FINANCIAL
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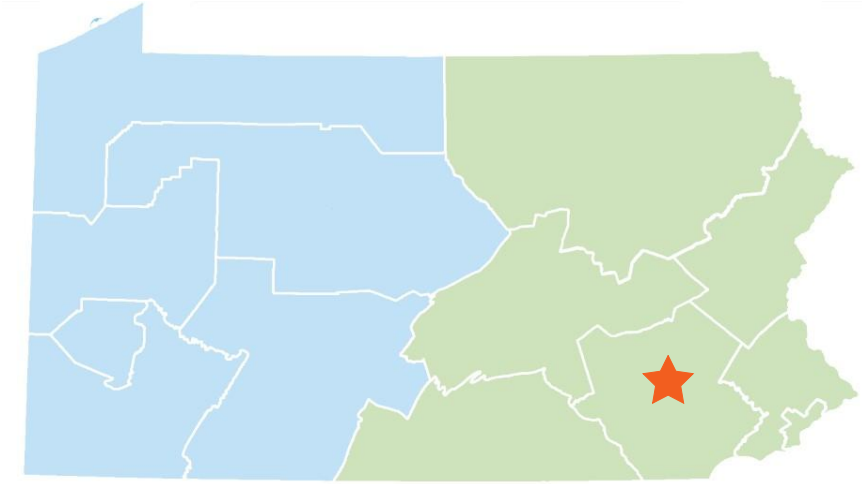
101

Your Presenter



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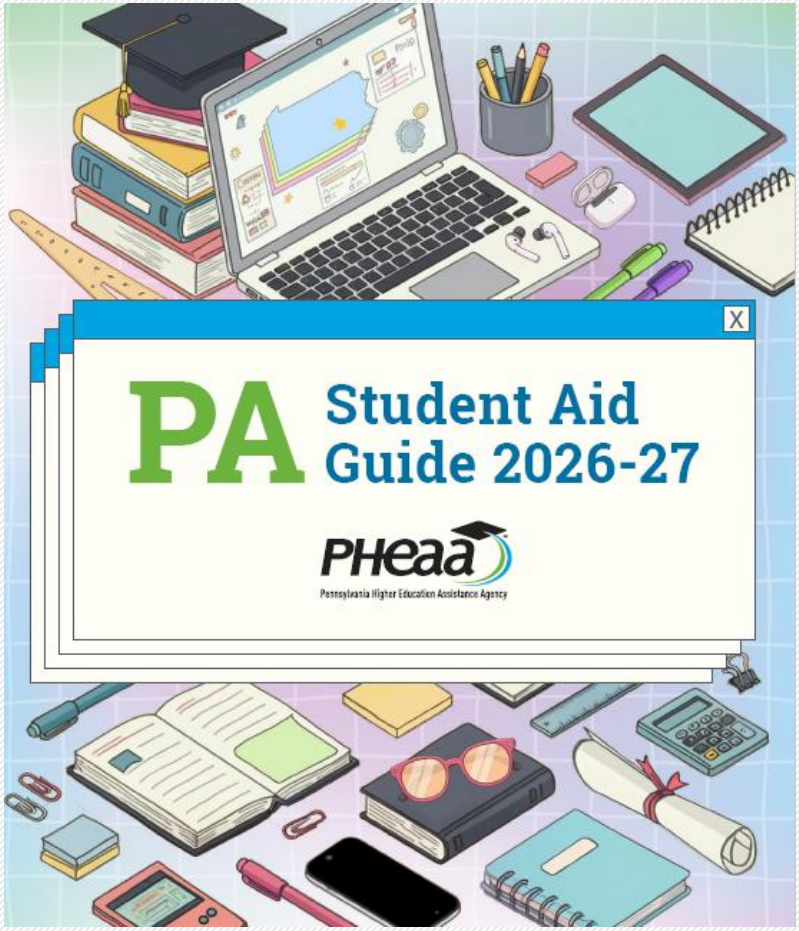
Topics

- Financial Aid Made Simple - 5 Steps
  - Gift & Self-Help Aid
    - Scholarships
    - Federal and Pennsylvania State Aid
    - Student and Parent Loans
- The Free Application for Federal Student Aid (FAFSA®)
- Financial Aid Notifications
- Tips, Strategies, and Additional Resources

Student Aid Guide

- The **page numbers** in top left of this presentation refers to where in the Student Aid Guide (SAG) you can review for more information.
- To view the electronic version of the SAG, go to: https://www.pheaa.org/college-planning/student-aid-guide or scan the QR Code



Pgs. 6, 17, 26

Financial Aid Made Simple

5 Steps to Financial Aid

Step 1	Step 2	Step 3	Step 4	Step 5
Look for FREE money first	Know your specific deadlines	Fill out the FAFSA	Compare schools financial aid offers carefully	Be sure you have the money you need

Funding Sources

Pgs. 5, 6, 27

Step 1: Look For Free Money First (Grants & Scholarships)

