FINANCIAL AID
101

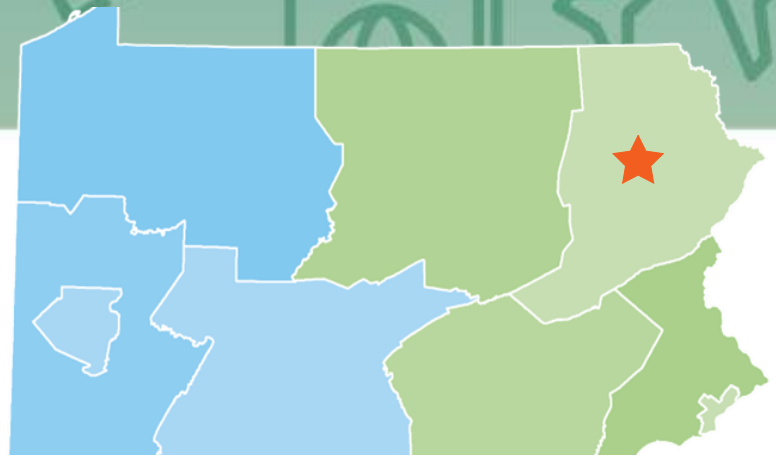
Please silence your cell phones!

Thank you for being considerate to the people around you.

PHEAA

Pennsylvania Higher Education Assistance Agency

Your Presenter



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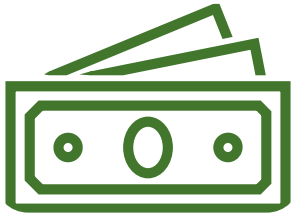
Topics

- What is financial aid
- Funding sources available
- How do I apply
- What happens next
- Federal and State aid
- Loans
- Scholarships Search Engines

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

Applying For Financial Aid

Start with the FORMS

FAFSA – Free Application for Federal Student Aid

- Required by **ALL Schools, PHEAA** and some scholarship organizations
- Required every year attending

STATE GRANT FORM through PHEAA

- Required first year for all students

Some schools require additional forms:

CSS Profile – through the College Board; additional fees

Institutional Financial Aid Forms - through a specific school

KNOW WHAT FORMS EACH SCHOOL *REQUIRES*

Know Your Deadlines

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

FAFSA – When To Apply

The FAFSA will be available **December 1, 2024** for the upcoming award year.

The 2025-26 FAFSA will be available **December 1, 2024**

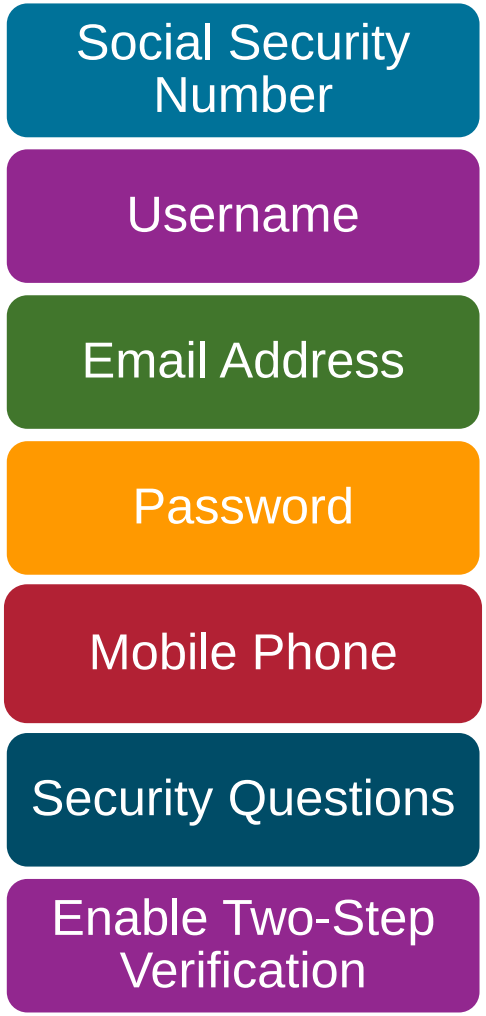
PA State Grant Deadlines

- **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!

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.

