

# Financial Aid 101



## Your Presenter

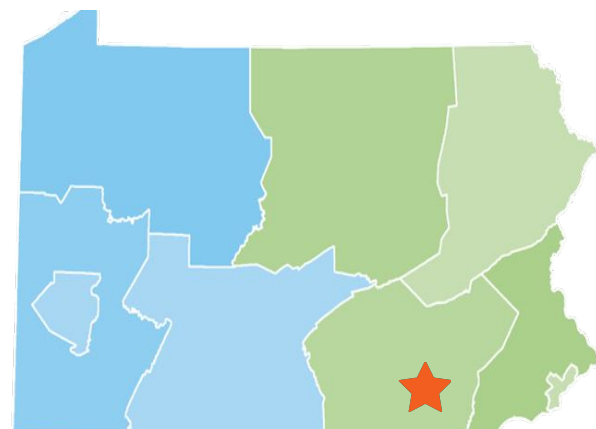
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# Meet the Team

## Western Pennsylvania

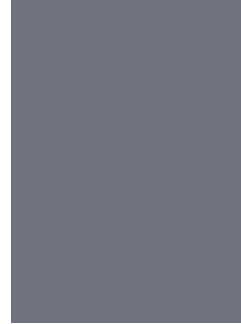
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# Meet the Team

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# 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



# Funding Sources



**Federal Government**



**State Government**



**School or College**



**Scholarships**

# Step 1: Look For Free Money First

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



# Types of Scholarships



Postsecondary  
Scholarships



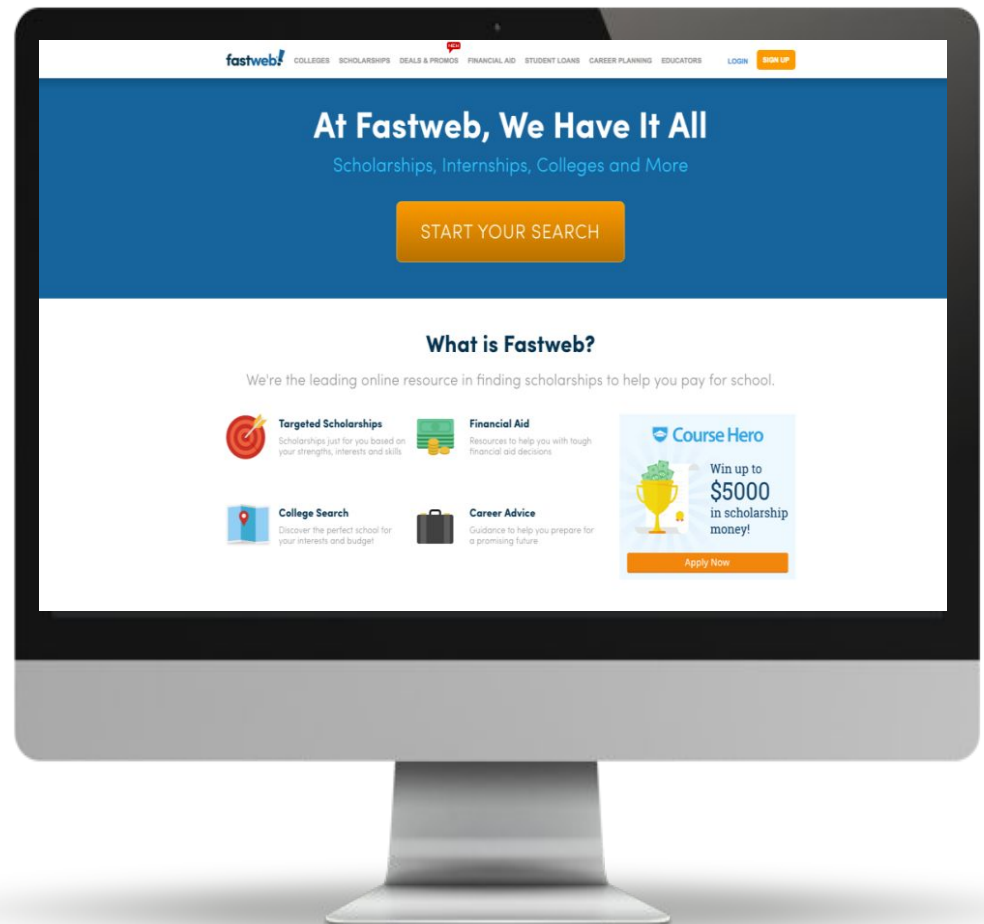
Local and  
Regional  
Scholarships



National  
Scholarships



- Matches scholarships to specific student criteria
- Sends email message when students qualify for a scholarship



