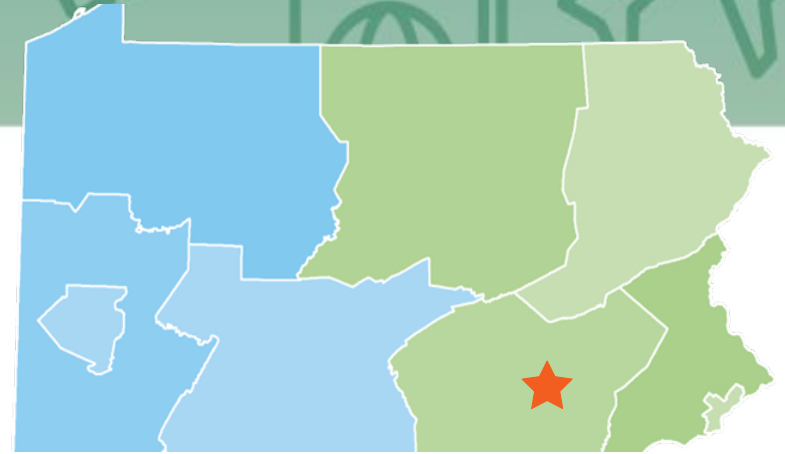




# FINANCIAL AID 101



# Your Presenter



2

## Ed Lane

Higher Education Access Partner

Adams, Cumberland, Franklin, Fulton and York Counties

PA Higher Education Assistance Agency (PHEAA)

717-798-4381

[ed.lane@pheaa.org](mailto:ed.lane@pheaa.org)



## Financial Aid 101

- Financial Aid Basics
- Types & Sources of Aid
- Federal & State Aid
- Five Steps to Financial Aid
- Applying for Aid
- What Happens Next?
- Final Thoughts
- Questions

# Basic Principles, Federal Aid

**Financial Aid:** financial assistance to help students pay the cost of an education at a post-secondary school.

- **Paying is the joint responsibility of the student and parent(s), to the extent possible**
- **Eligibility criteria may apply in order to receive/maintain financial aid, such as:**
  - Students must maintain satisfactory academic progress
  - Additional criteria may be required based on the type and source of aid
- **Students should play an active role in the process**
  - Talk with children about goals/plans (review [educationplanner.org](http://educationplanner.org) & [mysmartborrowing.org](http://mysmartborrowing.org))
  - Take advantage of college fairs & school visits (ask about cost and available aid)
- **Some students may not qualify for all forms of aid**
- **Must apply every year to be considered**

# Basic Principles, Federal Aid

## Cost of Attendance(COA):

Costs that the student can expect to incur during the school year (direct + indirect costs)

- **Direct costs:** billed by the school
- **Indirect costs:** not included in bill but may be incurred

### **School costs include:**

- **Tuition and fees**
- **Housing and food**
- **Books and supplies**
- **Transportation**
- **Miscellaneous living expenses**

## Student Aid Index (SAI)

A measure of a family's financial strength, namely its ability to pay for college. The SAI is calculated from a federal formula using info collected from the Free Application for Federal Student Aid (FAFSA)

## Financial Need = COA – SAI-OFA

- OFA is estimated financial aid from non federal sources. Schools will determine need after reviewing financial aid applications.
- Schools will create an award package based on need and available funding at their schools

# Financial Aid – Gift Aid

- **Grants:** aid, based on financial need and generally does not have to be repaid
  - Student must complete financial aid paperwork to determine eligibility
  - Looks at COA & SAI
- **Scholarships:** aid, usually based on merit, that generally does not have to be repaid. Most students must meet certain qualifications to receive and maintain scholarships.
  - Academic & athletic
  - Talent (music, art, etc.)
  - Grades, religious, ethnic or cultural background
  - Select criteria determined by scholarship organization(s)

# Financial Aid – Self-Help Aid

- **Work Study:** Student obtains job, often coordinated through the campus and/or State.
  - Wages earned help cover the cost of attendance
  - Not offered at all schools
- **Student Loans:** Borrowed money that must be repaid (with interest)
  - **Federal Direct Loans -Student's Name**
  - **Federal PLUS Loans -Parent's Name**
  - **Private/Alternative Student Loans – Varies amongst lender**

# Federal Grant Programs



8

- Pell Grant - max award \$7,395
  - 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