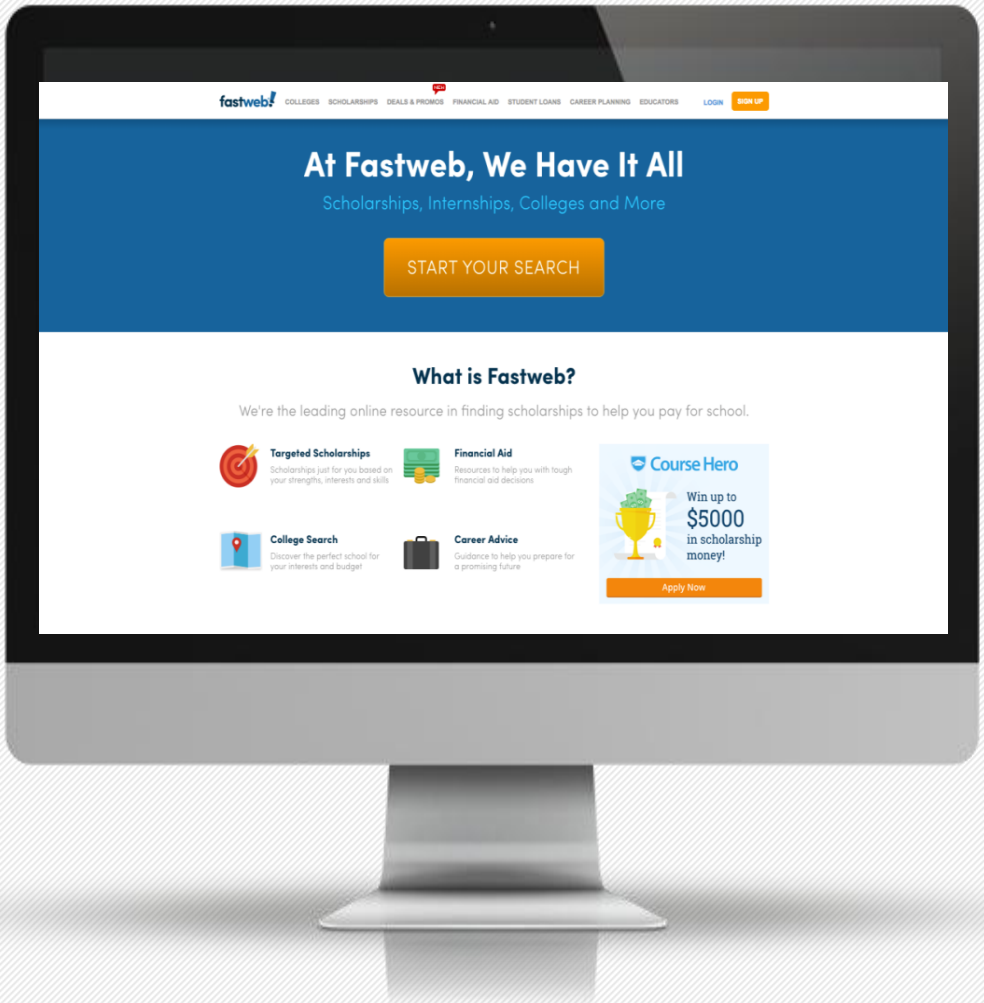
Postsecondary Scholarships

Local and Regional Scholarships

National Scholarships

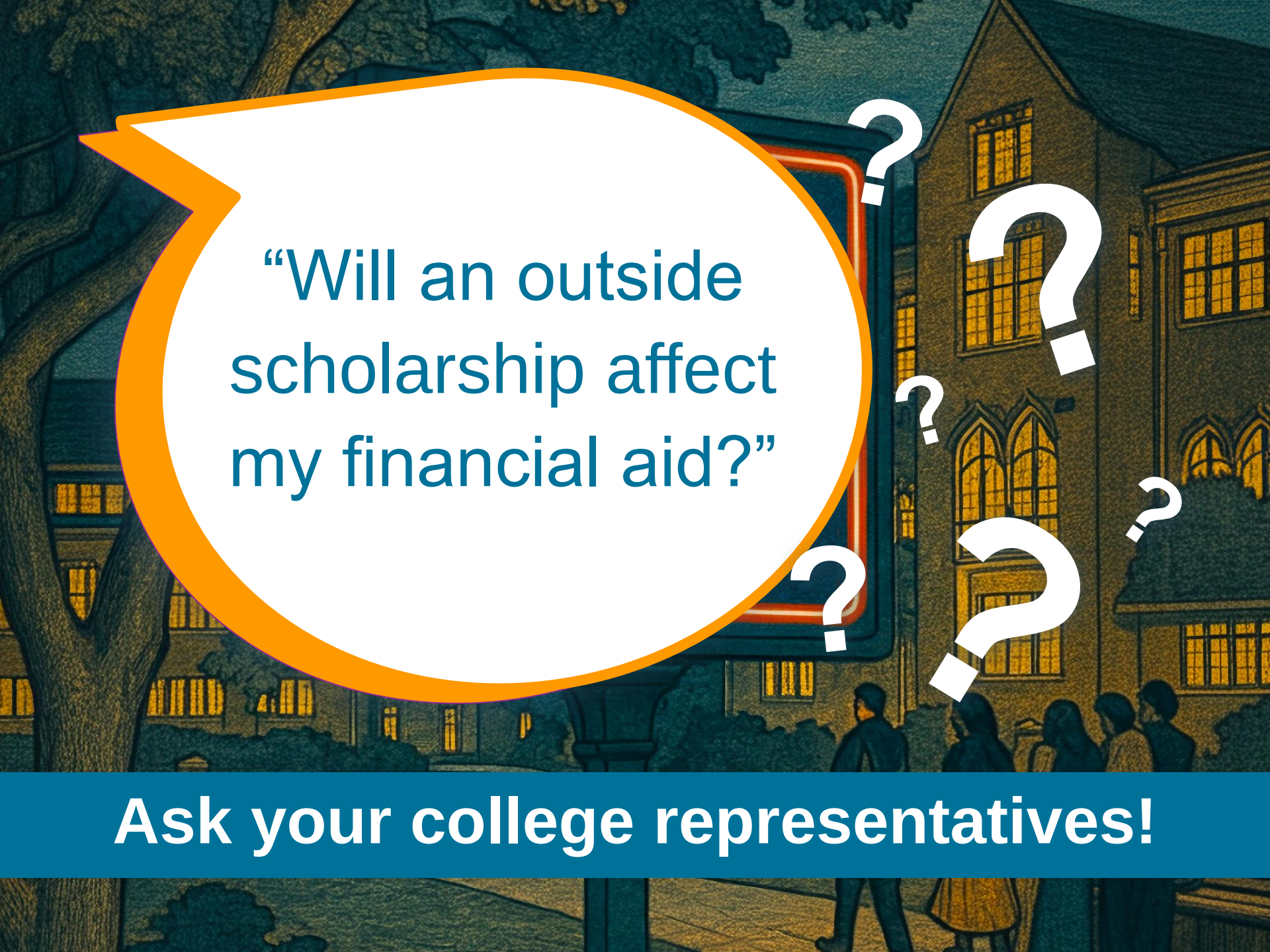
Fastweb.com

- Largest, most accurate and most frequently updated scholarship database
- Matches scholarships to specific student criteria
- Sends email message when students qualify for a scholarship



Watch for Scholarship Scams

- Application fees
- “Guaranteed” scholarships
- Solicitations
- Official-looking companies


“Will an outside scholarship affect my financial aid?”
Ask your college representatives!

