

# Financial Aid 101



## Welcome





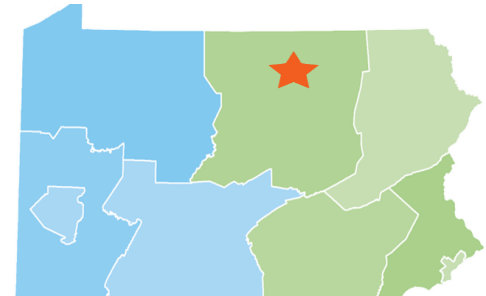
**Please silence your cell phones!**

Thank you for being considerate to the people around you.



Pennsylvania Higher Education Assistance Agency

# Your Presenter



**Nancy Harvey**

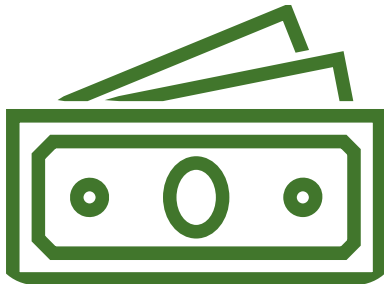
PHEAA Higher Education Access Partner

717.956.8285

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# 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

# 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

### Step 2

Know  
your  
specific  
deadlines

### Step 3

Fill out  
the  
FAFSA

### Step 4

Compare  
schools  
financial  
aid offers  
carefully

### Step 5

Be sure  
you have  
the  
money  
you need

# Step 1: Look For Free Money First

- Scholarships are obtainable – Effort pays off!
- Available beyond the first year
- Wide variety of criteria





