Initial
C

Last Name
Faden

Date of Birth
Month: 09 Day: 07 Year: 1991

Social Security Number

☒ I don't have a Social Security number.

Cancel Continue

- Knowledge-based identity verification process
- Identity match required for each contributor to verify FSA ID
- The student's spouse, parent, or other parent are sent through the knowledge-based ID verification process when they do not have an SSN

Who is a Contributor?



- The student's dependency, marital, and tax filing statuses will determine if additional contributors are required on the FAFSA form.
- If married and filed jointly with the current spouse, minimal information about the current spouse is required, and the spouse doesn't have to log in.
- If married or unmarried/living together but did not file taxes jointly, both must log in and sign the FAFSA form.

Consent

- Applicant and any required contributor on the FAFSA must provide consent. They are consenting to:
 - IRS 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.





IRS Direct Data Exchange



- System integration allows users' federal tax information to be retrieved and transferred directly into the FAFSA form via IRS direct data exchange, replacing the IRS Data Retrieval Tool
- Students and contributors must provide consent to retrieve and disclose federal tax information from the IRS for the student to be eligible for federal student aid.

The data exchange with the IRS may not work if the student or parent:

- has had a change in marital status after the end of the tax year.
- filed a Puerto Rican or foreign tax return.
- was victim of identity theft, involving their federal tax return.