Federal Grant Programs

- Pell Grant—max award $7,395* (2025-26 AY)
  - Eligibility is the same for every postsecondary institution
- Federal Supplemental Educational Opportunity Grant (FSEOG)—max award $3,722
  - Eligibility determined by Financial Aid Office at each potential school
  - Student must be enrolled at least half-time
  - **Awarded to most financially needy students**

Recommended by Federal Student Aid

Federal Student Aid Estimator

https://studentaid.gov/aid-estimator

Estimate types of federal **student aid** you may be eligible for before you complete the Free Application for Federal **Student Aid** (FAFSA®) Form.

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.

Study conducted by two Columbia University researchers,
Judith Scott-Clayton and Veronica Minaya

PA State Grant & Special Programs

Pgs. 7-8

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

2025-26 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

- PA Active Volunteer Tuition & Loan Assistance Program
- PA Blind or Deaf Higher Education Beneficiary Grant Program
- Chafee Education and Training Grant Program
- PA Fostering Independence Tuition Waiver Program
- Grow PA Scholarship Grant Program
- PA Mental Health Education Learning in Schools
- PA Partnerships for Access to Higher Education Program

New Program!

For details, see the PA Student Aid Guide, or visit pheaa.org

Pgs. 10-11

Other State Programs

- PA Postsecondary Educational Gratuity Program
- PA Ready to Succeed Scholarship Program
- PA State Work-Study Program
- PA Student Teacher Support Program
- PA Targeted Industry Program
- PA National Guard Educational Assistance Program
- PA National Guard Military Family Education 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

Subsidized

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

Unsubsidized

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

Undergraduate Loan Borrowing Limits

Dependent Undergraduate Student (does not include students whose parents are unable to borrow under the PLUS Program)	Annual Loan Limits
First Year	**$5,500** of which no more than $3,500 may be subsidized
Second Year	**$6,500** of which no more than $4,500 may be subsidized
Third Year and Beyond*	**$7,500** of which no more than $5,500 may be subsidized

*Aggregate Federal Student Loan Limit for undergraduate dependent student is $31,000

Step 2:
Know Your Deadlines

Applications for **admission**

Deadlines for **scholarships**

- Institutions, Outside Sources

Free Application for Financial Aid (FAFSA)

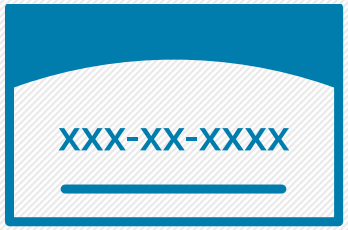
- Schools have priority deadlines
  - **PA State Grant FAFSA deadlines**
    - **First Time filers - May 1st**
    - **& August 1st**
    - **Renewal applicants – May 1st**

Step 3: Complete the FAFSA

- Pg. 20-23

2026-2027 FAFSA Prep

Information Needed for FAFSA



Social Security Numbers

Email Addresses (Not high school email address)

2024 Federal Tax Returns and W-2's

Current bank statements and records of other investment accounts (as of the FAFSA filing date)

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

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 StudentAid.gov/fsa-id/create-account.
- 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

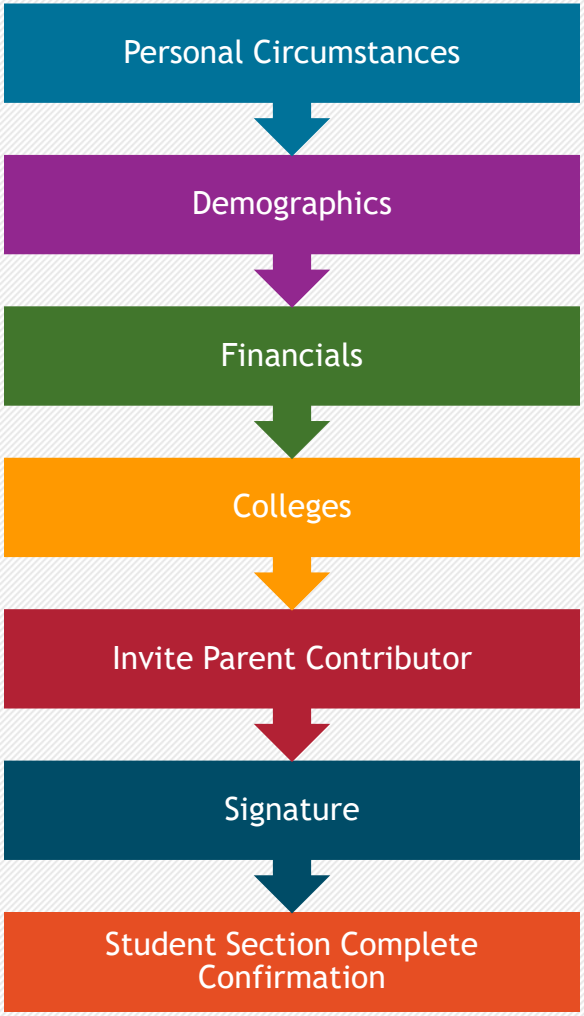
Enable Two-Step Verification

Roles Within the 2026-27 FAFSA

- Contributors will need a StudentAid.gov Account to access the FAFSA application.
- **Parent and student contributors must log in separately to complete their respective sections.**

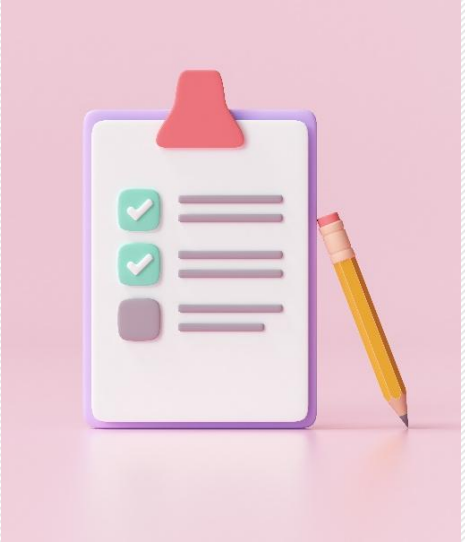
FAFSA Steps - Dependent Student

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



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, or student spouse** Federal Tax Information (FTI).
  - Redisclose FTI to **state entities, institutions, and scholarship organizations**.



IRS Direct Data Exchange

The data exchange with the IRS may not work if the student or parent:

1. has had a change in marital status after the end of the tax year.
2. filed a Puerto Rican or foreign tax return.
3. was victim of identity theft, involving their federal tax return.

When Is A Student Automatically Considered “Independent”?