# Types of Scholarships



Postsecondary  
Scholarships



Local and  
Regional  
Scholarships



National  
Scholarships

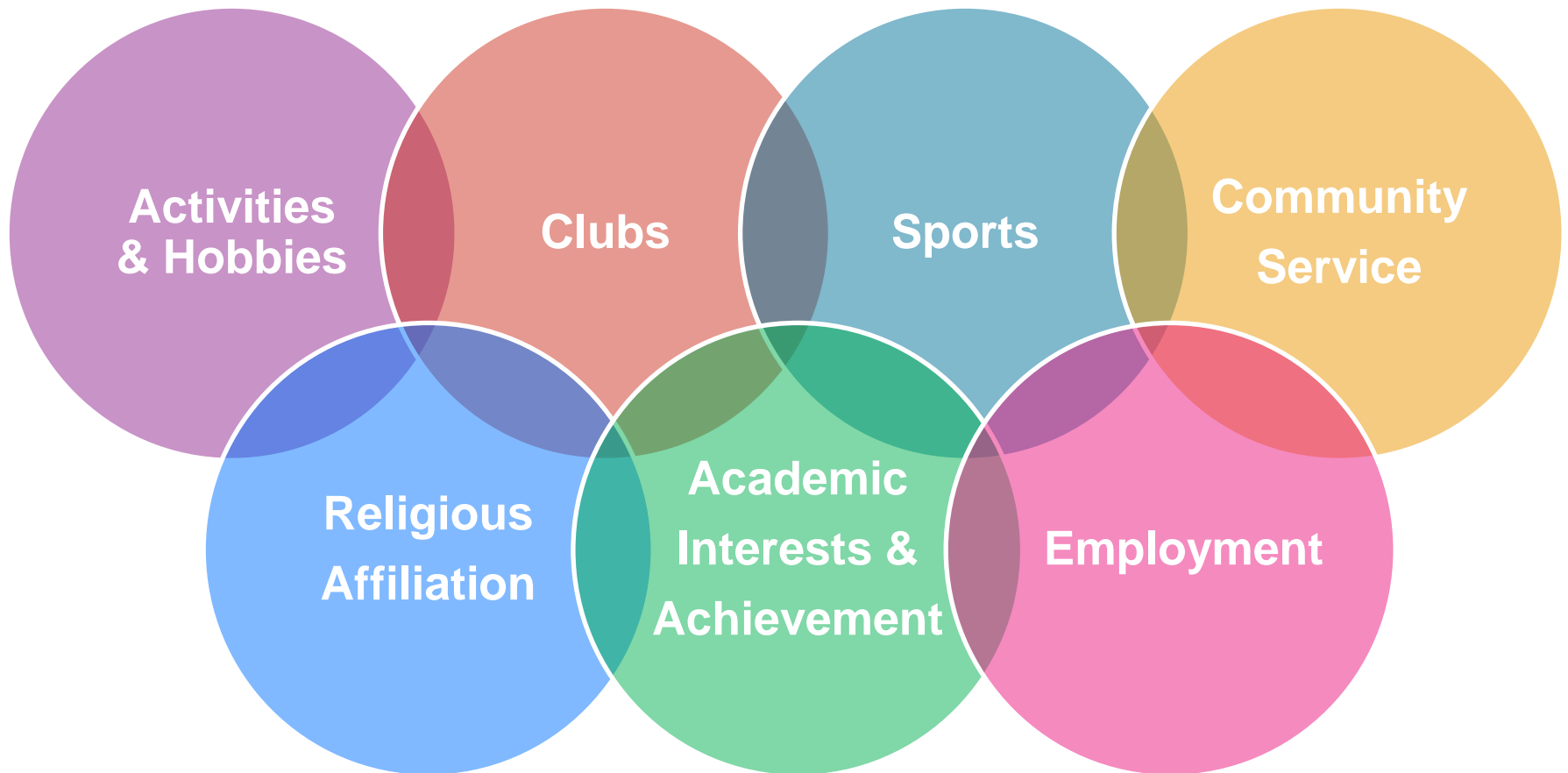


# Scholarship Search Tips

- 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



## Step 2: Know Your Deadlines

- Applications for admission
- Deadlines for scholarships
  - Institutions, Outside Sources
- Free Application for Financial Aid (FAFSA)
  - Schools have priority deadlines



# 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

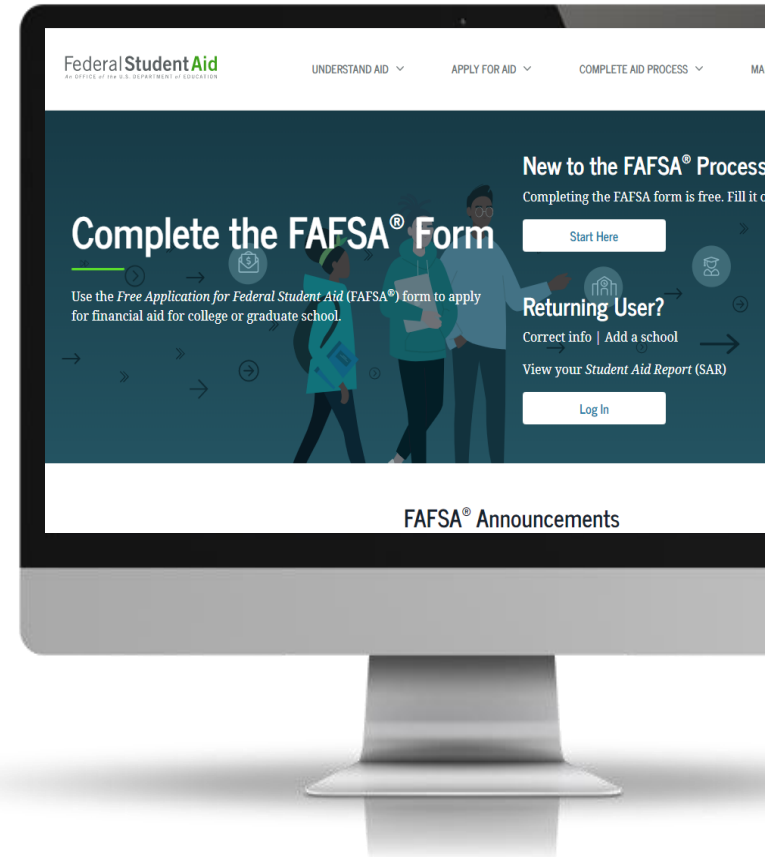
The FAFSA is a federal form used to determine student eligibility for the following:

- Federal programs
- State programs
- School programs



# Free Application for Federal Student Aid

- File a FAFSA each year
- File online at [studentaid.gov/fafsa](https://studentaid.gov/fafsa)
- Students do not have to be accepted for admission to list a school on the FAFSA.
- 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 [studentaid.gov/fsa-id](https://studentaid.gov/fsa-id).
- Create prior to completing the FAFSA.
- Legal signature for student and parent.