# Financial Aid 101



## Federal & State Aid Programs



# Federal Grant Programs

## NEED-BASED AID

- 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
- Campus-based Aid Programs
  - **Federal Supplemental Educational Opportunity Grant (FSEOG)** – max award \$4,000
    - Eligibility determined by Financial Aid Office at each potential school
  - **Federal Work Study**
    - “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”.

# PA State Grant Program

NEED-BASED AID

- 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 - PA State Grant 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



- 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
- 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

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

# Other State Programs



## Step 2: Know Your Deadlines

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



**WARNING**  
**DUE DATES ARE CLOSER**  
**THAN THEY APPEAR**

# 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

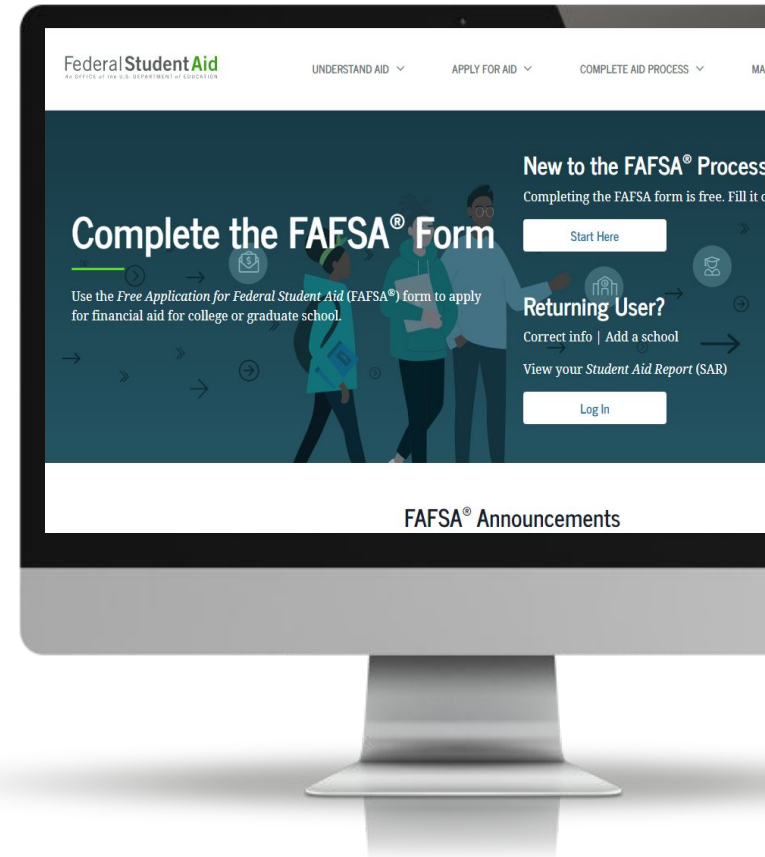
The FAFSA is a federal form used to determine student eligibility for the following:

- Federal programs
- State programs
- School programs



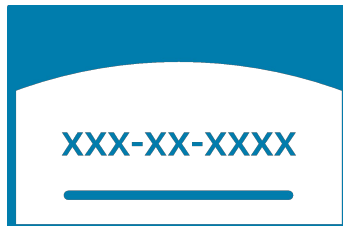
# FAFSA

- 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.