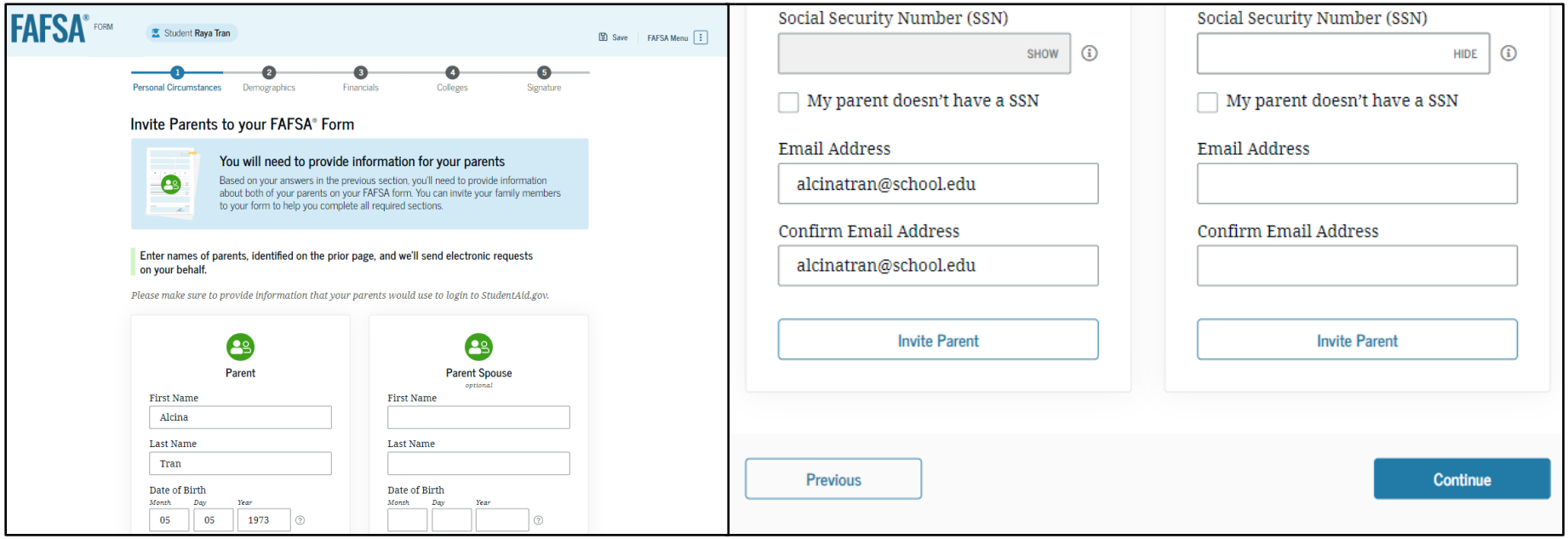


Who is a Contributor Starting with the 2025-26 FAFSA?

- 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.

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.



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

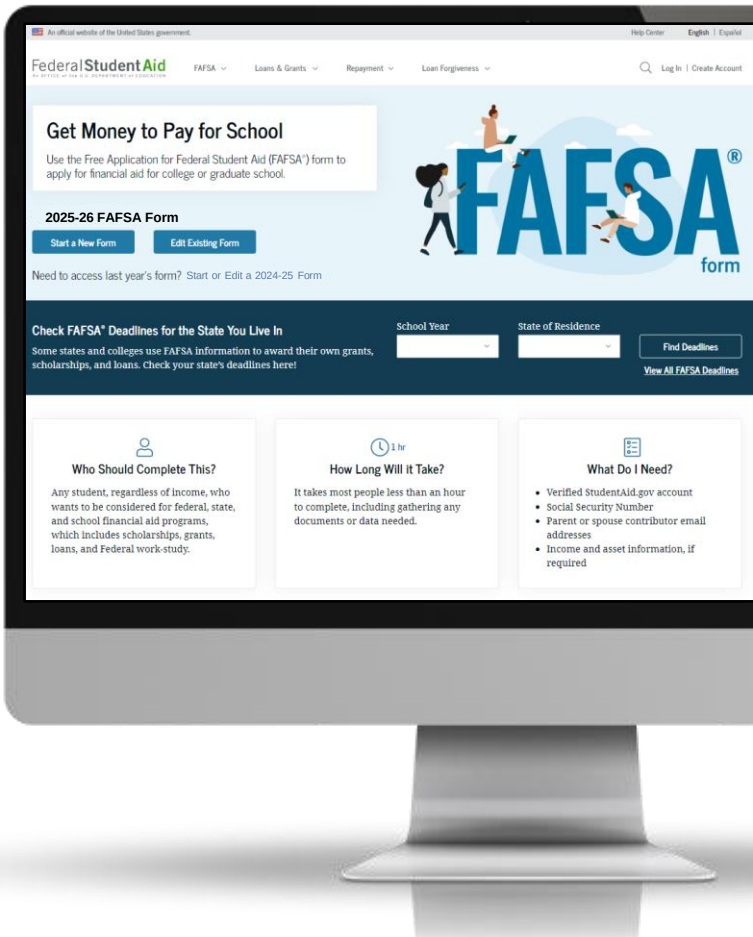
- Foster Parents
- Legal Guardians
  - By court order
- Anyone else the student is living with