Social Security  
Number

Username

Email Address

Password

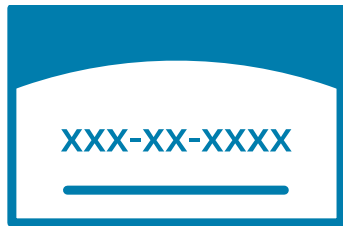
Mobile Phone

Security Questions

Enable Two-Step  
Verification



# Information Needed for FAFSA



**Social Security  
Numbers**



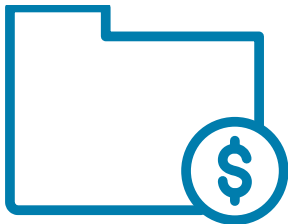
**Federal Tax  
Returns and  
W-2's (2021)**



**2021 Untaxed  
Income**



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



**Investment  
Records**



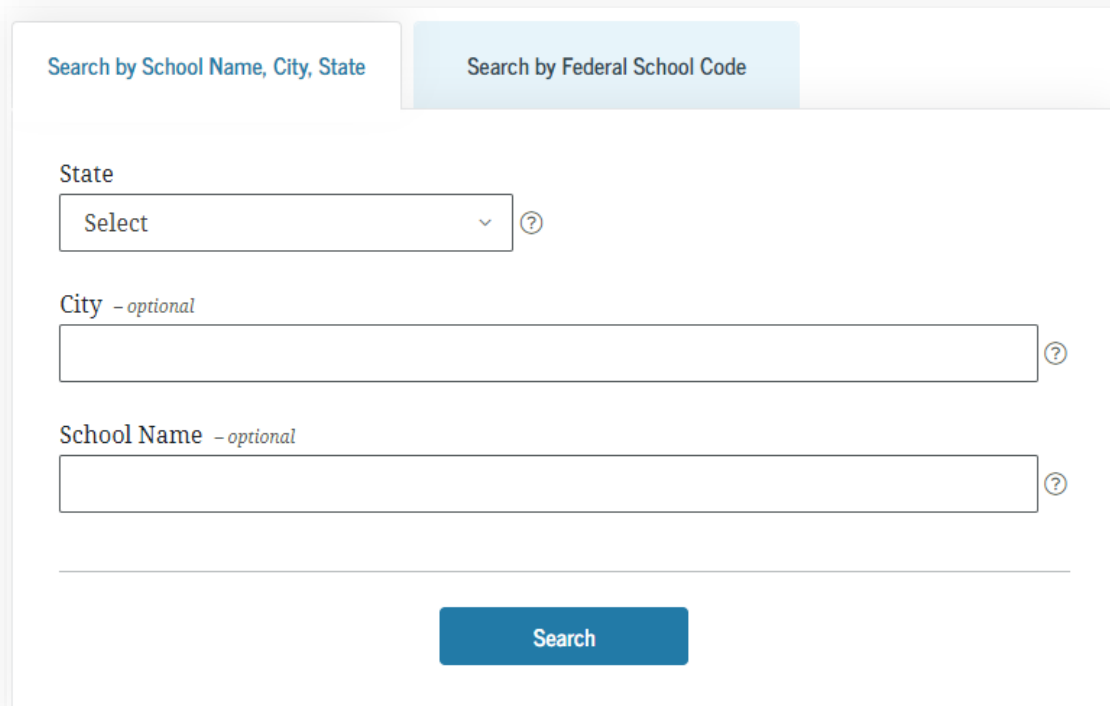
**Email Addresses**



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

# School Selection

- 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



The screenshot shows the FAFSA School Selection search interface. It features two tabs at the top: "Search by School Name, City, State" (selected) and "Search by Federal School Code". Below the tabs, there are three input fields: "State" (a dropdown menu with "Select" and a question mark icon), "City - optional" (a text input field with a question mark icon), and "School Name - optional" (a text input field with a question mark icon). A blue "Search" button is located at the bottom center of the form.

Search by School Name, City, State      Search by Federal School Code

State  
Select ?