- 24 or older on Jan 1st of 2026
- 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

A student may be experiencing an **unusual circumstance** that prevents them from contacting their parents or contacting parents would pose a risk to student. This may include but is not limited to students who:

- 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.

For Dependent Students, Who Reports Info on the 2026-27 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

Student Income and Assets

Income

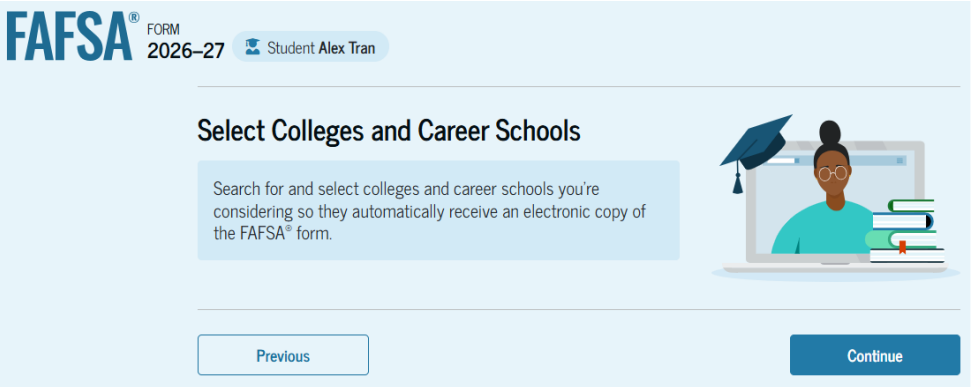
- Allowances are made for taxes
- Earnings from work-study are excluded
- Income protection allowance of up to $11,770 and remaining income assessed at 50%

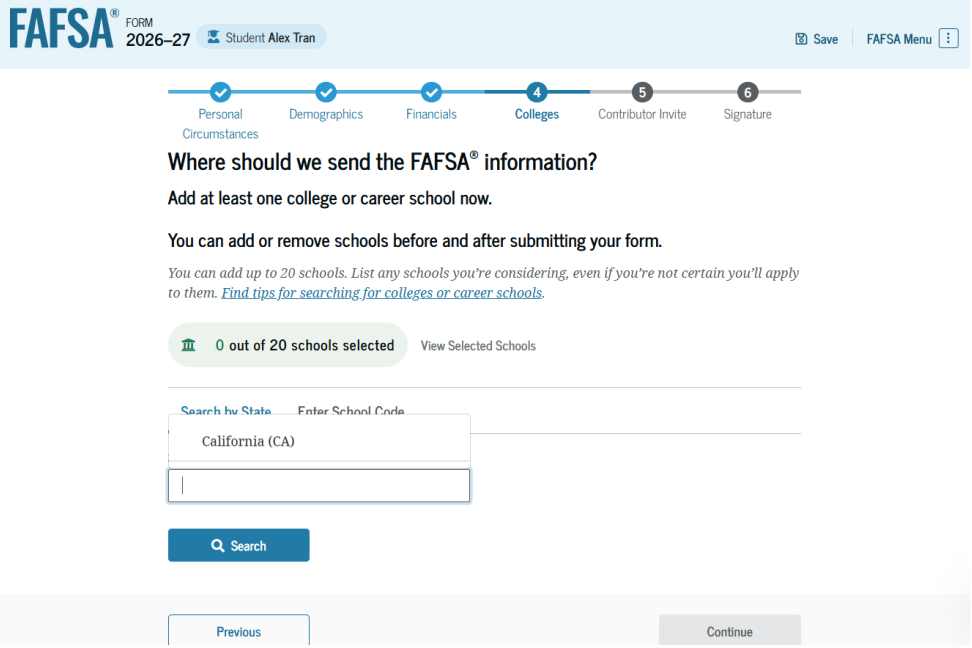
Assets

- Dependent students must report assets in their name
- 20% of the value of the assets is used in the calculation of the SAI

FAFSA - School Selection

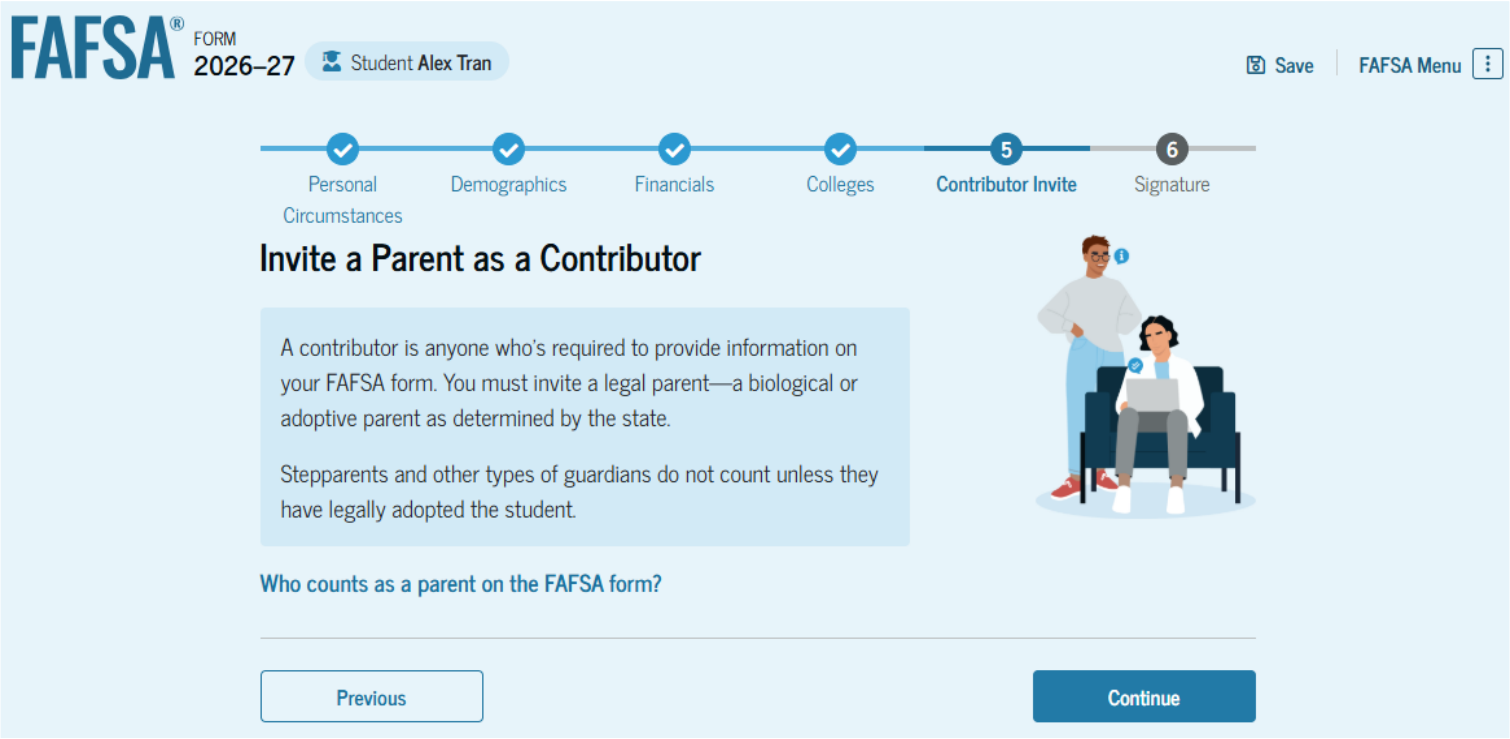
- List more than one!
- Only schools that are listed will be able to see your FAFSA information.
- Students can list up to 20 colleges at a time
- Schools can be added or deleted at any time
- First school listed on FAFSA is used for PA State Grant eligibility purposes



