

Financial Aid 101

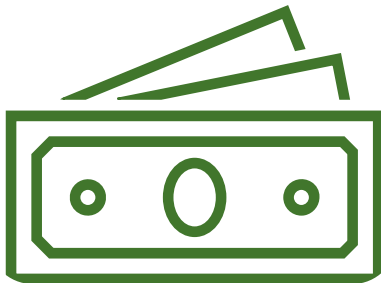


Amy Sawdey
Higher Education Access Partner



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

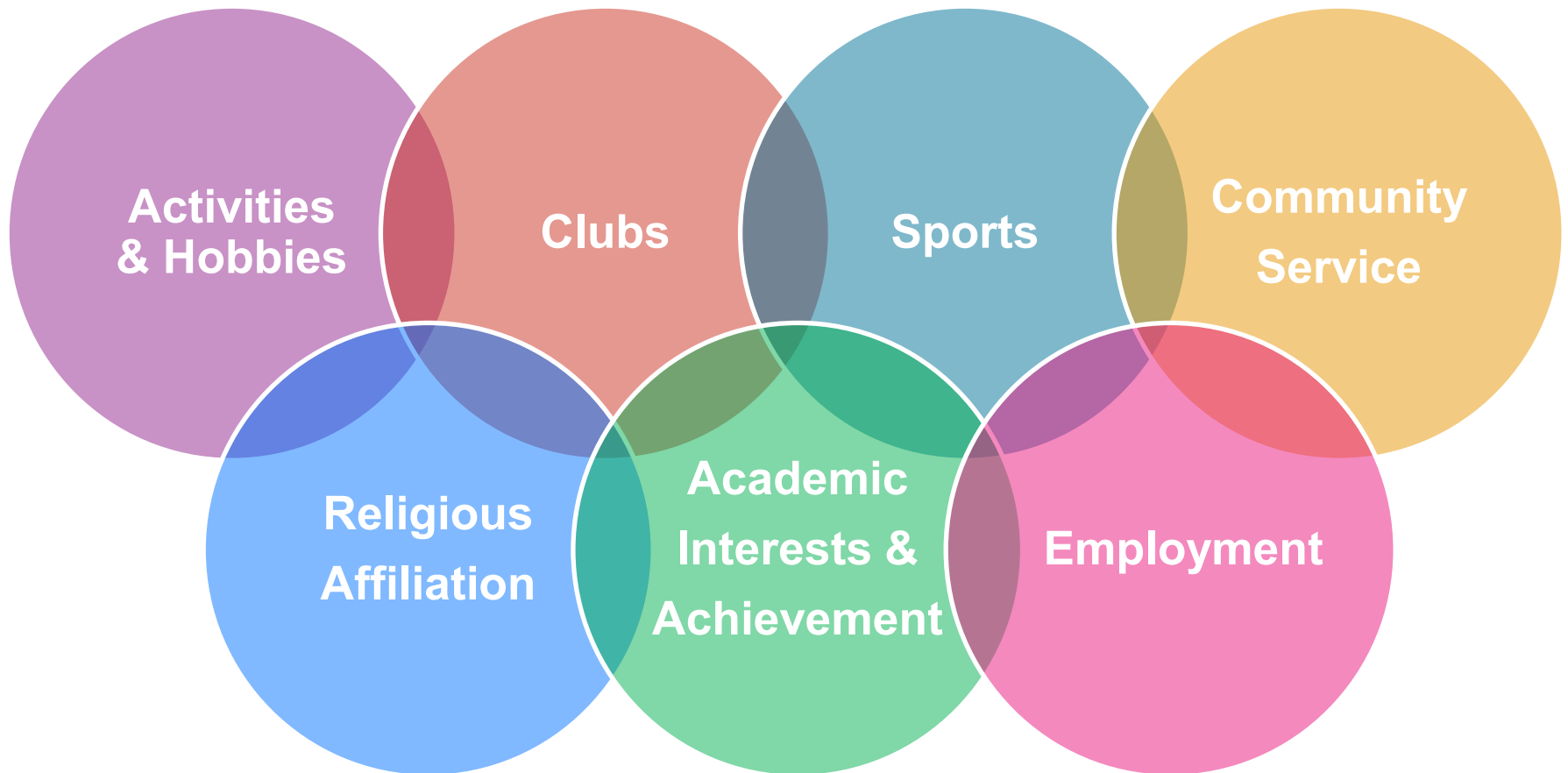
Be sure
you have
the
money
you need

Step 1: Look For Free Money First

- Start searching early
- Use **FREE** scholarship search sites
- Don't ignore scholarships with smaller award amounts
- Search for scholarships every year
- Don't miss deadlines