City - optional ?

School Name - optional ?

Search

# When is a Student Considered Independent?



- ✓ 24 or older on Jan 1st of 2023
- ✓ 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)

# For Dependent Students, Who Reports Info on the 2023-24 FAFSA?

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## 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

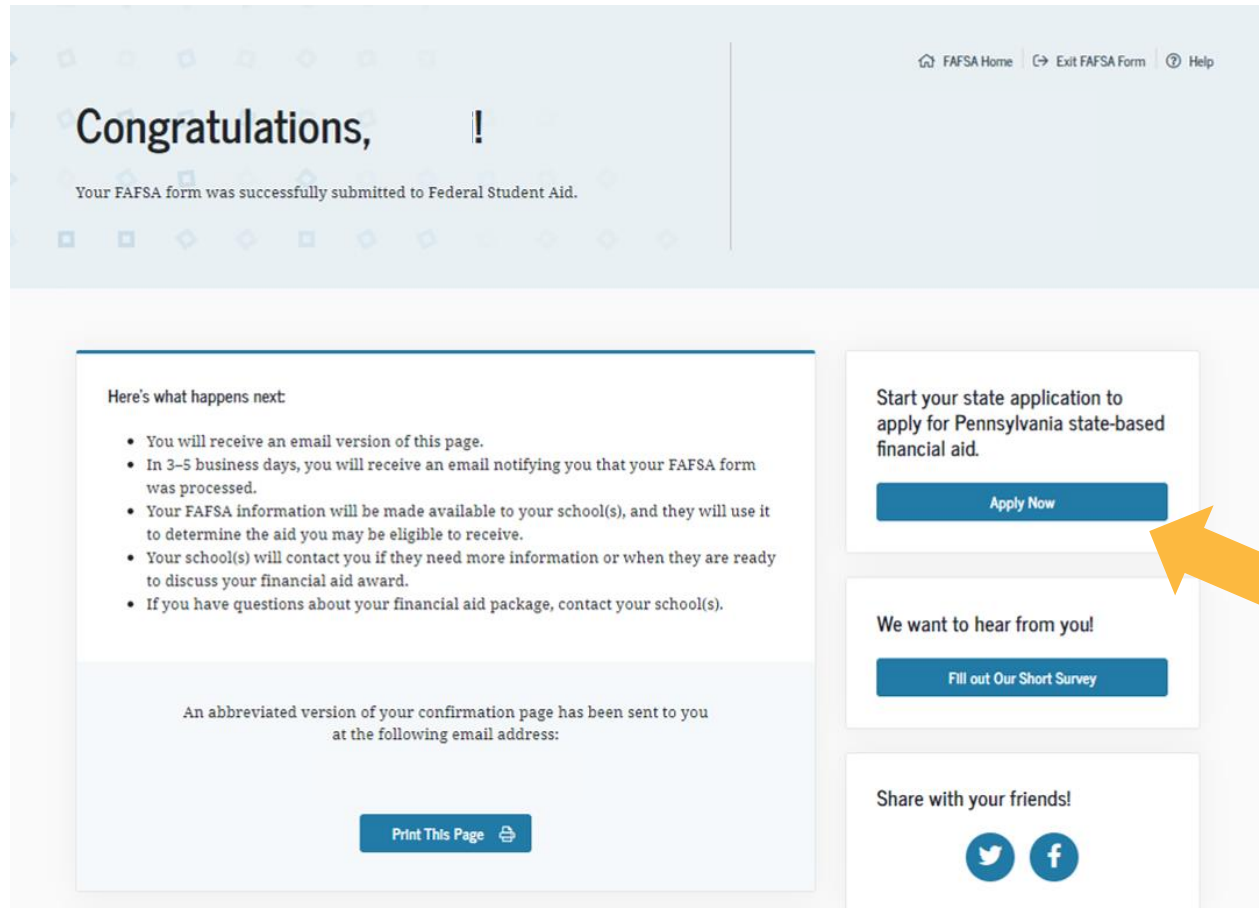


# IRS Data Retrieval Tool (DRT)

- Automatically imports tax info from tax return and adds it to the FAFSA (can be used by student, parent(s), or both!)
- 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.**