9

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



# 2024-25 Award Amounts



The maximum award for student attending an approved school in a reciprocal state is \$600 and \$800 (veterans)

**\* Must be at least half-time to be eligible**

Cost Tier	Maximum Award	Minimum Award
\$0 - \$13,000	\$3,058	\$500
\$13,001 - \$20,000	\$4,894	\$500
\$20,001 - \$29,000	\$5,260	\$500
\$29,001 - \$32,000	\$5,750	\$500

# Other State Programs



11

- 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 Gratuity 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)

# 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

## ➤ **National**

- Most found on corporate websites, scholarship databases & HS guidance offices/webpages
- Lots of competition

## ➤ **Local & Regional**

- Check with HS Guidance office/webpage
- Businesses, churches, local foundations, etc. (stay on the lookout)
- Less competition

## ➤ **Post-Secondary:**

- Check the school's financial aid & admissions pages on website
- Inquire with financial aid office about scholarships from alumni and endowment funds

# Scholarship Search Tips

- Start Early and Search Often
- Create an Academic Resume:
  - Academic success
  - Extra Curricular Activities
  - Community Involvement/Volunteerism
- Create an Essay(s)- Write an essay, free from errors, that can be tweaked based on individual scholarships (be creative)
- Secure Letter of Recommendations early
- **Pay attention to deadlines and understand the terms**

- ✓ **FastWeb.com**
- ✓ **EducationPlanner.org**
- ✓ **FinAid.org**
- ✓ **BigFuture.Collegeboard.org**
- ✓ **Scholarshipamerica.org**

# Step 2: Know Your Deadlines

- Applications for admission
- Deadlines for scholarships
  - Institutions, Outside Sources
- Free Application for Financial Aid (FAFSA)
  - Schools have priority deadlines
  - Don't have to have applied or been accepted to list a school on the FAFSA



# 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

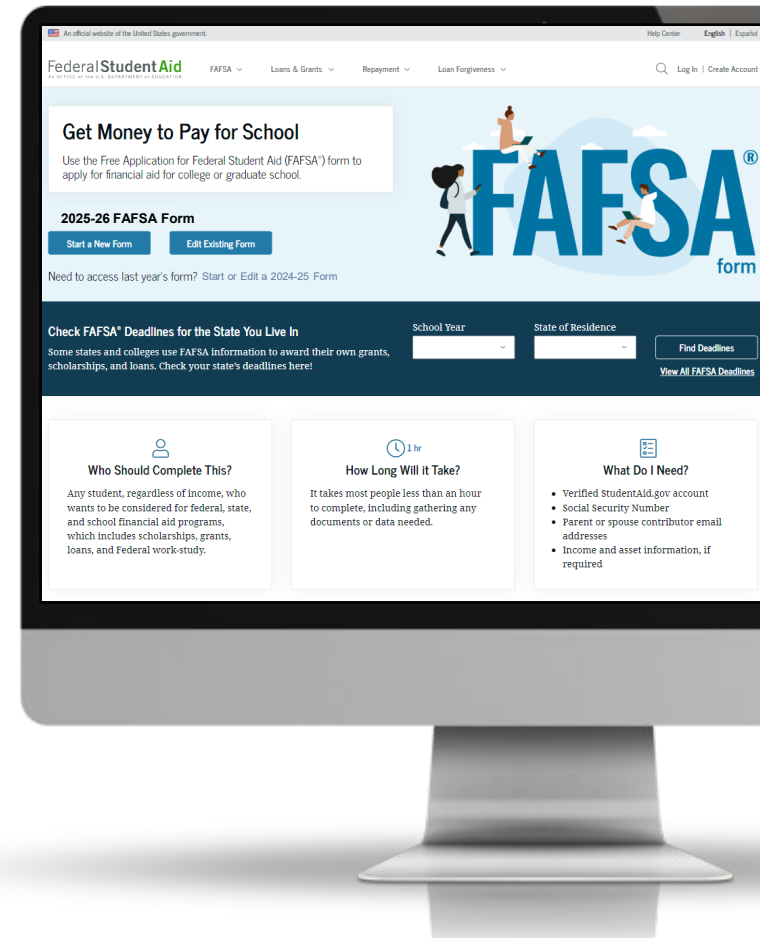
**DON'T MISS THE DEADLINE!**



# FAFSA (Free Application for Federal Student Aid) – StudentAid.gov/fafsa

17

- 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**.