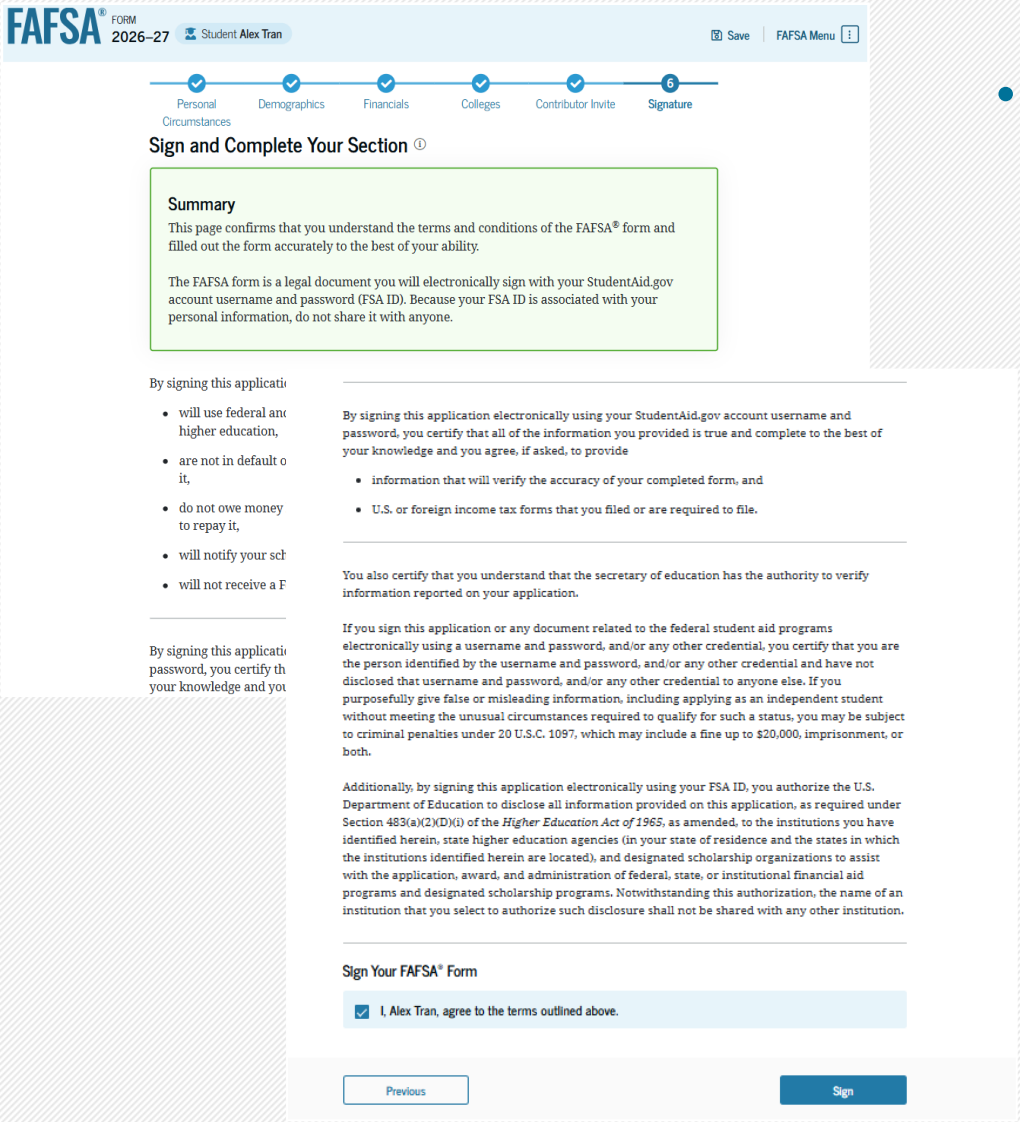


Dependent Student Invites Parent

- The student is asked to invite a parent contributor. The student will enter their parent's email address in order to send them an invite to their FAFSA® form.