# Confirmation Page & Link to the PA State Grant Form

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The image shows a confirmation page for a FAFSA submission. The top section has a light blue background with a pattern of small squares. It features the text "Congratulations, !" and "Your FAFSA form was successfully submitted to Federal Student Aid." In the top right corner, there are links for "FAFSA Home", "Exit FAFSA Form", and "Help". Below this, there are three main sections. The first section, titled "Here's what happens next:", contains a bulleted list of steps: receiving an email version of the page, receiving an email notification in 3-5 business days, FAFSA information being made available to the school, the school contacting the student for more information, and contacting the school for questions. The second section, titled "Start your state application to apply for Pennsylvania state-based financial aid.", contains a blue button labeled "Apply Now". A large orange arrow points to this button. The third section, titled "We want to hear from you!", contains a blue button labeled "Fill out Our Short Survey". Below this, there is a section titled "Share with your friends!" with social media icons for Twitter and Facebook. At the bottom of the first section, there is a blue button labeled "Print This Page" with a printer icon.

FAFSA Home Exit FAFSA Form Help

## Congratulations, !

Your FAFSA form was successfully submitted to Federal Student Aid.

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:

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!

Twitter Facebook

# 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



# CSSProfile.CollegeBoard.org

- Required at **Some** Institutions to Award Need Based & Institutional Aid
- Used in Addition to the FAFSA, not a Replacement
- CSS Profile Costs \$25.00 + \$16.00 for Additional Schools

**Domestic undergraduate students may submit CSS Profile for free if:**



The student is eligible for an SAT fee waiver

OR



Family adjusted gross income is \$100,000 or less

OR

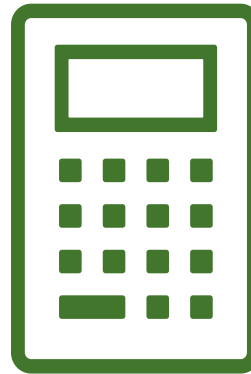


Student is an orphan or ward of the court under the age of 24

# FAFSA is Filed... Now What?



Student  
completes  
the FAFSA



Schools  
receive  
FAFSA and  
calculate  
financial aid



Schools  
send  
Financial Aid  
Notifications  
to student

# Federal Grant Programs

- Pell Grant - max award \$6,895
  - Max EFC to be eligible for the Pell Grant is 6206
  - Eligibility is the same for every postsecondary institution
- Federal Supplemental Educational Opportunity Grant (FSEOG) – max award \$4,000
  - Eligibility determined by Financial Aid Office at each potential school
  - Student must be enrolled at least half-time
  - **Awarded to most financially needy students**

# PA State Grant Program

- In-state – max award \$5,750 (full-time)
- **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**



# 2022-23 Award Amounts

Cost Tier	Maximum Award	Minimum Award
\$0 - \$12,000	\$3,059	\$500
\$12,001 - \$19,000	\$4,894	\$500
\$19,001 - \$29,000	\$5,261	\$500
\$29,001 - \$32,000	\$5,750	\$500

# Other State Programs

- PA State Work-Study Program
- PA National Guard Educational Assistance Program
- PA National Guard Military Family Education Program
- Chafee Education and Training Grant Program
- PA Fostering Independence Tuition Waiver Program

For details, see the PA Student Aid Guide, or visit [PHEAA.org](https://www.pheaa.org)

# Other State Programs

- PA Blind or Deaf Higher Education Beneficiary Grant Program
- PA Postsecondary Educational Gratuities Program
- PA Partnerships for Access to Higher Education Program
- PA Targeted Industry Program
- PA Ready to Succeed Scholarship Program

For details, see the PA Student Aid Guide, or visit [PHEAA.org](https://PHEAA.org)



# 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 is not reported on the FAFSA





# Federal Work-Study

**Inside Higher Ed reports:**



“

Students who participate in the federal work-study program are more likely to graduate and be employed 6 years after college than their similar counterparts who don't participate in the program, according to a new study.