When Is A Student Automatically Considered “Independent”?

- 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)

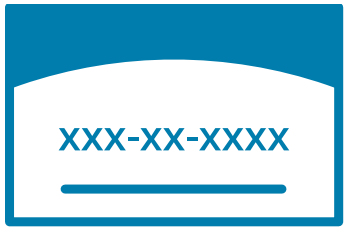
FAFSA (Free Application for Federal Student Aid) – StudentAid.gov/fafsa

- 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**.



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)

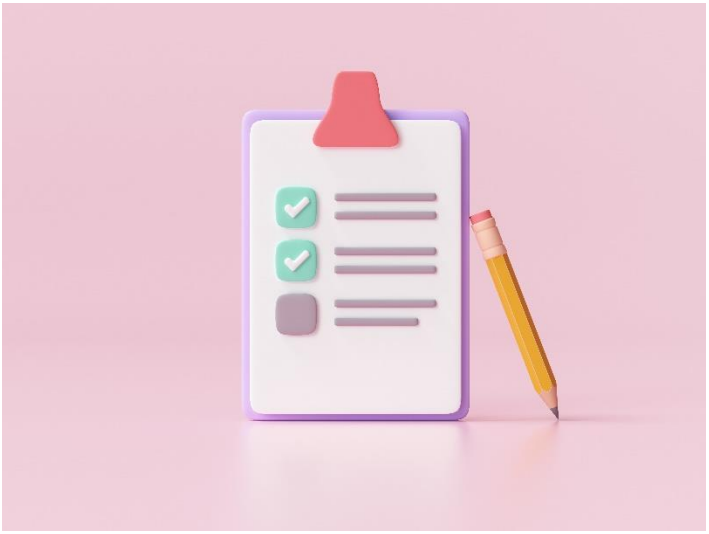
Student & Contributor(s) StudentAid.gov Accounts

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

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.



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.

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

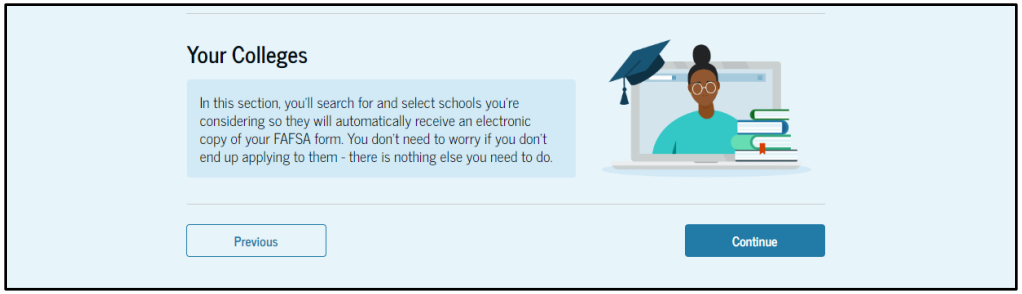
- Value of 529 accounts for the student owned by the parent(s) of a dependent applicant or owned by the student applicant
- Child support received for the most recently complete calendar year
- Net Worth of your businesses or for-profit agricultural operations.