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

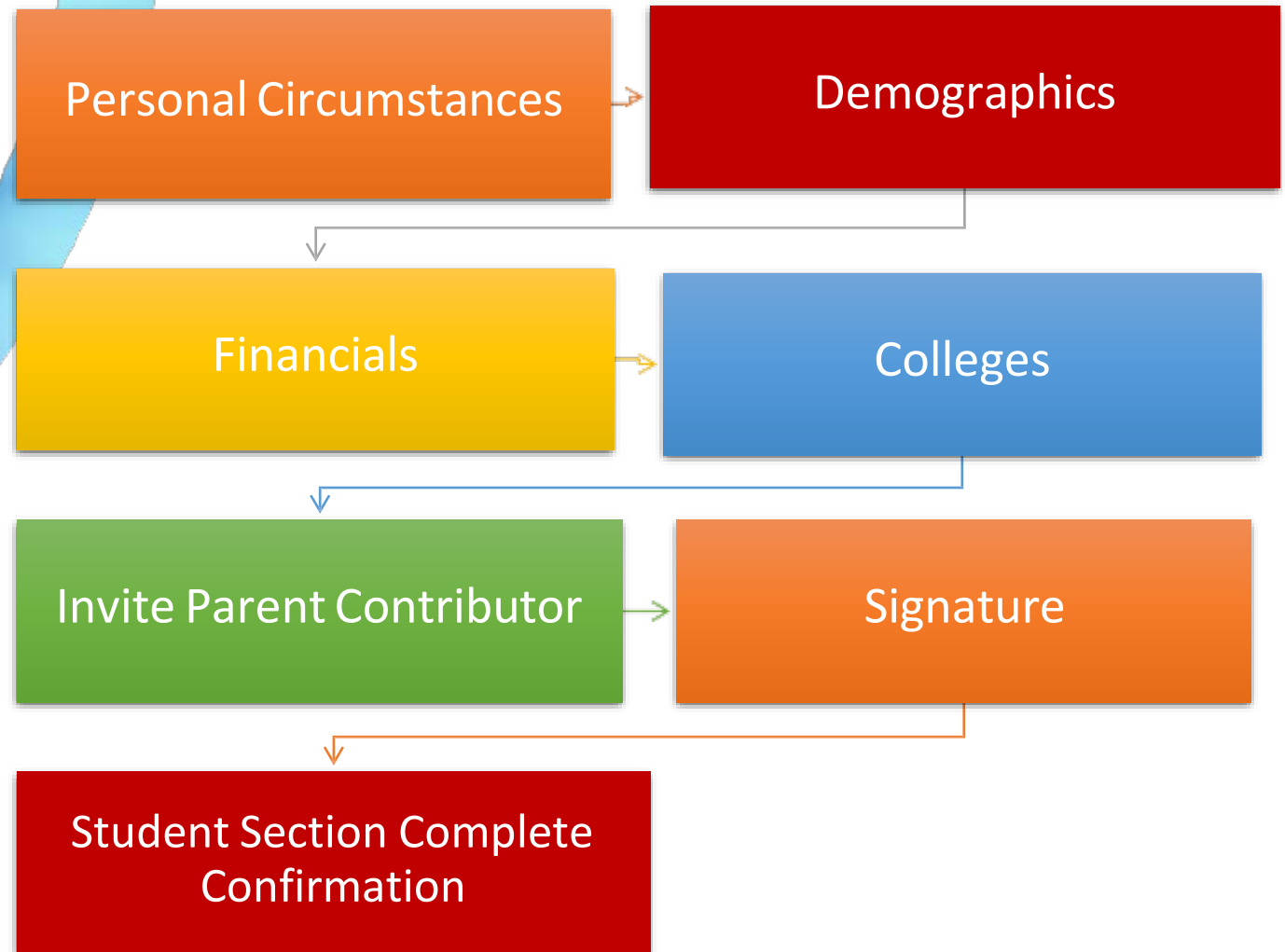
Mobile Phone

Security Questions

Enable Two-Step
Verification

FAFSA Steps – Dependent Student

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



Dependent Student Invites Parent

- The student is asked to enter personal information about their parents in order to send them an invite to their FAFSA® form. In this scenario, the student invites one parent.

FAFSA 2024-25 Student Page

Personal Information Demographics Financial College Signature

Invite Parents to your FAFSA Form

You will need to provide information for your parents. Based on your answers in the previous section, you'll need to provide information about both of your parents on your FAFSA form. You can invite your family members to your form to help you complete all required sections.

Enter names of parents, identified on the prior page, and we'll send electronic requests on your behalf.

Please make sure to provide information that your parents would use to login at [Studentaid.gov](#).

Parent

First Name:

Last Name:

Date of Birth:

Parent Spouse

First Name:

Last Name:

Date of Birth:

Social Security Number (SSN)

SHOW

☐ My parent doesn't have a SSN

Email Address

Confirm Email Address

Social Security Number (SSN)

HIDE

☐ My parent doesn't have a SSN

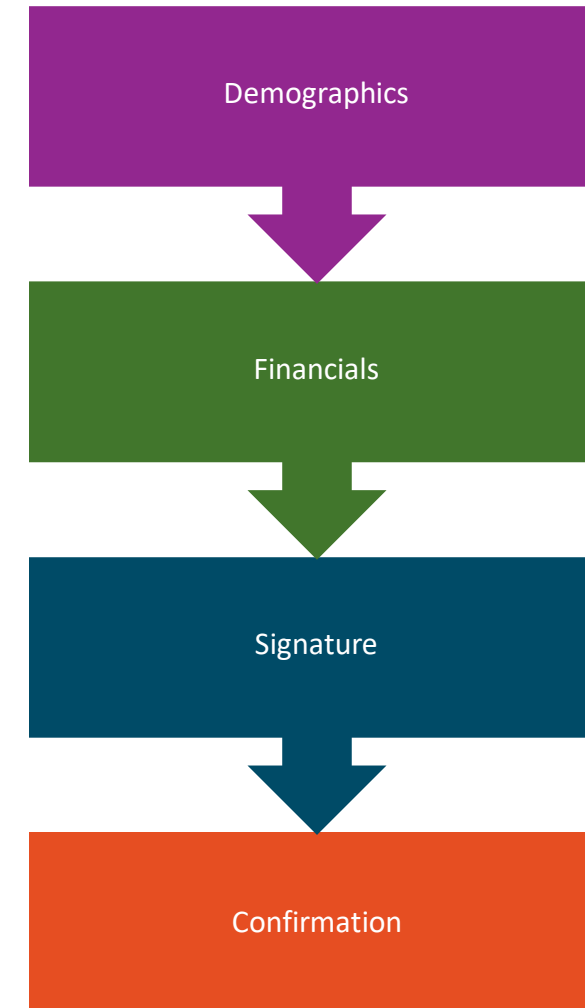
Email Address

Confirm Email Address

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

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



FAFSA – School Selection

Colleges Section:

- Only schools listed will receive results of FAFSA®
- Don't have to have applied/been accepted to list school
- Can list up to 20 schools at a time
- May go back and add schools later

NOTE: Once your Final Decision is made, Update your PA Grant Information with the school you WILL attend.