”

# Federal Student Loans

- Available to **ALL** students (US citizens and eligible non-citizens) **REGARDLESS** of need
- In student's name, no collateral or credit check, must sign MPN
- No payments required while attending school & six-month grace period
- Flexible Repayment options



# Student Loan Borrowing Limits

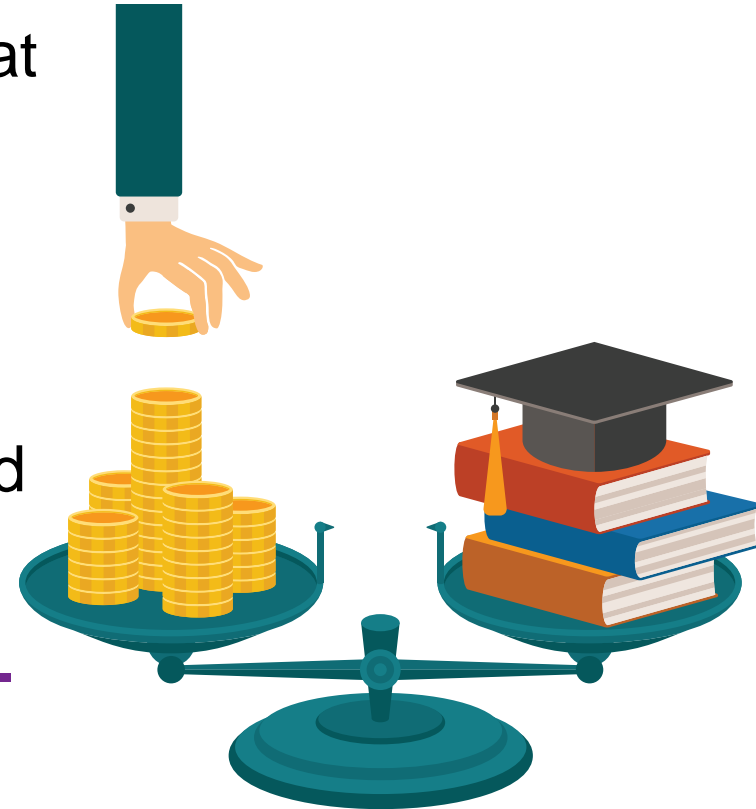
<b>Dependent Students (excluding students whose parents cannot borrow PLUS)</b>	<b>Base Stafford Loan Amount Subsidized/Unsubsidized</b>	<b>Additional Unsubsidized Stafford Loan Amount</b>
<b>Freshmen</b>	<b>\$3,500</b>	<b>\$2,000</b>
<b>Sophomores</b>	<b>\$4,500</b>	<b>\$2,000</b>
<b>Juniors, Seniors</b>	<b>\$5,500</b>	<b>\$2,000</b>
<b>Graduate or Professional</b>	<b>\$8,500</b>	<b>\$12,000</b>

## Step 4: Compare Schools' Financial Aid Offers Carefully

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- There is no required standard format
- If you receive a scholarship, do you know if there are conditions for maintaining it?
- Do you understand what is free money vs money that has to be paid back?

**Bottom Line: What are your out-of-pocket costs?**





# Comparing Packages

Cost	\$20,000	\$30,000	\$50,000
EFC	\$ 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 Cost = (Cost – Free \$)	\$14,000	\$22,000	\$32,000

## Step 5: Be Sure You Have The Money You Need

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- Have you considered annual out of pocket costs **beyond the first year?**
- Do you understand your actual costs?
- Do you have a strategy for handling out of pocket costs?







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

# 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
  - 7.54% fixed interest rate; 4.228% fees
- MUST apply each year
- 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**

# 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**



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

Low, Fixed Rates  
**3.82-7.69%**<sup>1,2</sup>  
APR

Effective as of 6/8/22

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 60 months, monthly payments of \$183.49 and a final payment \$175.40, a fixed periodic interest rate of 4.10%, and a total amount repaid of \$11,001.26. 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 \$131.09, a fixed periodic interest rate of 8.20%, and a total amount repaid of \$23,596.64. 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. 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.