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:

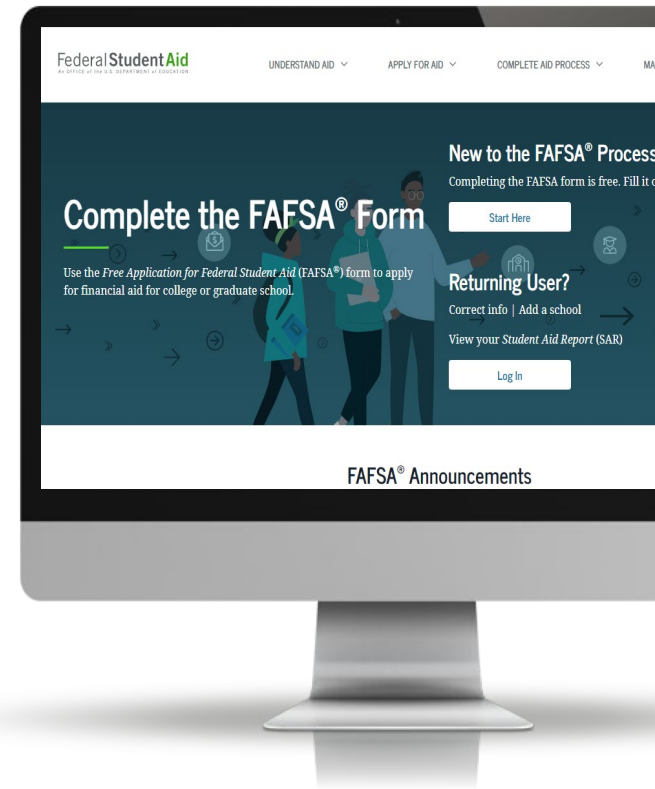
- Federal programs
- State programs
- School programs

The 2024-25 version of the FAFSA features several changes in comparison to prior years.



Free Application for Federal Student Aid

- File a FAFSA for free each year
- File online at 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



The 2024-25 FAFSA will NOT be available until December 2023!

Create Your FSA ID Accounts

- The student applying for aid and at least one parent will need to create an FSA ID at studentaid.gov/fsa-id.
- Create prior to completing the FAFSA.
- Legal signature for student and parent.

Social Security
Number

Username

Email Address

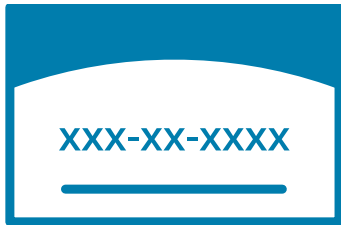
Password

Mobile Phone

Security Questions

Enable Two-Step
Verification

Information Needed for FAFSA



**Social Security
Numbers**



**Federal Tax
Returns and
W-2's**



Untaxed Income



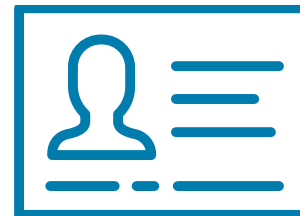
**Checking and
Savings Account
Statement
Balances as of
FAFSA Filing Date**



**Investment
Records**



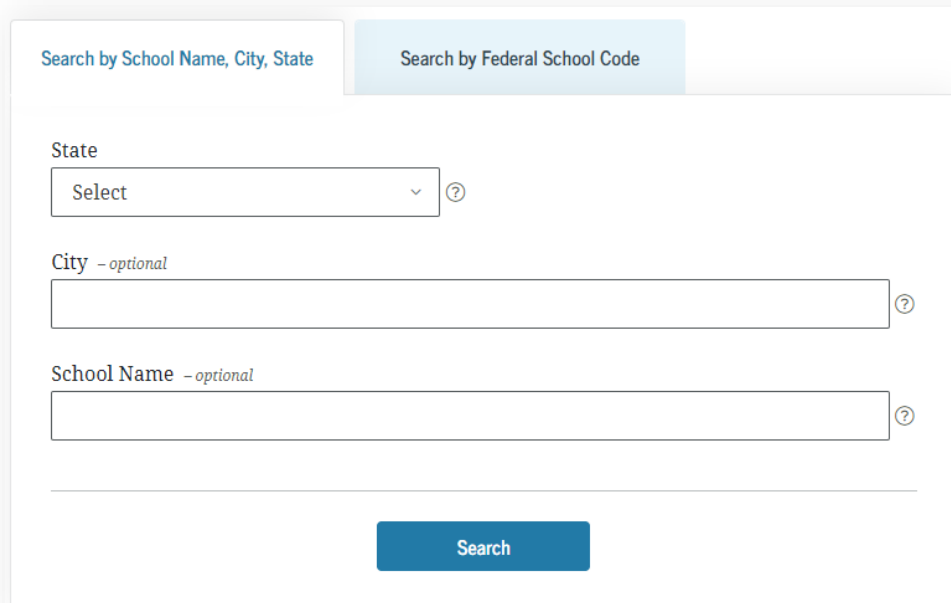
Email Addresses



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

School Selection

- Only schools that are listed will be able to see your FAFSA information.
- Starting with 2024-25 FAFSA, students can list up to 20 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" (active) 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