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

Progress: Personal Circumstances (1) Demographics (2) Financials (3) **Colleges (4)** Signature (5)

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

Previous Continue



IRS Direct Data Exchange



- System integration allows users' federal tax information to be retrieved and transferred directly into the FAFSA form via IRS direct data exchange, replacing the IRS Data Retrieval Tool
- Students and contributors must provide consent to retrieve and disclose federal tax information from the IRS for the student to be eligible for federal student aid.
- **The direct data exchange with the IRS may not work if the student or parent:**
 - has had a change in marital status after the end of the tax year.
 - filed a Puerto Rican or foreign tax return.
 - was victim of identity theft, involving their federal tax return.

What is considered an asset?

Report the current value at time of filing the FAFSA:

- | | | |
|------------|--------------------------------|----------------------------|
| ✓ Cash | ✓ Stocks | ✓ Bitcoin |
| ✓ Checking | ✓ Bonds | ✓ Mutual funds |
| ✓ Savings | ✓ Certificates of deposit (CD) | ✓ 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 completed 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)

FAFSA Confirmation

Upon submitting the student's FAFSA® form, the parent is presented an abbreviated confirmation page. This page displays information about tracking the student's FAFSA form and next steps. The student will receive an email with the full, detailed confirmation. With the student and parent sections completed and signed, the FAFSA form is now considered complete and submitted for processing.

FAFSA® 2024-25 Form of Rays Tran

Congratulations,
the FAFSA Form is Complete!

Rays Tran
Submitted On: 10/12/2024

What Happens Next

- Email sent**
Confirm that the student received an email version of this page.
- The Student Will Receive Notification of Processing**
In one to three days, the student will receive a notification by email that their FAFSA form was processed and sent to the student's school.
- The Student Will Receive School Communications**
We use the information collected on the student's FAFSA form to calculate their Student Aid Index (SAI). The SAI lets schools determine how much aid the student is eligible to receive. Schools will reach out to the student if they need more information. They will also contact the student with financial aid offers. Once received, the student can contact their financial aid offices directly to ask questions about their student aid packages.

Track and Manage the Student's FAFSA Form
You can check the status of the student's application in the "My Account" section of your StudentAid.gov account. We will let you know if we need anything more from you.

[View Status](#)

Signing with the FSA ID

FAFSA FORM Student: Raya Tran Save FAFSA Menu

Personal Circumstances Demographics Financials Colleges **Signature**

Sign and Complete Your Part

Summary

This page confirms you understand the terms and conditions of the FAFSA form, and that you have filled it out accurately to the best of your ability.

The FAFSA form is a legal document you will electronically sign with your FSA ID. Because this is associated with your personal information, do not share it with anyone.

By signing this application electronically using your FSA ID (username and password) and/or any other credential or by signing a signature page and mailing it to us, YOU, THE STUDENT, certify that you

- will use funds for the purpose of higher education
- are not in default on a federal student aid loan
- do not owe a refund on a federal student aid loan
- will notify the federal student aid programs if you are awarded a federal student aid loan
- will not report false or misleading information

By signing this application electronically using your username and password, and/or any other credential or by signing a signature page and mailing it to us, you certify that all of the information you provided is true and complete to the best of your knowledge and you agree, if asked to provide

- information that will verify the accuracy of your completed form, and
- U.S. or state income tax forms that you filed or are required to file.

You also certify that you understand that the secretary of education has the authority to verify information reported on your application with the Internal Revenue Service and other federal agencies.