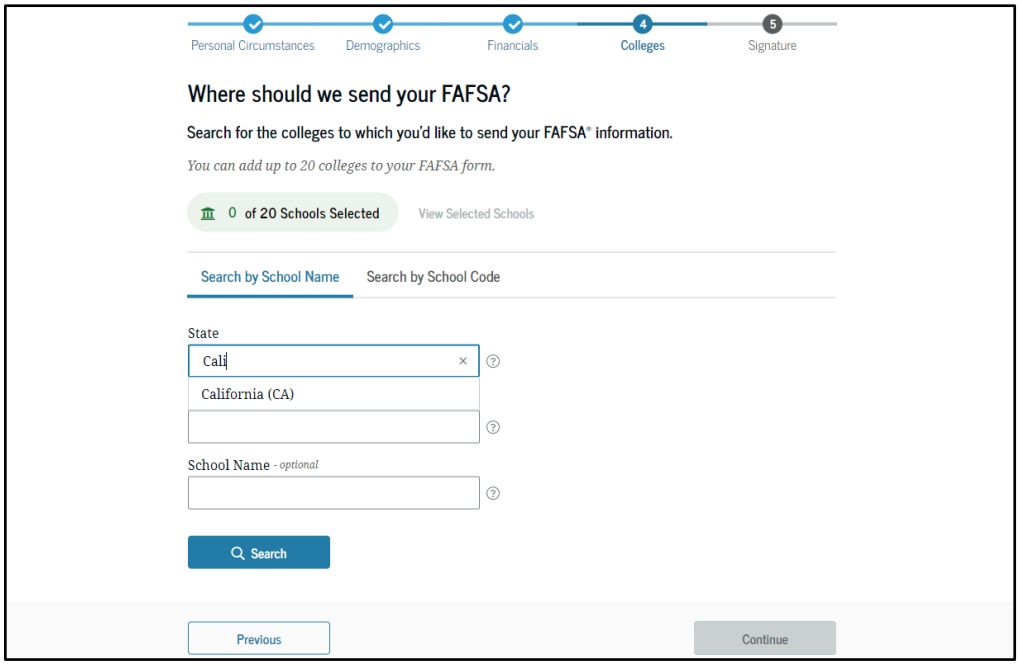
<u>Not</u> reported on FAFSA as an asset:

- 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 – School Selection

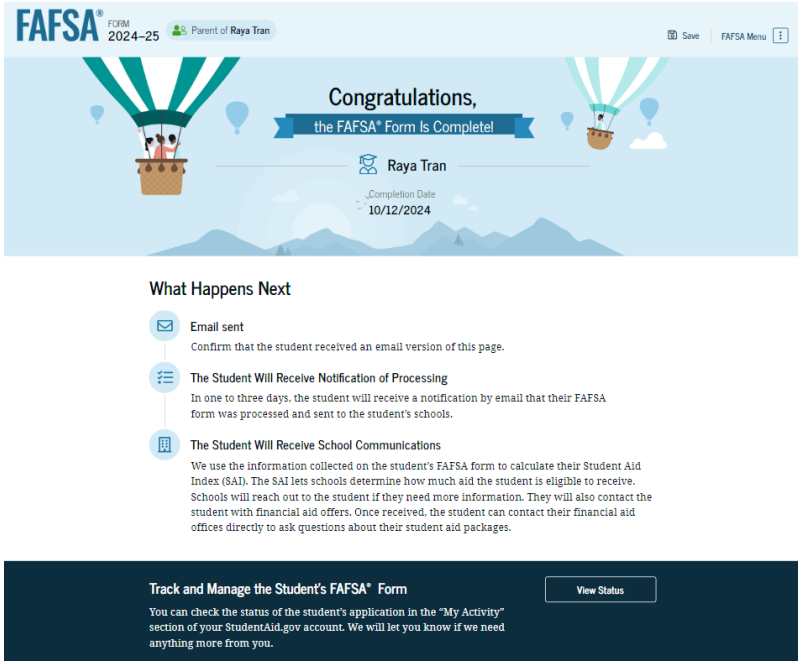
- List more than one!
- Only schools that are listed will be able to see your FAFSA information.
- Students can list up to 20 colleges at a time
- Schools can be added or deleted at any time
- First school listed on FAFSA is used for PA State Grant eligibility purposes





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.