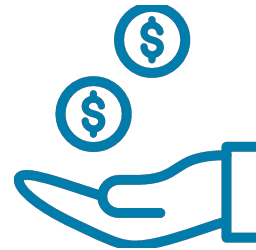
# Information Needed for FAFSA



**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)**

# 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

# Who Reports Info on the 2023-24 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



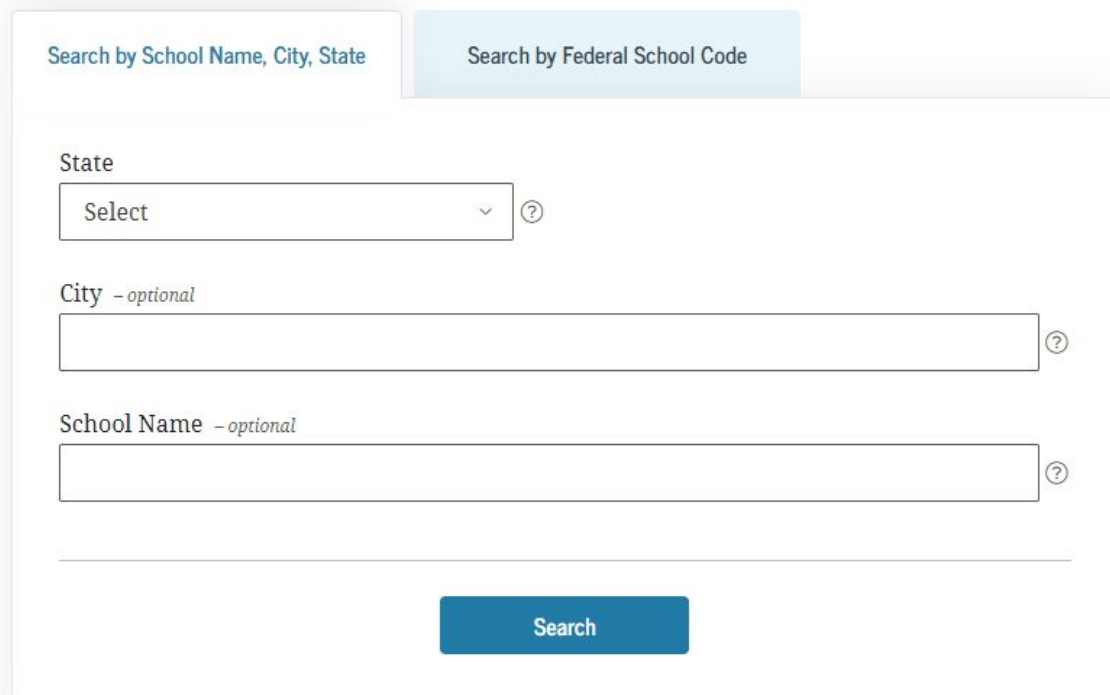
# When is a Student Considered Independent?



- ✓ 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)

# 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: a "State" dropdown menu with a "Select" placeholder and a help icon, a "City - optional" text input field with a help icon, and a "School Name - optional" text input field with a help 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



# Parents Income and Assets

## Income

- Allowances are made for taxes, working households, and living allowances based on family size

## Assets

- An asset protection allowance is applied based on the age of the older parent

# Student Income and Assets

## Income

- Allowances are made for taxes
- Earnings from work-study are excluded
- Income protection allowance of up to \$7,040 and remaining income assessed at 50%

## Assets

- Dependent students must report assets in their name
- Student assets are assessed at 20%
- Student has no asset protection allowance



## 2021 Federal Income Tax Information

Jane Austin

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	

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



# What is considered an asset?

## Report the current value at time of filing the FAFSA:

- ✓ Cash
  - ✓ Checking
  - ✓ Savings
  - ✓ Investments
  - ✓ Stocks
  - ✓ Bonds
  - ✓ Certificates of deposit (CD)
  - ✓ Bitcoin
  - ✓ Mutual funds
  - ✓ 529 Plans – for all children
  - ✓ Net value of real estate
- Farm Value – unless primary place of residence
  - Business Value – unless family owned and employs 100 employees or less