If you sign this application or any document related to the federal student aid programs electronically using a username and password, and/or any other credential, you certify that you are the person identified by the username and password, and/or any other credential and have not disclosed that username and password, and/or any other credential to anyone else. If you purposely give false or misleading information, you may be fined up to \$20,000, sent to prison, or both.

Sign Your FAFSA Form

☒ I, Raya Tran, agree to the terms outlined above

Cancel Submit

On this page, the student acknowledges the terms and conditions of the FAFSA[®] form and signs their section. After agreeing and signing, the student is able to submit their section of the FAFSA form.

Since parent information has not been provided, the FAFSA form is not considered complete and can't be processed yet.



PA State Grant Form (SGF)



In addition to the FAFSA, first-time applicants must also complete:

- **PA State Grant form**
- **High School form**
- Students can complete SGF & High School form **after** PHEAA receives FAFSA information
 - SGF cannot be completed prior to completing FAFSA
 - An email inviting student to activate a PHEAA account will come from noreply@grantus.pheaa.org
 - Student can invite parent to create an account if parental data is required to determine eligibility

If things change....

- Divorced or separated parents
 - Stepparents
 - Adoptive parents
 - Foster parents
 - Legal guardians
 - Living with others
 - Recent death or disability
 - Reduced income
-
- ✓ Only the school can change a FAFSA related to circumstances
 - ✓ Decisions are final and can not be appeal to the U. S. Department of Education
 - ✓ Contact PHEAA for a PA State Grant re-consideration