## Step 3: The FAFSA is Your Connection to Funding

18

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

- Federal programs
- State programs
- School programs



# Create Your StudentAid.gov Account

- The student applying for aid and all contributors providing information on the FAFSA need to create a StudentAid.gov Account at <https://studentaid.gov/fsa-id/create-account>.
- Create at least 4 days prior to completing the FAFSA.
- Legal signature for student and contributors.
- Users without an SSN will be able to acquire a StudentAid.gov Account.

Social Security  
Number

Username

Email Address

Password

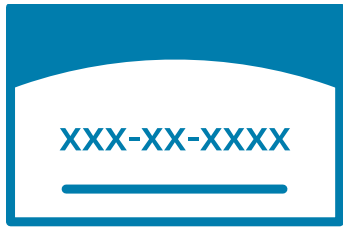
Mobile Phone

Security Questions

Enable Two-Step  
Verification

# 2025-2026 FAFSA Prep

## Information Needed for FAFSA



**Social Security Numbers**



**Email Addresses (Not high school email address)**



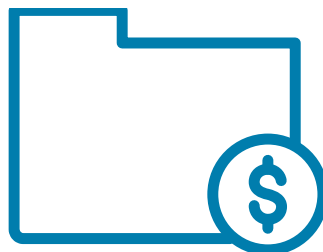
**2023 Federal Tax Returns and W-2's**



**Current bank statements and records of other investment accounts (as of the FAFSA filing date including farm value and value of small business)**



**Student & Contributor(s) StudentAid.gov Accounts**



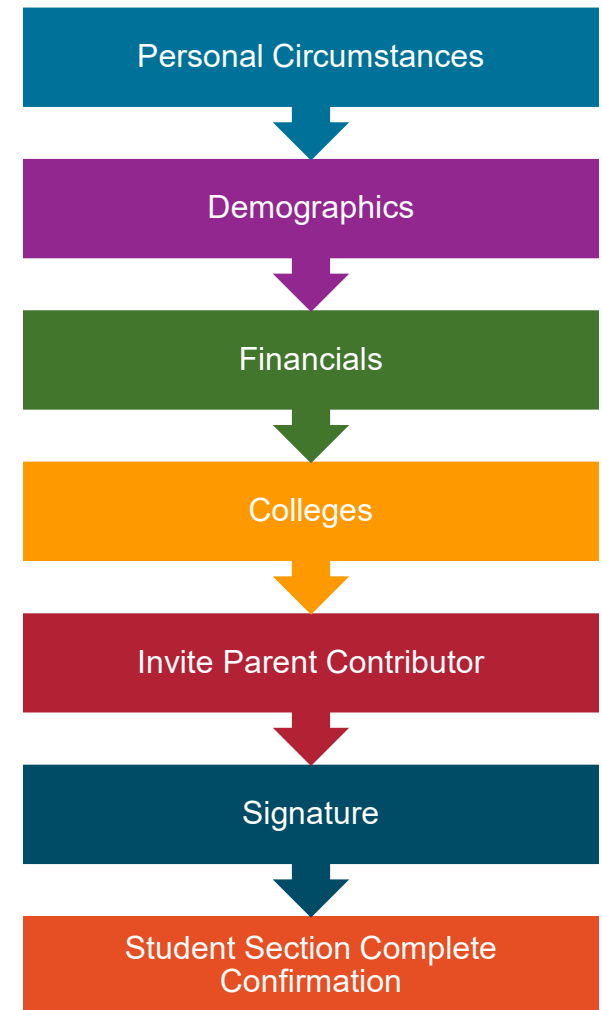
**Current Records of any stocks, bonds and other investments, including 529 for student for whom the FAFSA is being completed**



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

# FAFSA Steps – Dependent Student

1. Login – dependent student
2. Dependent onboarding steps
3. Verify student identity information
4. Student provides consent



# 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 20 colleges at a time
- Schools can be added or deleted at any time
- First school listed on FAFSA is used for PA State Grant eligibility purposes

**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](#)

**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.

[View Selected Schools](#)

**0 of 20 Schools Selected**

[Search by School Name](#) [Search by School Code](#)