# Important Resources

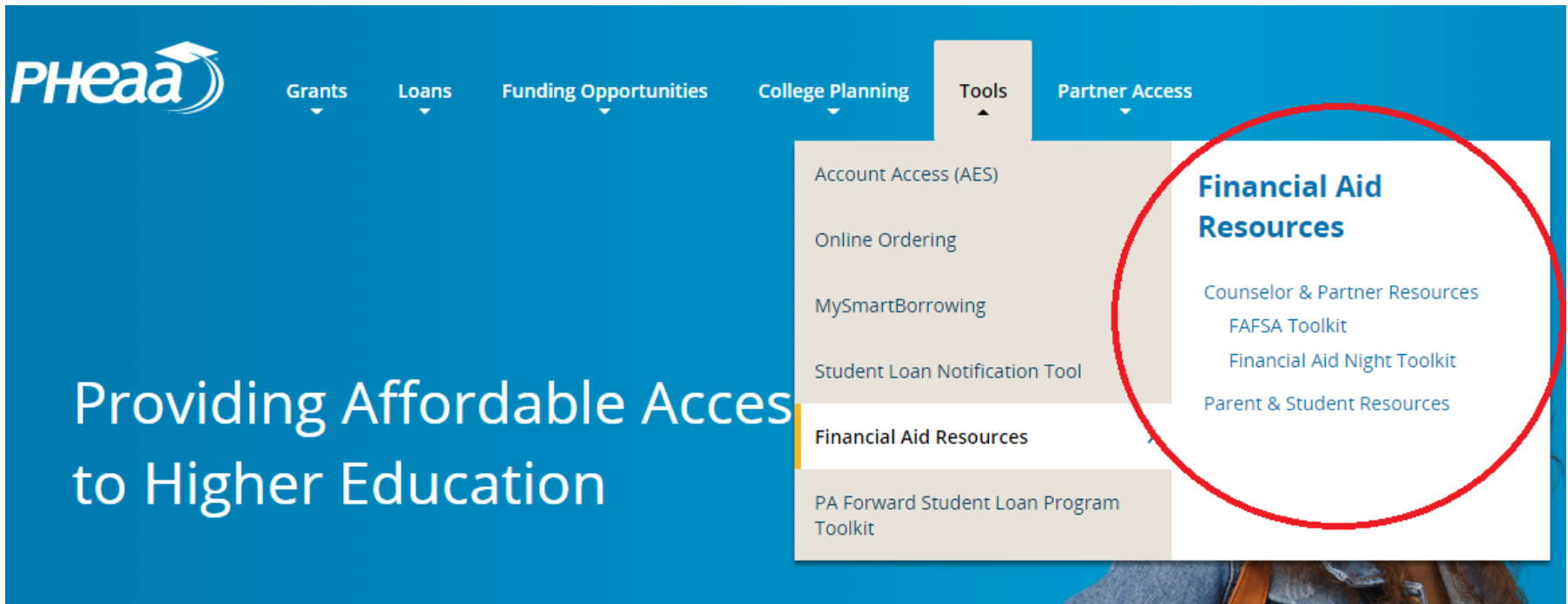
- [PHEAA.org](https://phea.org)
- [StudentAid.gov](https://studentaid.gov)
- [CollegeCost.ed.gov](https://collegecost.ed.gov)
- [EducationPlanner.org](https://educationplanner.org)
- [MySmartBorrowing.org](https://mysmartborrowing.org)

## Scholarship Sites

- [Collegeboard.org](https://collegeboard.org)
- [Fastweb.com](https://fastweb.com)
- [Finaid.org](https://finaid.org)
- [Scholarshipamerica.org](https://scholarshipamerica.org)



# PHEAA.org/ResourcesStudents



The screenshot shows the PHEAA website header with the logo on the left and navigation links: Grants, Loans, Funding Opportunities, College Planning, Tools, and Partner Access. The 'Tools' menu is open, displaying a list of options: Account Access (AES), Online Ordering, MySmartBorrowing, Student Loan Notification Tool, Financial Aid Resources, and PA Forward Student Loan Program Toolkit. The 'Financial Aid Resources' option is highlighted with a red circle. To the right of this option, a sub-menu is visible, listing: Counselor & Partner Resources, FAFSA Toolkit, Financial Aid Night Toolkit, and Parent & Student Resources. The text 'Providing Affordable Access to Higher Education' is overlaid on the left side of the screenshot.