Student Unusual Circumstances

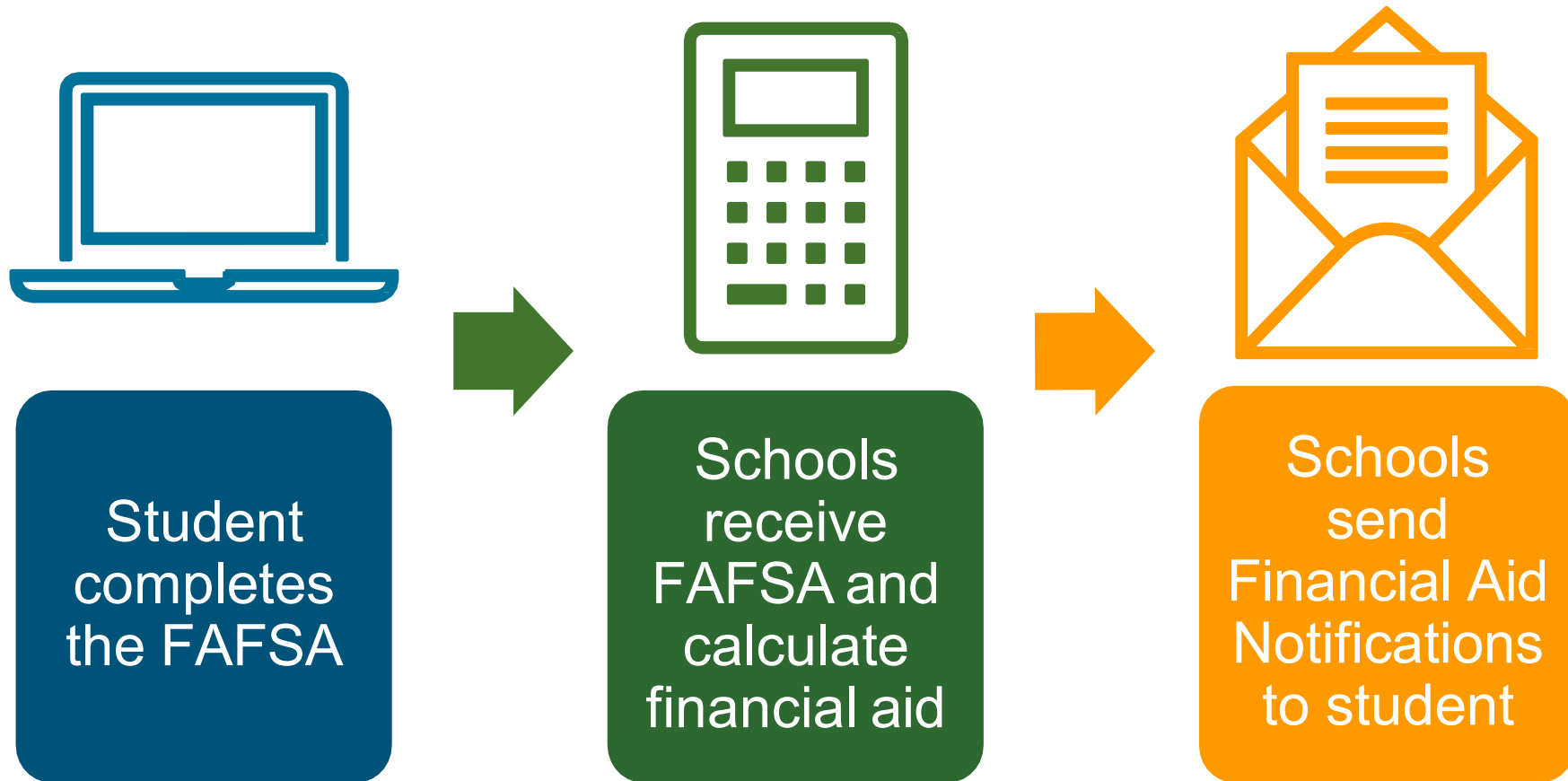


Prevents student from contacting parents or contacting parents would pose a risk to student

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.

FAFSA is Filed... Now What?



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 Student Aid Index (SAI).

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

What School Costs Are Considered?

Schools cost of attendance includes:

- Tuition and Fees
- Housing and Food
- Books, Course Materials, Supplies & Equipment
- Transportation
- Personal Expenses



How is the SAI Calculated?

- Primarily income-driven
- Major factors for dependent student:
 - Parental & student - income and assets
 - Family size

A student's SAI remains the same no matter which school the student attends.





Parents Income and Assets

Income

- Income is based on 2023 year for AY 2025-26
- Tax filers report AGI from tax return
 - They are Not required to report income earned from work off the W-2
- Allowances are made for taxes, working households, and living allowances based on family size

Assets

- Current Net Worth of investments, including Real Estate
- Current Net Worth of Businesses and Investment Farms
- After the Asset Protection Allowance is deducted from the value of the assets, 12% of the remaining asset value is used in the SAI calculation
- Not an asset: value of primary residence, personal property, qualified retirement accounts, and life insurance policies



Student Income and Assets



Income

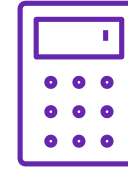
- Allowances are made for taxes
- Earnings from work-study are excluded
- Income protection allowance of up to \$11,510 and remaining income assessed at 50%

Assets

- Dependent students must report assets in their name, total cash, savings, and checking accounts
- Current Net Worth of investments, including Real Estate
- Current Net Worth of Businesses and Investment Farms
- 20% of the value of the assets is used in the calculation of the SAI
- Not an asset: value of primary residence, personal property, qualified retirement accounts, and life insurance policies

Calculating Financial Need

- Schools/colleges receive FAFSA 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 sent to student





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 Package

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?

Financial Aid 101



Federal & State Aid

Federal Grant Programs

- **Pell Grant** - max award \$7,395 (2024-25)
 - Eligibility is the same for every postsecondary institution
- **Campus-based aid** – Eligibility determined by Financial Aid Office at each potential school
 - **Federal Supplemental Educational Opportunity Grant (FSEOG)** – max award \$4,000
 - Student must be enrolled at least half-time
 - **Awarded to most financially needy student**
 - **Federal Work-Study**...FAO determines
 - Must have financial need
 - Work-Study income removed from FAFSA eligibility calculation