PA State Grant Application Process

- In addition to the FAFSA, first-time applicants must also complete the **PA State Grant Application Process**

Steps to apply for PA State Grant

- Student files their FAFSA
- U.S. Department of Education transmits the student's data to PHEAA which is absorbed into our PA State Grant and Special Programs system.
- PA State Grant and Special Programs system automatically creates an account for the student.
- PA students that completed a FAFSA will receive an email from ***noreply@grantus.pheaa.org*** with instructions to activate their account.
- Once the student activates their PA State Grant and Special Programs account, first-time students will complete their

  PA State Grant Form

  High School Form

- These two forms will be listed on the students **Action Items** list in our system if they need completed.
- If more information is needed from the student (first-time or renewal), PHEAA will email them.

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.

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

FAFSA is Filed… Now What?

Student completes the FAFSA

Schools receive FAFSA and calculate financial aid

Schools send Financial Aid Notifications to student

What School Costs Are Considered?

Schools cost of attendance includes:

- Tuition and fees
- Housing and food
- Books, course materials, supplies, and equipment
- Transportation
- Personal expenses

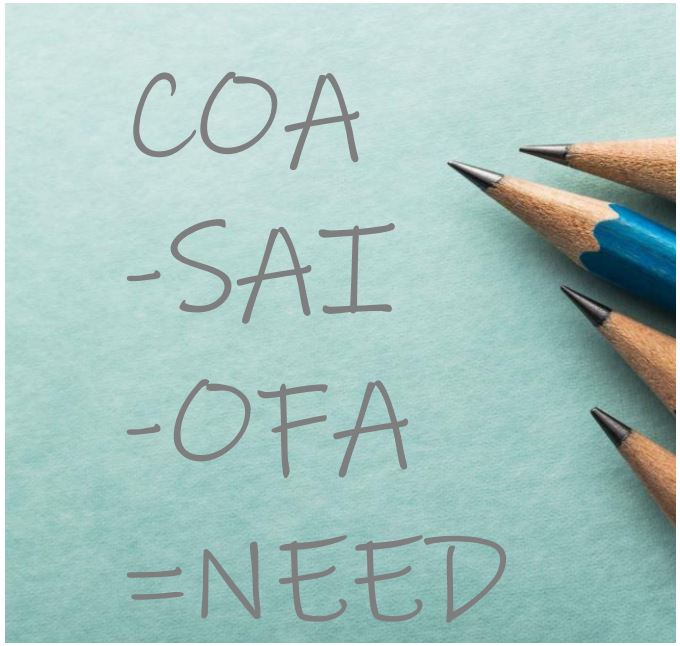
How is the SAI Calculated?

- 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.

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 Offer

- 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

Federal & State Aid

Federal Grant Programs

- **Pell Grant** - max award $7,395 (2023-24)
  - 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
    - 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

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

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**

Other State Programs

- 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**

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

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

ONLY consider Direct PLUS or private alternative 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
  - 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

Federal Direct PLUS (Parent)

Repayment begins immediately – can defer repayment until 6 months after student graduates or drops below half-time enrollment

- If defer payment – encouraged to make interest payments
- Standard repayment is 10 years

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 FORWARD® Student Loans by PHEAA

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

Low, Fixed Rates

4.49–10.06% APR [1,2]

Effective as of 05/10/24

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 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.