**PHeaa**

Grants   Loans   Funding Opportunities   College Planning   **Tools**   Partner Access

Account Access (AES)

Online Ordering

MySmartBorrowing

Student Loan Notification Tool

**Financial Aid Resources**

PA Forward Student Loan Program Toolkit

**Financial Aid Resources**

Counselor & Partner Resources

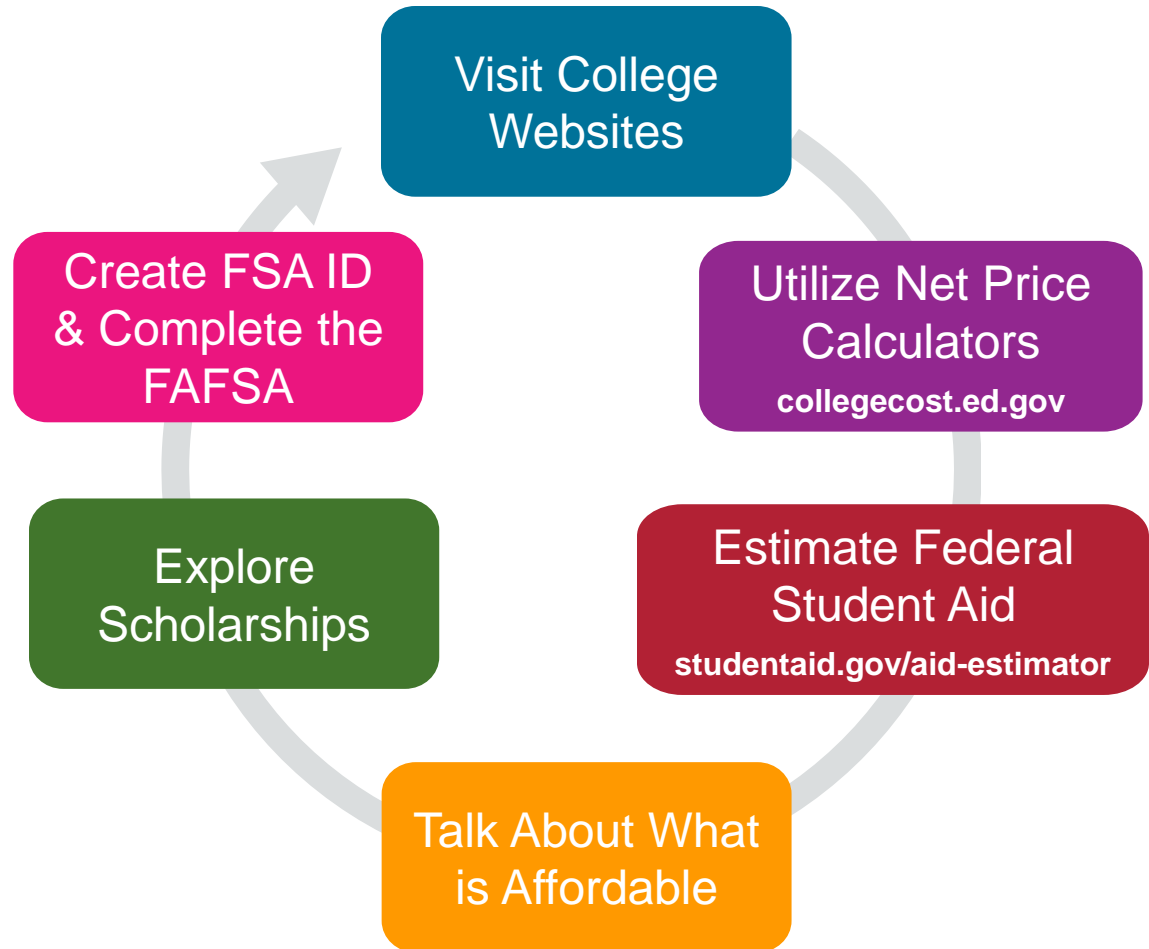
FAFSA Toolkit

Financial Aid Night Toolkit

Parent & Student Resources

Providing Affordable Access to Higher Education

# What Can You Do Now?





# Social Media Outreach



**PHEAA**  
**American Education Services**



**@PHEAAaid**  
**@aesSuccessorg**



**PHEAA**



QUESTIONS?