Federal Work-Study

You must have financial need in order to qualify for work-study

A work-study position is not guaranteed and may even require an interview

Work-Study income removed from FAFSA eligibility calculation



PA State Grant Program

- In-state – max award \$5,750 (full- time)-(2024-25)
- **Reciprocal states:** Delaware, DC, Massachusetts, Ohio, Vermont, West Virginia
 - Up to \$600 for full-time students (\$800 for veterans)
- Award amount determined in part by the cost of the school

Must be at least half-time to be eligible

Cost Tier	Minimum Award	Maximum Award
\$0 - \$13,000	\$500	\$3,059
\$13,001 - \$20,000	\$500	\$4,894
\$20,001 - \$29,000	\$500	\$5,261
\$29,001 - \$32,000	\$500	\$5,750

Financial Aid 101



Federal Student Loans

Federal Direct Student Loan Program

- Available to **ALL** students **REGARDLESS** of need
- Additional unsubsidized funds available for Independent & Parent PLUS denials
 - 6.53% interest rate (AY 24-25) 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 (financial need), students may 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
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



Federal Direct PLUS Loan



- For parents of dependent undergraduate 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
 - 9.08% variable/fixed interest rate; 4.228% fees
- MUST apply each year
- Principal can be deferred while the student is in school; Interest will continue to accrue
- If denied, the student is eligible for an additional \$4,000 or \$5,000 unsub loan.

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
- Principal can be deferred while student is in school; Interest will continue to accrue
- Terms vary by lender – compare before making choices