State

Calif

California (CA)

School Name - optional

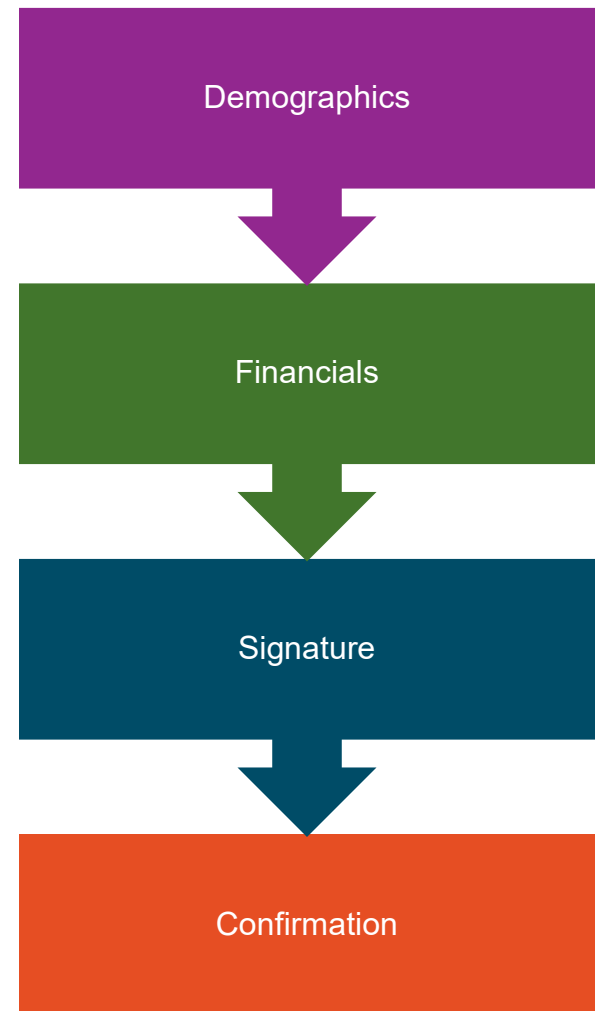
[Search](#)

[Previous](#) [Continue](#)

# 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

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



# Consent

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





# 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 complete 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)

# 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 student would invite the parent with the higher 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”?

27



- 24 or older on Jan 1st of 2025
- Married
- 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)

# 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.

# After Filing

Information will be shared with PHEAA and all college choices.

In a few days an email will be sent to the student regarding the processing of their FAFSA and their FAFSA Submission Summary.

PHEAA will send you an email to instruct you on how to activate your GrantUs account and apply for the PA State Grant.

Students should monitor the email account provided on the FAFSA and respond to requests from Federal Student Aid, PHEAA and the colleges.

# 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

# Step 4: Compare Schools' Financial Aid Notices Carefully

31

- 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
<b>SAI</b>	\$ 3,000	\$ 3,000	\$ 3,000
<b>Need</b>	\$17,000	\$27,000	\$47,000
<b>Free Money</b>	\$ 6,000	\$ 8,000	\$18,000
<b>Loans</b>	\$ 5,500	\$ 7,000	\$ 8,000
<b>Work-Study</b>	\$ 0	\$ 2,000	\$ 3,000
<b>TOTAL AID</b>	<b>\$11,500</b>	<b>\$17,000</b>	<b>\$29,000</b>
<b>Gap = (Cost – Aid)</b>	<b>\$ 8,500</b>	<b>\$13,000</b>	<b>\$21,000</b>
<b>Actual Cont. = (Cost – Free \$)</b>	<b>\$14,000</b>	<b>\$22,000</b>	<b>\$32,000</b>



# Other Forms You May Need to Complete

33

✓ Check with your school



College  
Scholarship  
Service  
(CSS)  
Profile



College  
Specific  
Form

# 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

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

35

- 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?