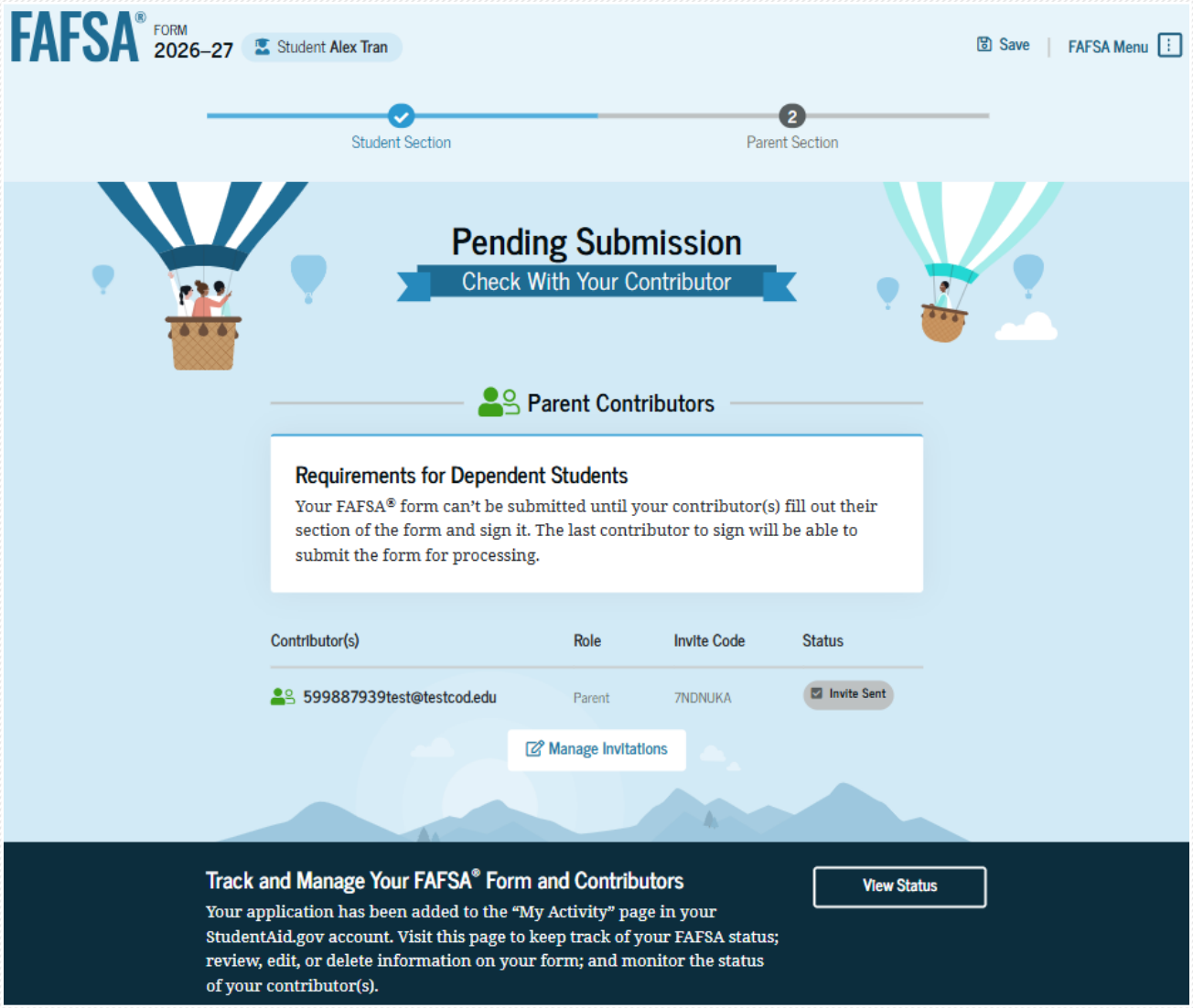
Signing the FAFSA



- On this page, the student acknowledges the terms and conditions of the FAFSA® form and signs their section. After agreeing and signing, the student is able to submit their section of the FAFSA form.

Since parent information has not been provided, the FAFSA form is not considered complete and can’t be processed yet.