## **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

# Signing with the FSA ID

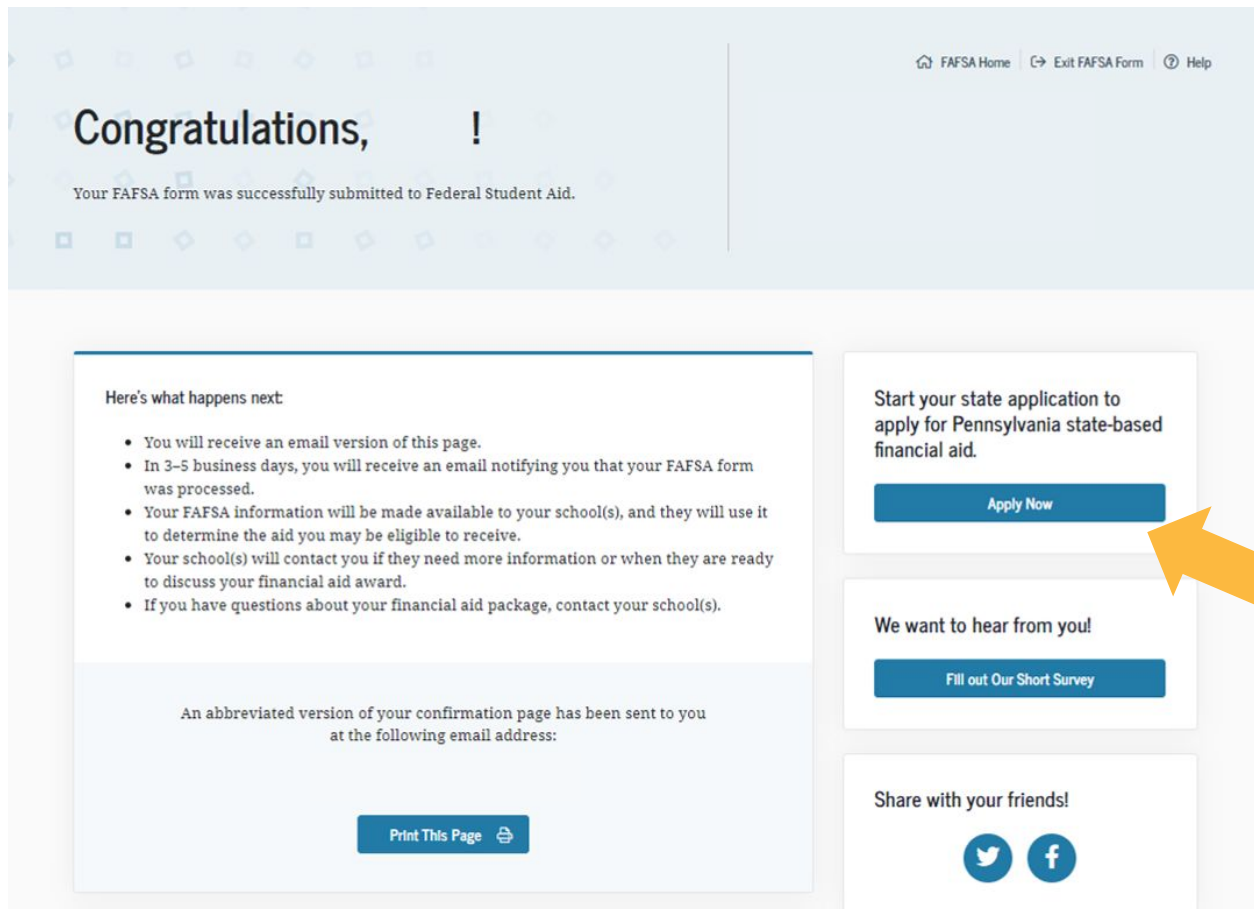
The screenshot shows the 'Signature Status' page of the FAFSA application. At the top, a progress bar indicates the completion status of various sections: Student Demographics, School Selection, Dependency Status, Parent Demographics, Parent Financials, Student Financials, Sign & Submit, and Confirmation. The first six sections are marked with green checkmarks, while 'Sign & Submit' is marked with a blue pencil icon. Below the progress bar, an information box states: 'Both you and a parent need to sign your FAFSA. Only sign for yourself. If you and your parent are not together, one of you can sign, save the application and then exit. Give the "save key" to the other person who can log in with it and sign and submit the FAFSA. Be sure not to mix up your and your parent's FSA IDs when signing.' Below this, there are two main sections: 'Student Signature Needed' and 'Parent Signature Needed'. Each section shows 'Signature Status: Unsigned' and a button labeled 'PROVIDE STUDENT SIGNATURE' or 'PROVIDE PARENT SIGNATURE'. At the bottom right, there is a 'PREVIOUS' button. The footer includes the text 'Site Last Updated: Sunday, September 29, 2019', a link to 'Download Adobe Reader', and the copyright notice '©2010 fafsa.gov. All rights reserved.'