# Be a Smart Borrower



- Student debt is an increasing concern as more students graduate with staggering loan amounts.
- Think about how you'll repay your debt before you borrow.
- Consider every potential free financial aid option before borrowing.
- The federal government has made it very easy to borrow – this is good for access, but students need to be aware of the pitfalls of borrowing too much.
- **If you must borrow, only borrow what you need.**

# Types of Federal Loans



37

- Undergraduate Students
  - Subsidized
  - Unsubsidized
- Graduate Students
  - Unsubsidized
  - GradPLUS Loan
- Parents
  - PLUS Loan

# Federal Direct Stafford Loan Borrowing Limits

38

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 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 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  
**4.49–10.06%** <sup>1,2</sup>  
APR

Effective as of 05/10/24



Learn more at [pheaa.org/PAForward](https://pheaa.org/PAForward)

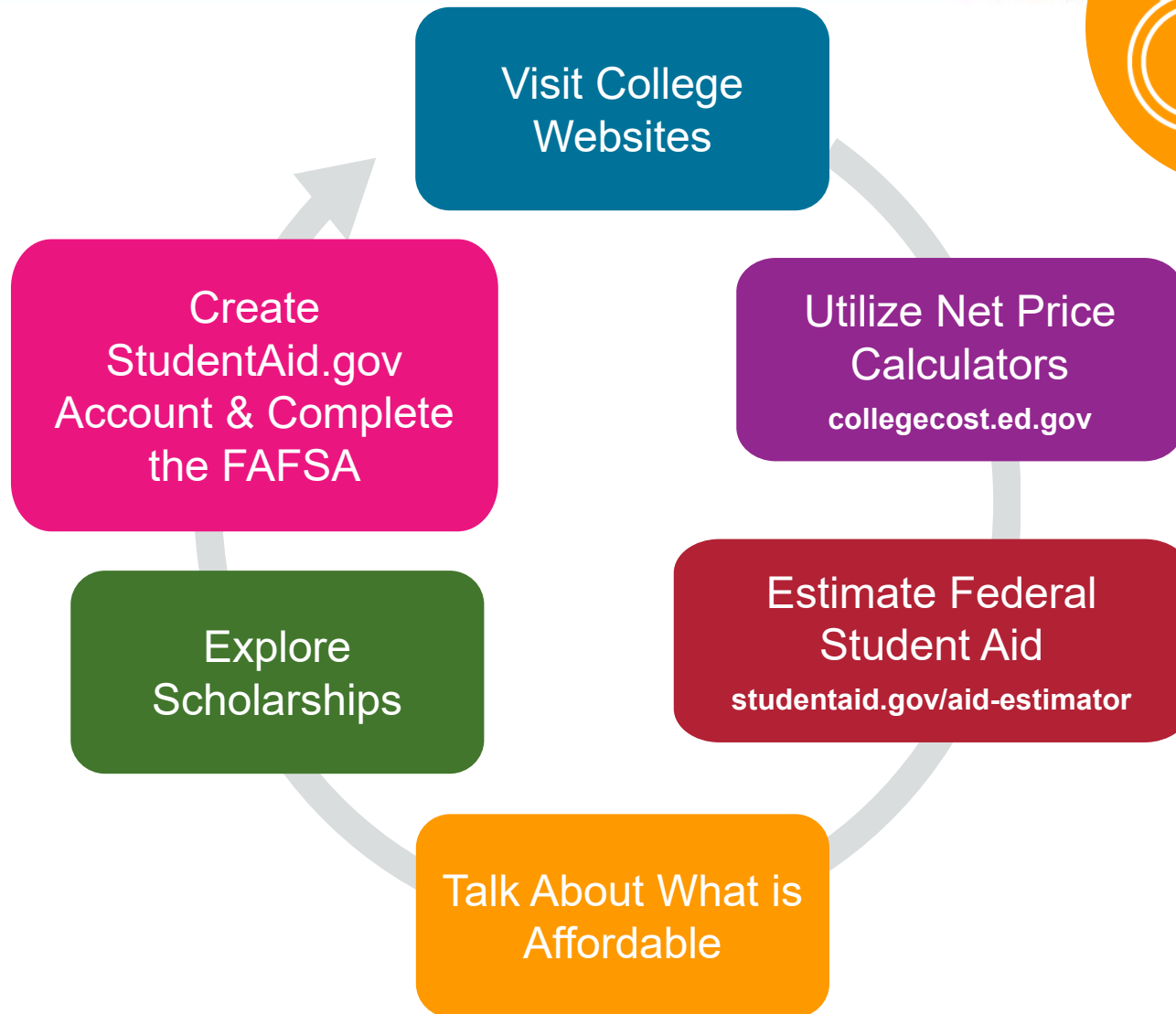
1) **Annual Percentage Rate (APR) Calculations** – The lowest APR is based on the following assumptions: a loan of \$10,000 made in a single disbursement, a borrower who selected an Immediate Repayment Plan and a repayment term of 60 months, monthly payments of \$186.52 and a final payment \$178.29, a fixed periodic interest rate of 4.77%, and total payments of \$11,183.03. The 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 borrower who selected an Interest Only Repayment Plan and a repayment term of 180 months, monthly payments of \$108.07, a fixed periodic interest rate of 10.1%, and total payments of \$23,829.83. The borrower received an in-school deferment of 46 months and a grace period of 6 months. The 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.