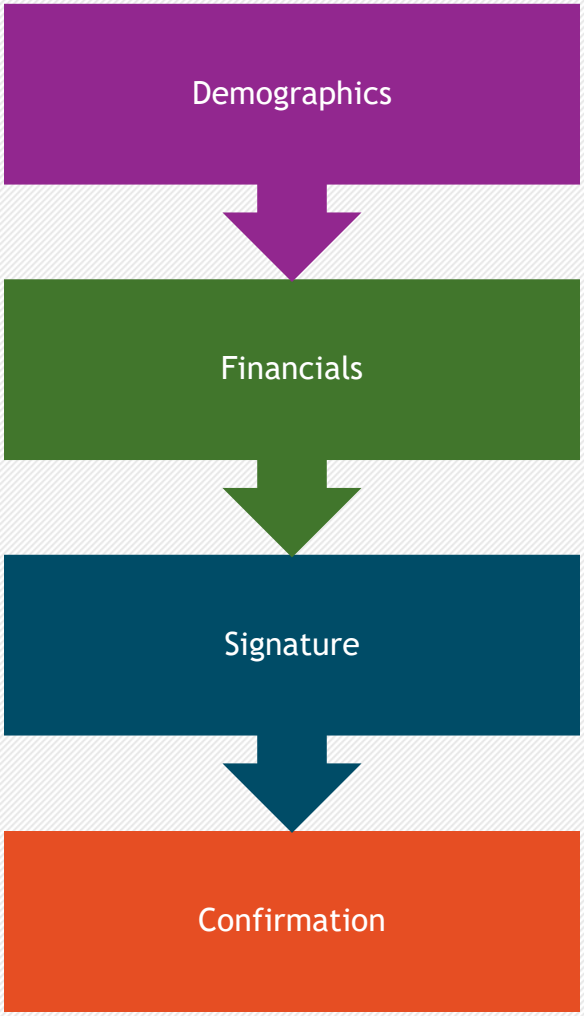
Dependent Student Section Complete



FAFSA Steps - Parent Contributor

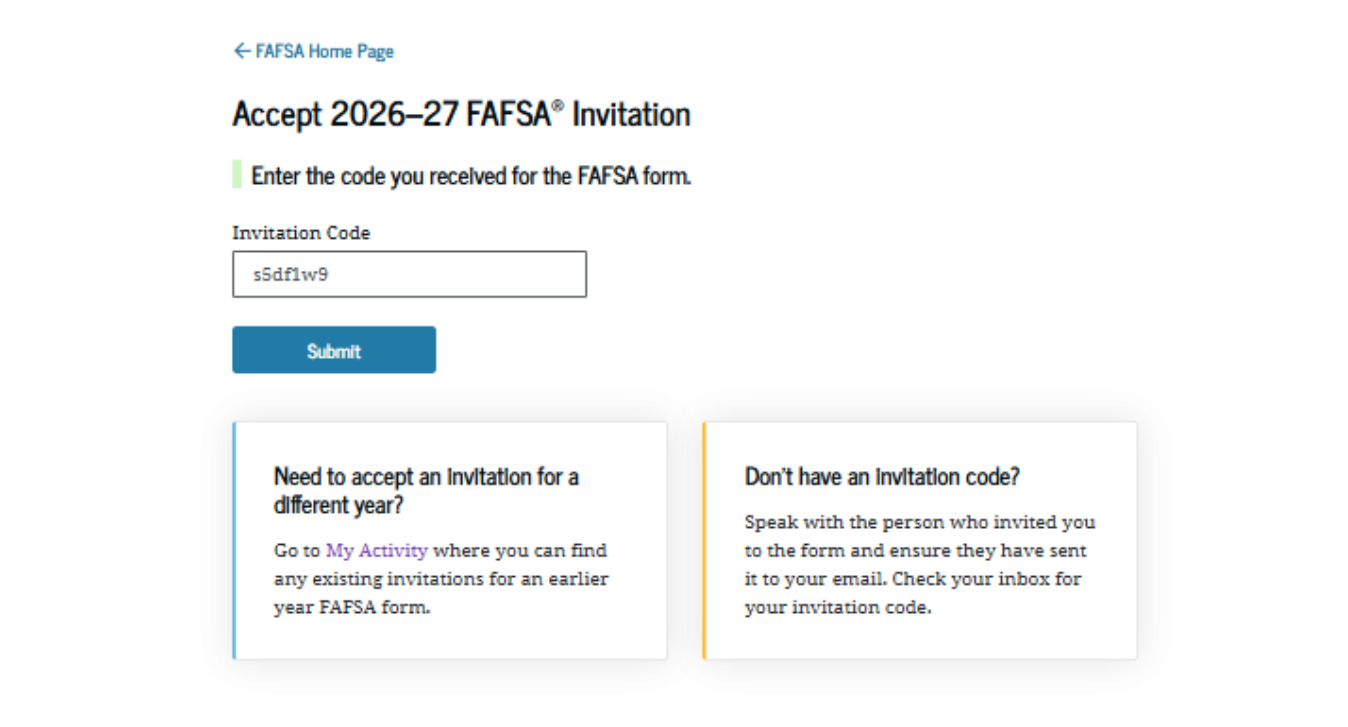
1. Following link in email invite—parent log in
2. Parent onboarding steps
3. Verify parent identity information
4. Parent provides consent

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



Parent Needs to Accept Invitation

After logging in, the parent is taken to the "Accept 2026–27 FAFSA® Invitation" page. The invitation code from the parent’s email automatically fills in the text box if the parent used the link from the email.



Parents Income and Assets

Income

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

Assets

- 12% of the value of the assets is used in the calculation of the SAI

What is considered an asset?

Report the current value at time of filing the FAFSA:

- ✓ Cash
- ✓ Checking
- ✓ Savings
- ✓ Stocks
- ✓ Bonds
- ✓ Certificates of deposit (CD)
- ✓ Bitcoin
- ✓ Mutual funds
- ✓ Net value of real estate

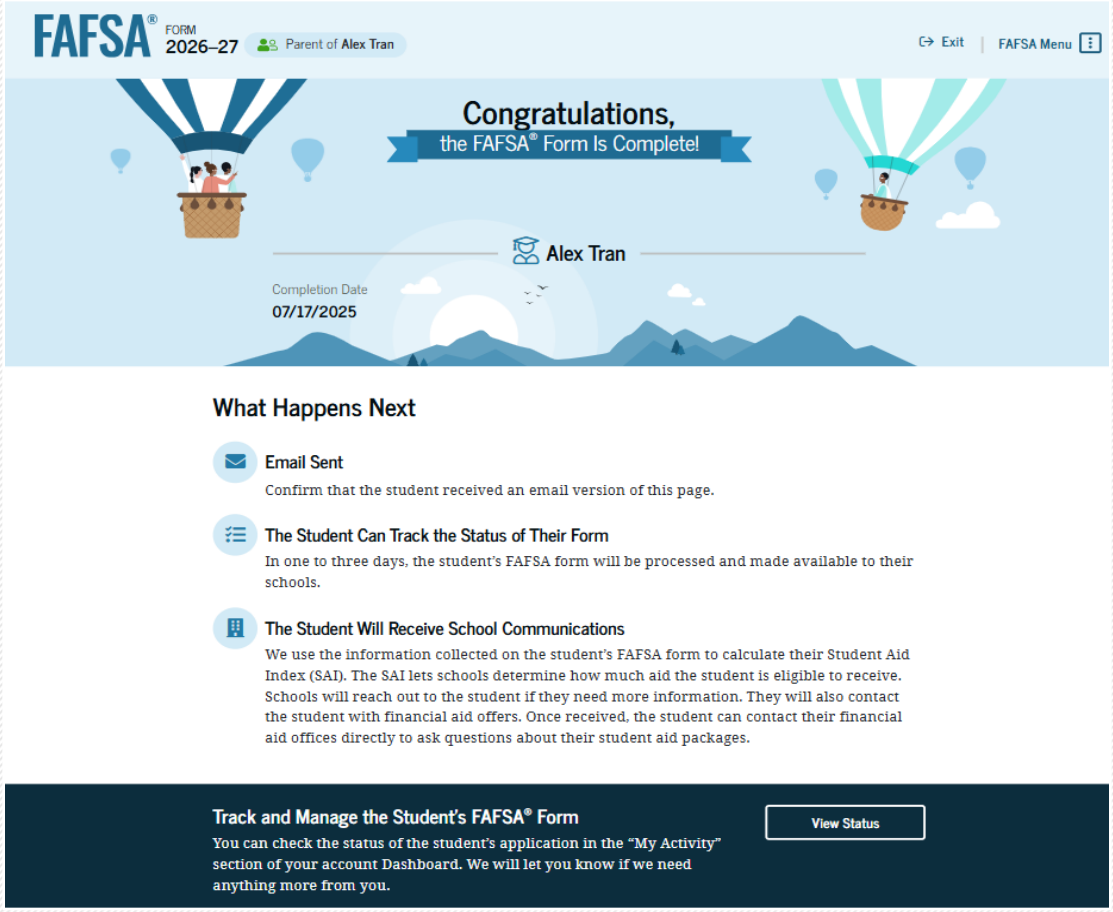
- Value of 529 accounts for the student owned by the parent(s) of a dependent applicant or owned by the student applicant
- Child support received for the most recently complete calendar year

<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 Confirmation

Upon submitting the student's FAFSA® form, the parent is presented an **abbreviated** confirmation page.