- Student and one parent will sign the FAFSA using their **SEPARATE** FSA ID & password.
- A FAFSA is not complete until it is signed!



# Confirmation Page & Link to the PA State Grant Form

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The image shows a confirmation page for a FAFSA submission. The page has a light blue header with navigation links: 'FAFSA Home', 'Exit FAFSA Form', and 'Help'. The main content area is white with a blue border. It features a large 'Congratulations, !' message and a confirmation that the FAFSA form was successfully submitted to Federal Student Aid. Below this, there is a section titled 'Here's what happens next:' with a bulleted list of steps. To the right, there are three white boxes with blue borders. The first box contains the text 'Start your state application to apply for Pennsylvania state-based financial aid.' and a blue 'Apply Now' button. A large orange arrow points to this button. The second box contains the text 'We want to hear from you!' and a blue 'Fill out Our Short Survey' button. The third box contains the text 'Share with your friends!' and two circular social media icons for Twitter and Facebook. At the bottom of the main content area, there is a blue 'Print This Page' button 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

# Other Forms You May Need to Complete

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✓ Check with your school



College  
Scholarship  
Service  
(CSS)  
Profile

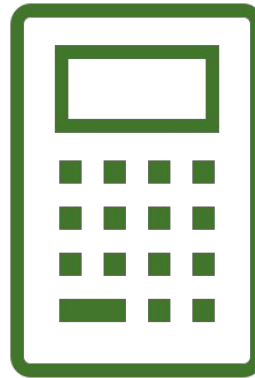


College  
Specific  
Form

# FAFSA is Filed... Now What?



Student  
completes  
the FAFSA



Schools  
receive  
FAFSA and  
calculate  
financial aid



Schools send  
Financial Aid  
Notifications  
to student

# How is the EFC Calculated?

- Primarily income-driven
- Major factors for dependent student:
  - Parental & student - income and assets
  - Family size and number of family members in college
  - Age of older parent

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



# Calculating Financial Need

Financial Aid Office (FAO)  
“packages” student based  
on financial need and  
available funding

- Financial need varies  
from school to school
- Your financial aid  
package may not meet  
all of your calculated  
financial need.



<b>School cost</b>	<b>\$26,000</b>
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<b>EFC</b>	<b>–</b>	<b>\$3,000</b>
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<b>Financial Need</b>	<b>\$23,000</b>
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## Step 4: Compare Schools' Financial Aid Notices 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?**



# 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

# 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 Cont. = (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?



# Financial Aid 101



## Federal Student Loans



# 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





# Subsidized

# Unsubsidized

## **No interest charged to student while enrolled or in grace**

- Based on financial need
- There is a 1.057% fee deducted from loan amount at disbursement
- Interest will not be charged during the grace period, if the loan was first disbursed after June 30, 2014




## **Interest accrues in school and grace**

- Any interest not paid during grace will be capitalized at repayment
- There is a 1.057% fee deducted from loan amount at disbursement

# 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>

# Comparing Packages

Cost	\$20,000	\$30,000	\$50,000
EFC	\$ 3,000	\$ 3,000	\$ 3,000
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Gap = (Cost – Aid)	\$ 8,500 	\$13,000	\$21,000
Actual Cont. = (Cost – Free \$)	\$14,000 	\$22,000	\$32,000

# 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% variable/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**



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



# 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**

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.



# Be a Smart Consumer



## DO YOUR RESEARCH

What is the  
net price you  
will pay?

What is the  
graduation  
rate?

What is the  
average debt  
of graduates?

What is the  
employment  
outcome?

# Net Price Calculators



- Determines an estimated net price at a particular institution.
- **ESTIMATED** data must be provided by each institution:
  - Total price of attendance (Tuition, fees, room/board, misc.)
  - Estimated total merit and need-based grant aid
- **May not include scholarships**

# Use Your Resources



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

Federal Student Aid  
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

UNDERSTAND AID ▾

APPLY FOR AID ▾

COMPLETE AID PROCESS ▾

MANAGE LOANS ▾

Log In | Create Account



## You Are America's Smartest Investment

The U.S. Department of Education's office of Federal Student Aid (FSA) provides more than \$120 billion in financial aid to help pay for college or career school each year.