Scholarships

Types of Scholarships

Postsecondary Scholarships

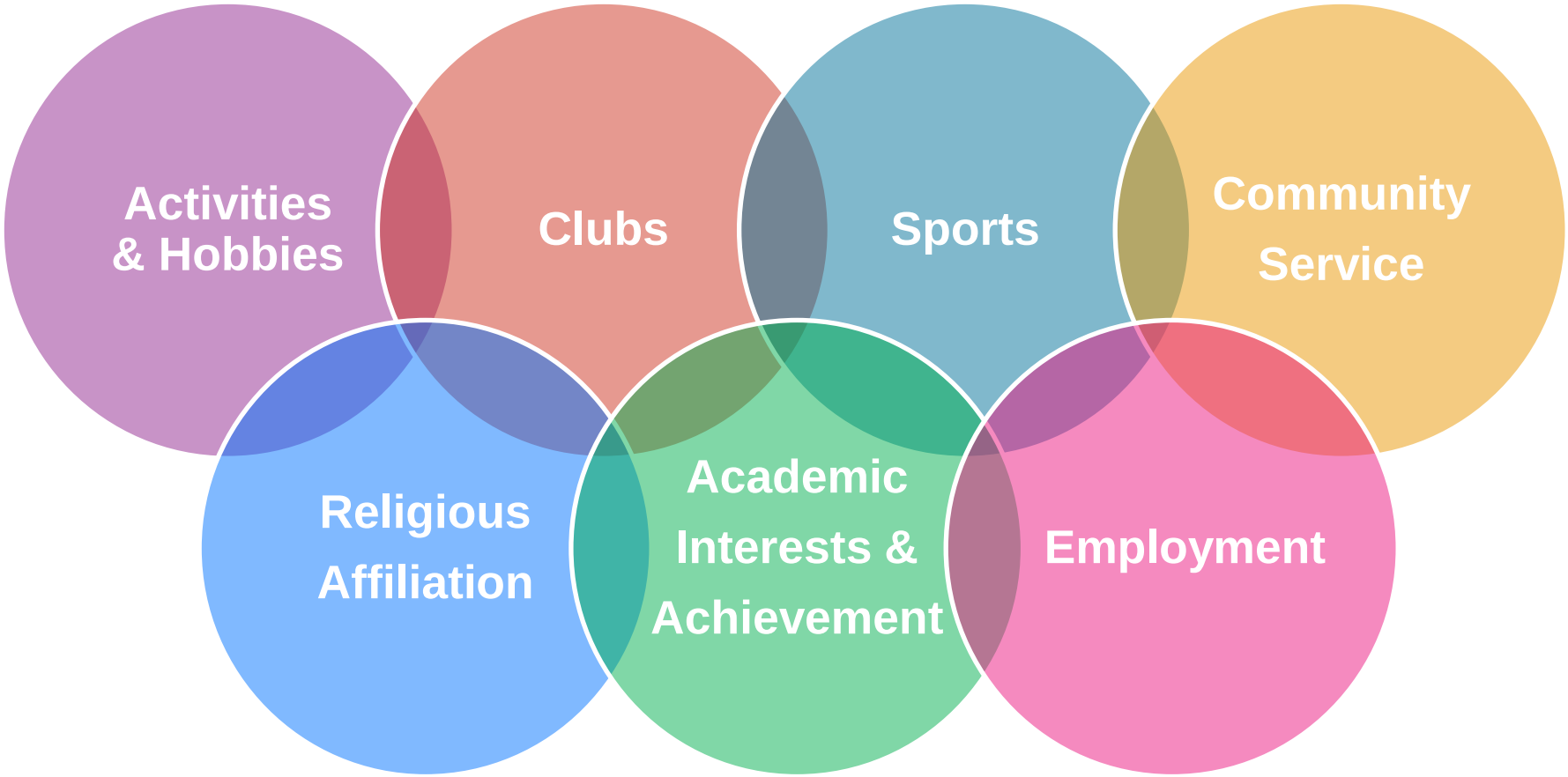
Local and Regional Scholarships

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



(Some) Scholarship Search Engines

- ✓FastWeb.com
- ✓Scholarshipamerica.org
- ✓Goingmerry.com
- ✓FinAid.org
- ✓Cappex.com/scholarships
- ✓Unigo.com/scholarships
- ✓DoSomething.org/Scholarships
- ✓CollegeScholarships.org
- ✓Chegg.com
- ✓Scholarships.com
- ✓Scholarship-Page.com
- ✓Colleges.Niche.com
- ✓StudentScholarships.org
- ✓BigFuture.Collegeboard.org
- ✓**MORE….**