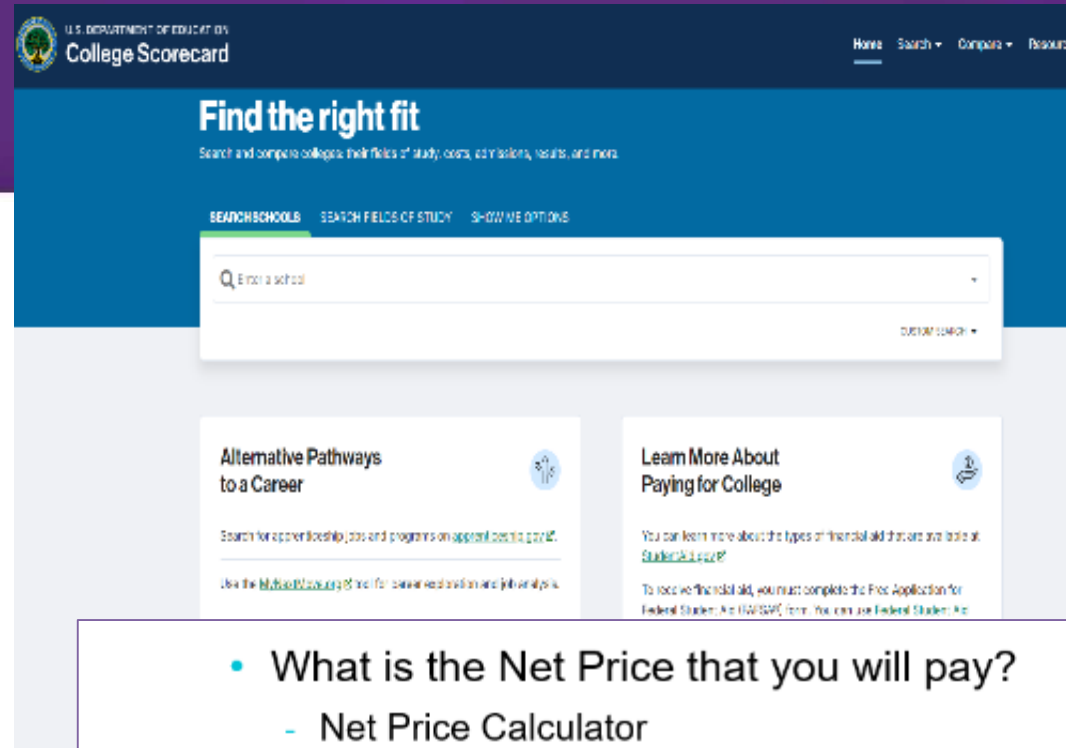
READ THE FINE PRINT

School Choice

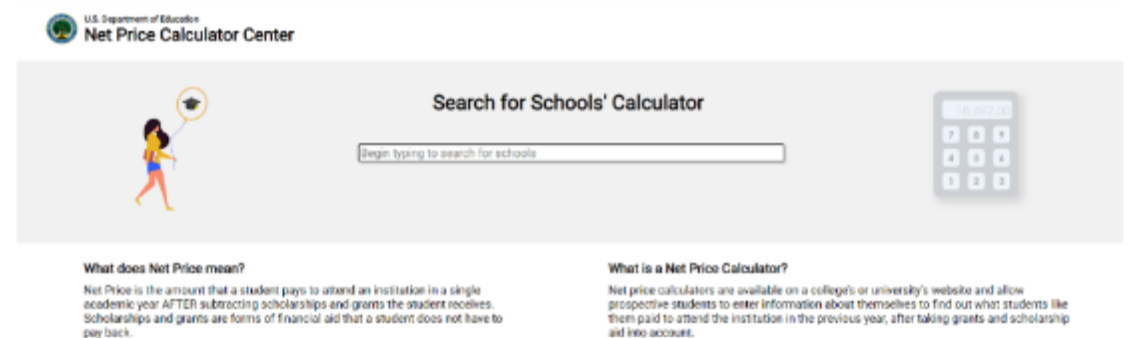
collegecost.ed.gov

Choose the school that best meets your needs

- Location
- Size
- Job Placement
- Graduation Rate
- Student Life
- **Financial Fit**
- Major/academic program
- Safety
- Acceptance of transfer credits/AP classes



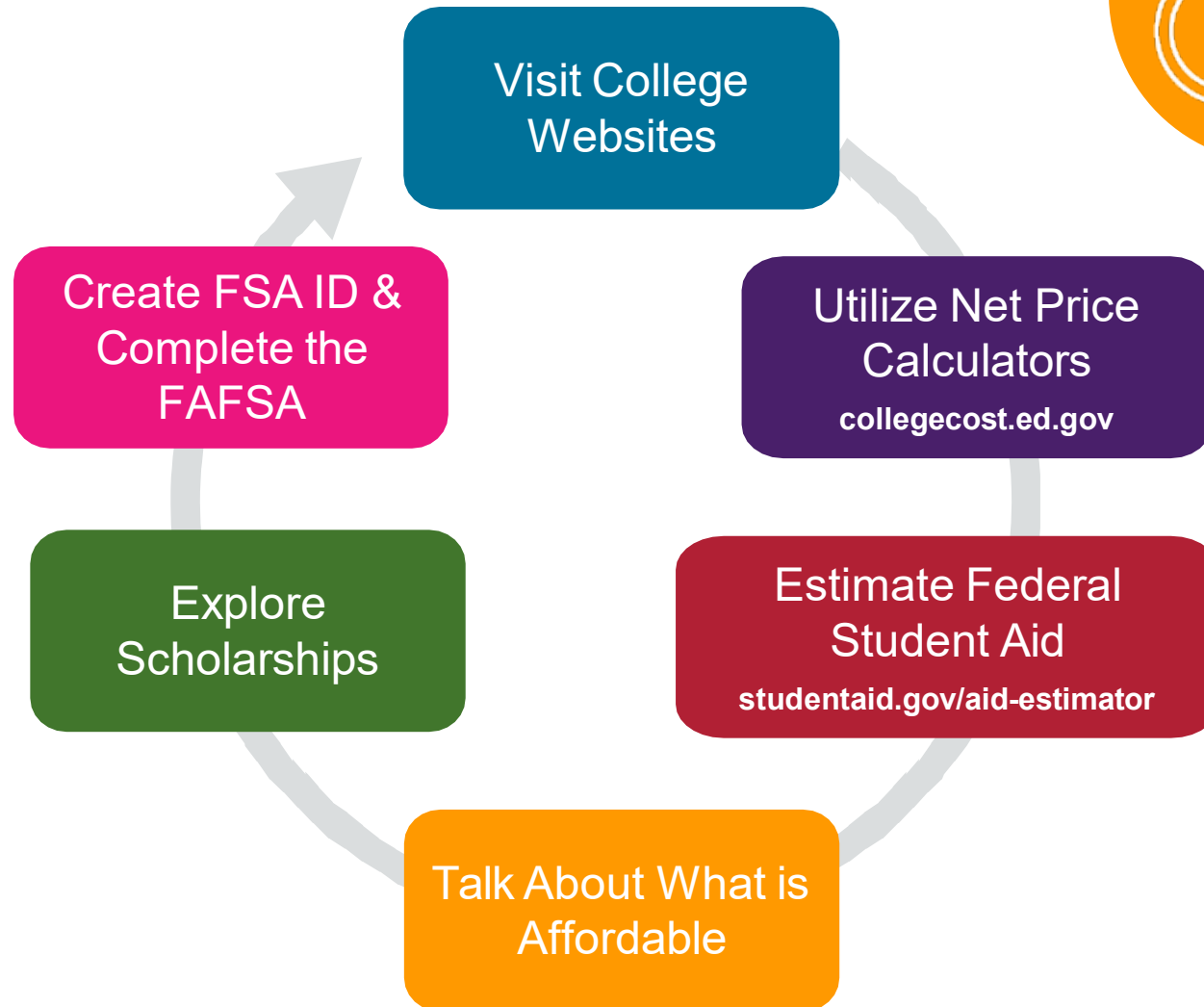
- What is the Net Price that you will pay?
 - Net Price Calculator