Log In

Create Account

### Considering School

*I'm thinking about going to college or a career school.*

### In School

*I'm in the process of earning a degree or certificate.*

### Parent

*I want to help my child pay for college.*

### In Repayment

*I have loans I need to repay.*

# Social Media Outreach



**PHEAA**

**American Education Services**



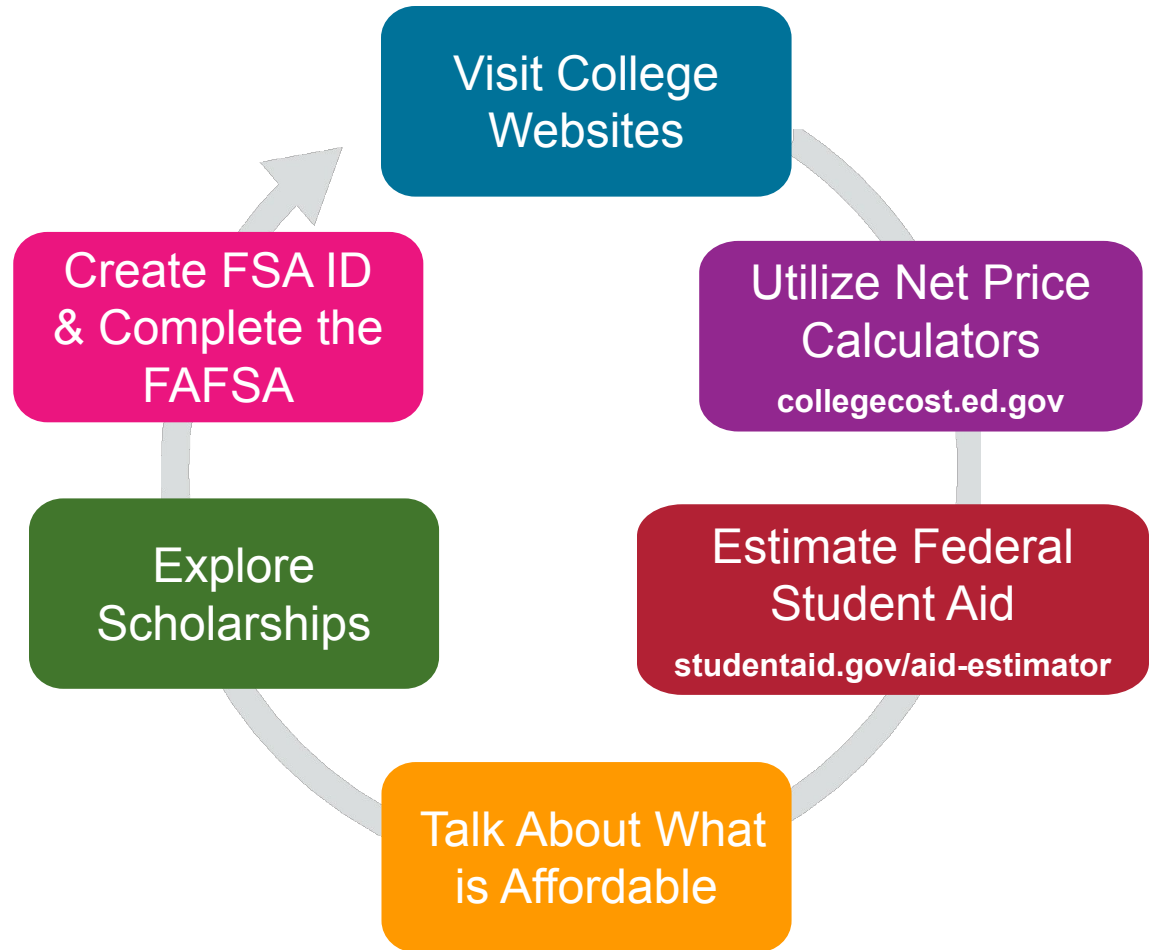
**@PHEAAaid**

**@aesSuccessorg**



**PHEAA**

# What Can You Do Now?





# Ways to Reduce the Need for Financial Aid

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- Graduate on time!
- Earn college credits in high school
- 2+2 or 3+2 Strategy
- Buy/rent textbooks
- Consider commuting
- Find cheaper meal plan





THANK  
YOU!