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

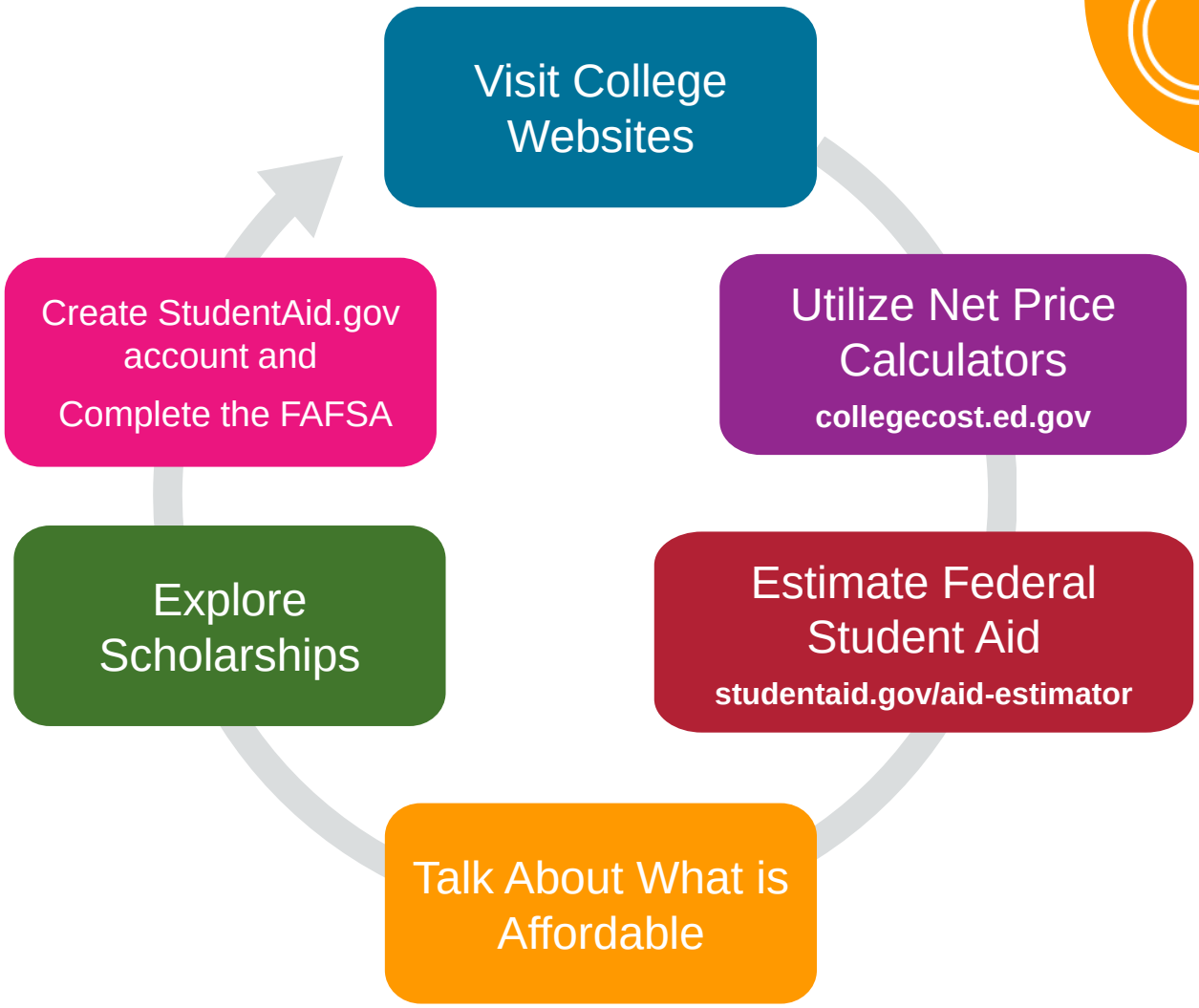
Stay Up to Date with PHEAA

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!

What Can You Do Now?



Social Media Outreach

PHEAA

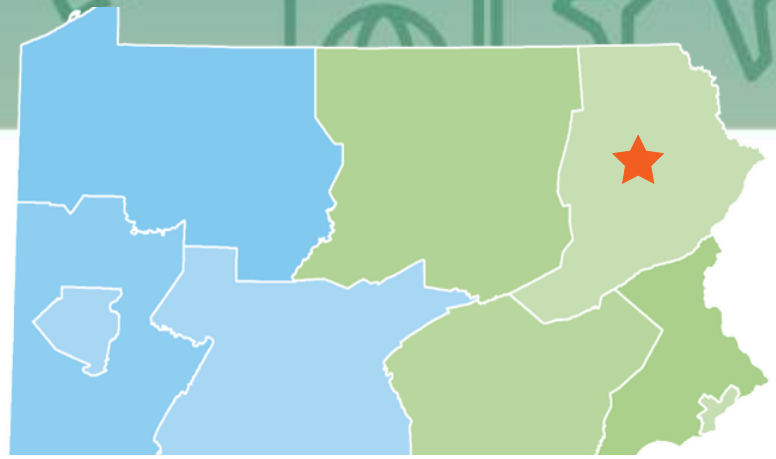
American Education Services

@PHEAAaid

@aesSuccessorg

PHEAA

Contact Information



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Questions?