# What Can You Do Now?



# Use Your Resources

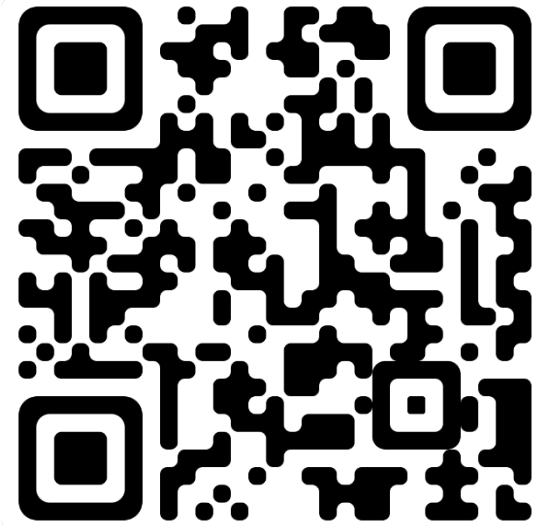


- **PHEAA.org**
- **EducationPlanner.org**
- **MySmartBorrowing.org**
- **YouCanDealWithIt.com**
- PHEAA toll free: 800-692-7392
- Federal Student Aid Info Center: 800-433-3243
- **StudentAid.gov** – The one-stop shop site for all financial aid information.
- **StudentAid.gov/FAFSA** – Direct link to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

# Stay Up to Date with PHEAA

**Sign up for more  
information on our  
programs and services!**

*Would you like to learn more about funding you or your student's higher education dreams? Sign up to get emails from PHEAA and we will send you information about loans, grants, and more!*



**Scan the QR to sign up!**

# Your Presenter

## Ed Lane

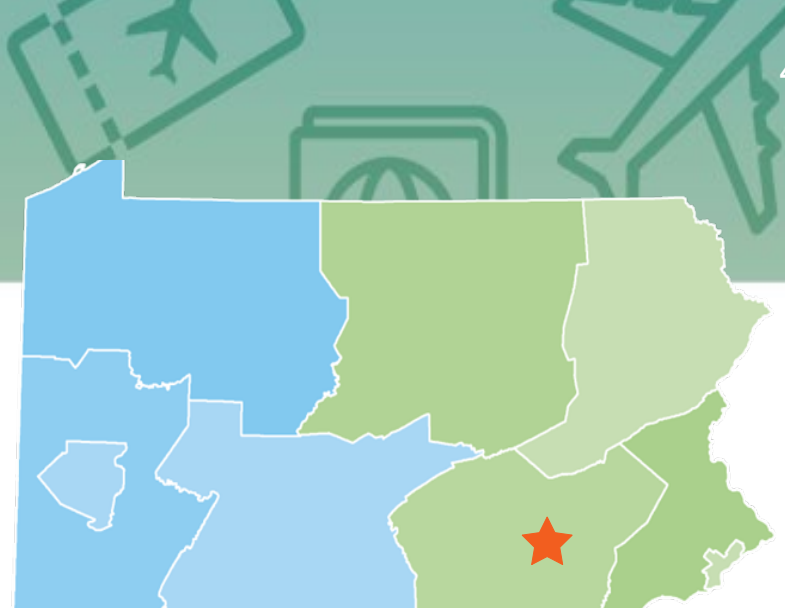
Higher Education Access Partner

Adams, Cumberland, Franklin, Fulton and York Counties

PA Higher Education Assistance Agency (PHEAA)

717-798-4381

[ed.lane@pheaa.org](mailto:ed.lane@pheaa.org)





# Questions?