collegecost.ed.gov/net-price

All schools must have a net price calculator on their school's website

What Can You Do Now?



Financial Aid 101



Resources

Financial Aid Resources

- **Federal Student Aid Information Center**

- Email, call or chat with customer service agents
- Phone: 800-433-3242 (800-4-FED AID)
- Websites: [Studentaid.gov](https://studentaid.gov) & collegecost.ed.gov

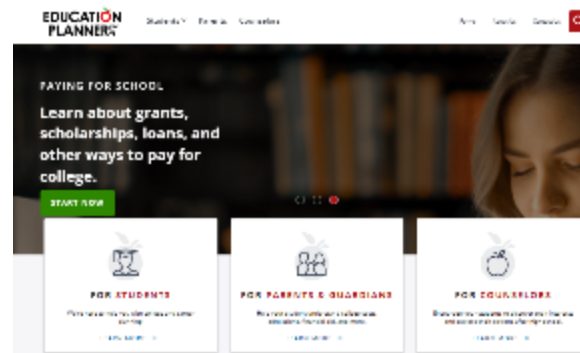
- **PHEAA**

- Email: granthelp@pheaa.org
- Phone: 800-692.7392
- Podcast: [Higher Education Access Corner](#)
- Website: PHEAA.org
 - MySmartBorrowing.org
 - Educationplanner.org
 - Youcandealwithit.com
- YouTube Channel: [PHEAAStudentAid](#)

- **Financial Aid Offices**



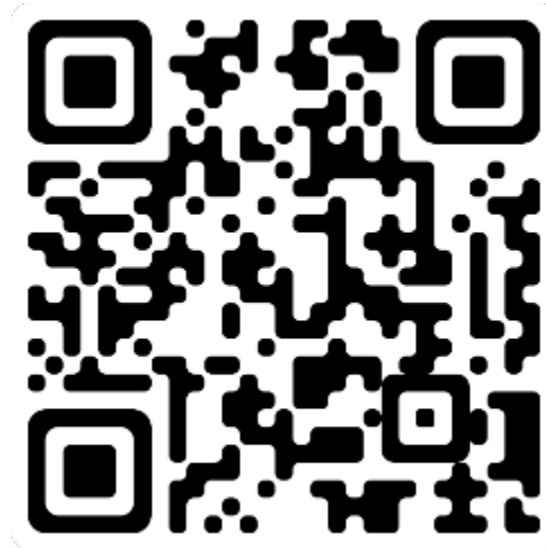
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Questions?