**Most high school seniors are
dependent and required to
provide information about
their parent(s) on the FAFSA.**

Who is Independent?

- 24 or older
- 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

Whose Info Goes on the FAFSA?

- Divorced or separated parents (Read instructions carefully with regard to which parent must complete the FAFSA)*
- Stepparents - YES
- Adoptive parents - YES
- Foster parents - NO
- Legal guardians - NO
- Anyone else the student is living with - NO

**2024-25 FAFSA will have different guidelines for divorced/separated parents than the 2023-24 FAFSA.*



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

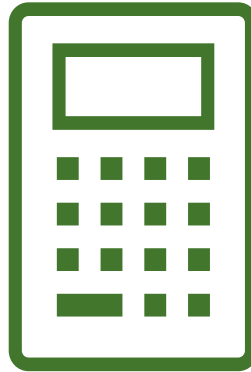


Student is an orphan or ward of the court under the age of 24

FAFSA is Filed... Now What?



Student
completes
the FAFSA



Schools
receive
FAFSA and
calculate
financial aid



Schools
send
Financial Aid
Notifications
to student

Grant Programs

- Eligibility requires financial need determined by the FAFSA.
 - Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG),
 - Pennsylvania State Grant
 - Grants offered by colleges

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
- You must work to receive a paycheck from work-study. This funding typically does not get deducted from your school bill.



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



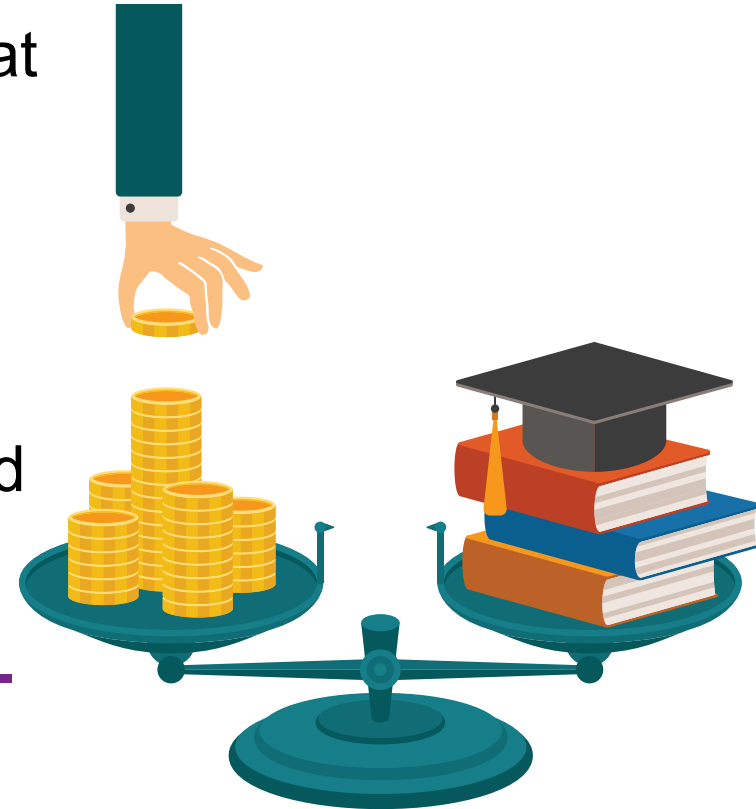
Student Loan Borrowing Limits

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

Step 4: Compare Schools' Financial Aid Notices Carefully

- 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?



Step 5: Be Sure You Have The Money You Need

25

- 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?