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

PA State Grant Application Information

- Visit pheaa.org after completing the FAFSA for more information
- FAFSA information will be automatically sent to PHEAA
  - Transfer should happen in about 7 business days after you've completed the FAFSA

➡ All data corrections (for example, school choice) will need to be made on the FAFSA

- PHEAA will receive the updated information
- First school listed on FAFSA is used for PA State Grant eligibility purposes

FAFSA is Filed… Now What?

Student completes the FAFSA

Schools receive FAFSA and calculate financial aid

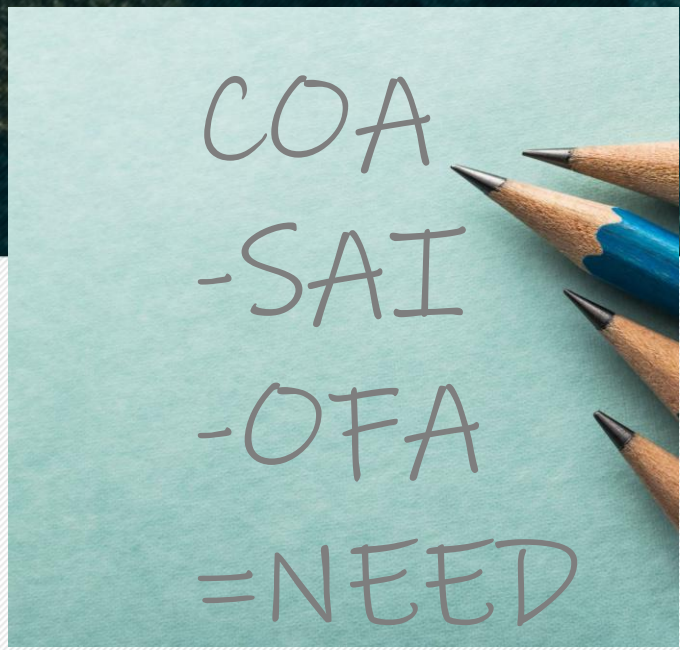
Schools send Financial Aid Notifications to student

How is the 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 and 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

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

Step 4: Compare Schools' Financial Aid Offers 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?

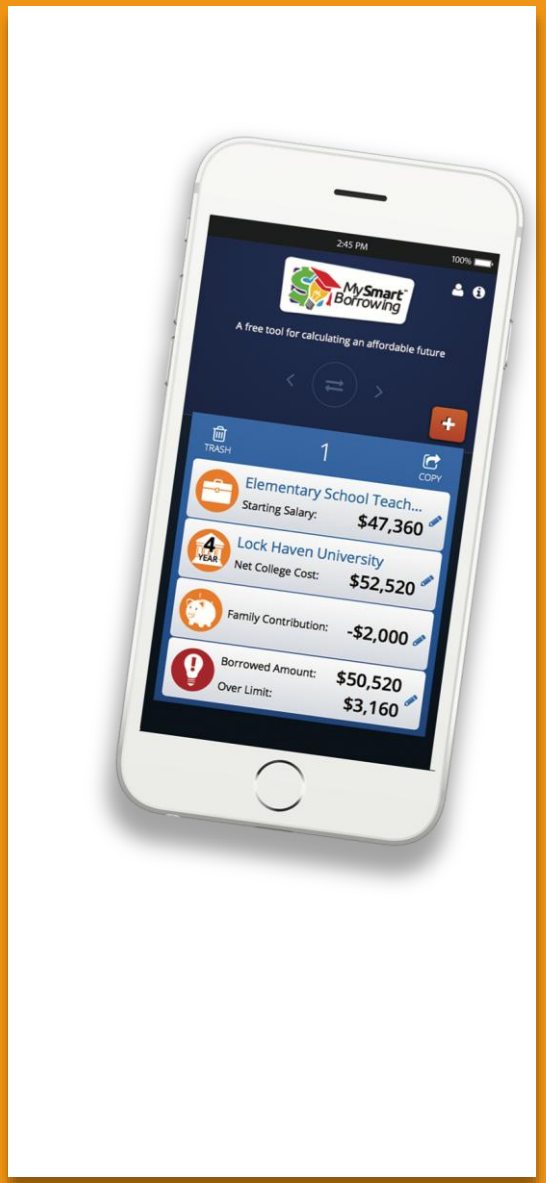
Bottom Line: What are your out-of-pocket costs?

Comparing Financial Aid Offers

Cost	$20,000	$30,000	$50,000
SAI	$ 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:
Make Sure You Have the Money You Need

Recommendation - Do NOT borrow more than your expected first year's salary



Federal Parent Loans

Federal Direct PLUS Loan

- In parent's name for dependent's student costs
- Rates set every July 1st for the life of that year's loan; fees are deducted from disbursement
  - 8.94% 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

Parents are limited to $20,000 per year with $65,000 as the aggregate limit **per dependent!**

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!

Undergraduate and Graduate Loans

PA FORWARD® Student Loans by PHEAA

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

Low, Fixed Rates

3.29–10.45% APR[1,2]

Effective as of 6/5/25

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 $181.11 and a final payment of $173.14, a fixed periodic interest rate of 3.57%, and total payments of $10,858.78. 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 $87.42 for 52 months and monthly payments of $110.48 for the remainder of the repayment term, a fixed periodic interest rate of 10.49%, and total payments of $24,431.69. 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?

Visit College Websites

Utilize Net Price Calculators

collegecost.ed.gov

Estimate Federal Student Aid

studentaid.gov/aid-estimator

Talk About What is Affordable

Explore Scholarships

Create StudentAid.gov Account & Complete the FAFSA

Ways to Reduce the Need for Financial Aid

- Graduate on time!
- Earn college credits in high school
- 2+2 or 3+2 strategy
- Buy/rent textbooks
- Consider commuting
- Select a more affordable meal plan option

Use Your Resources

- pheaa.org
- EducationPlanner.org
- MySmartBorrowing.org
- YouCanDealWithIt.com
- PHEAA toll free: 1-800-692-7392
- PHEAA's Higher Education Access Corner Podcast (Available on Spotify, Amazon Music, iHeartRadio, and PHEAA's YouTube channel, PHEAAStudentAid)
- Federal Student Aid Info Center: 1-800-433-3243
- **StudentAid.gov** – The one-stop shop site for all financial aid information.
- StudentAid.gov/FAFSA – Direct link to the FAFSA

Social Media Outreach

PHEAA

American Education Services

@PHEAAaid

@aesSuccessorg

@PHEAAaid

PHEAA

Questions?