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
- 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

Important Resources

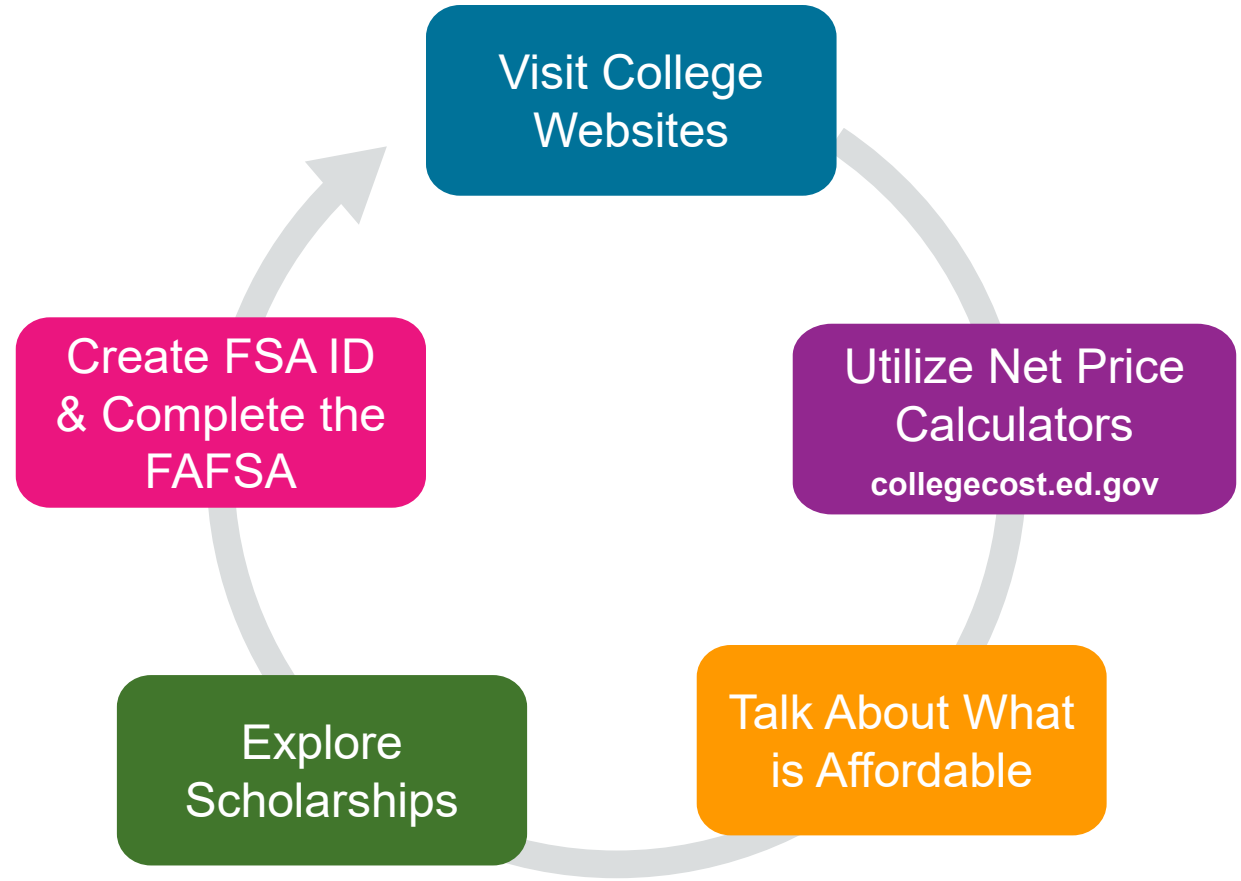
- [PHEAA.org](https://phea.org)
- [StudentAid.gov](https://studentaid.gov)
- [CollegeCost.ed.gov](https://collegecost.ed.gov)
- [EducationPlanner.org](https://educationplanner.org)
- [MySmartBorrowing.org](https://mysmartborrowing.org)

Scholarship Sites

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



What Can You Do Now?





PHEAA

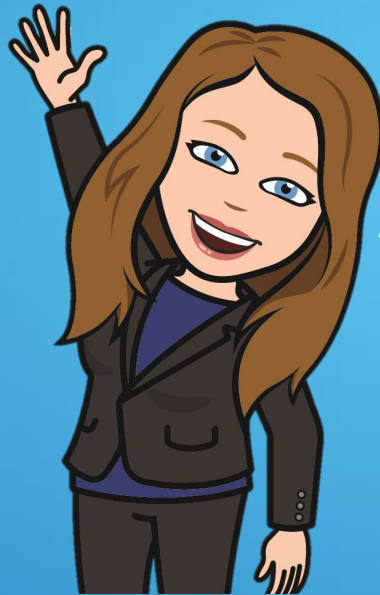


@PHEAAid



PHEAA

Questions?



Amy Sawdey

Higher Education Access Partner
Allegheny County

Amy.Sawdey@pheaa.org

717-433-3847