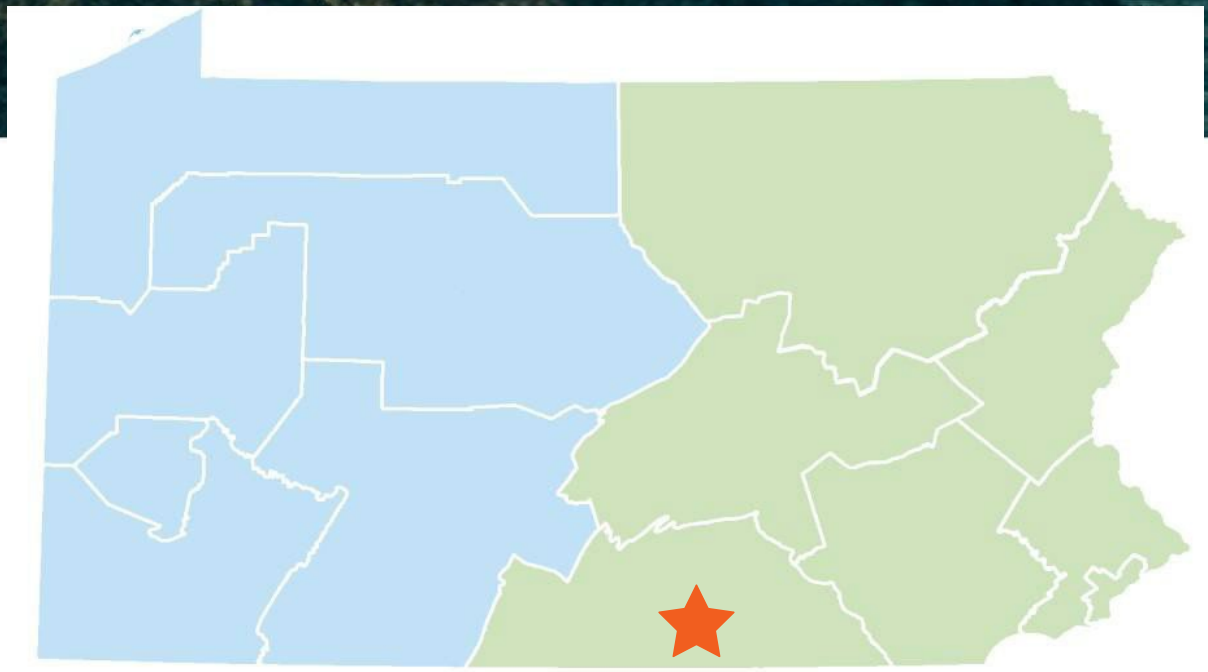

FINANCIAL
AID:
101

Your Presenter



Diona Brown

PA School Services-Director

717-678-9681

Diona.brown@pheaa.org

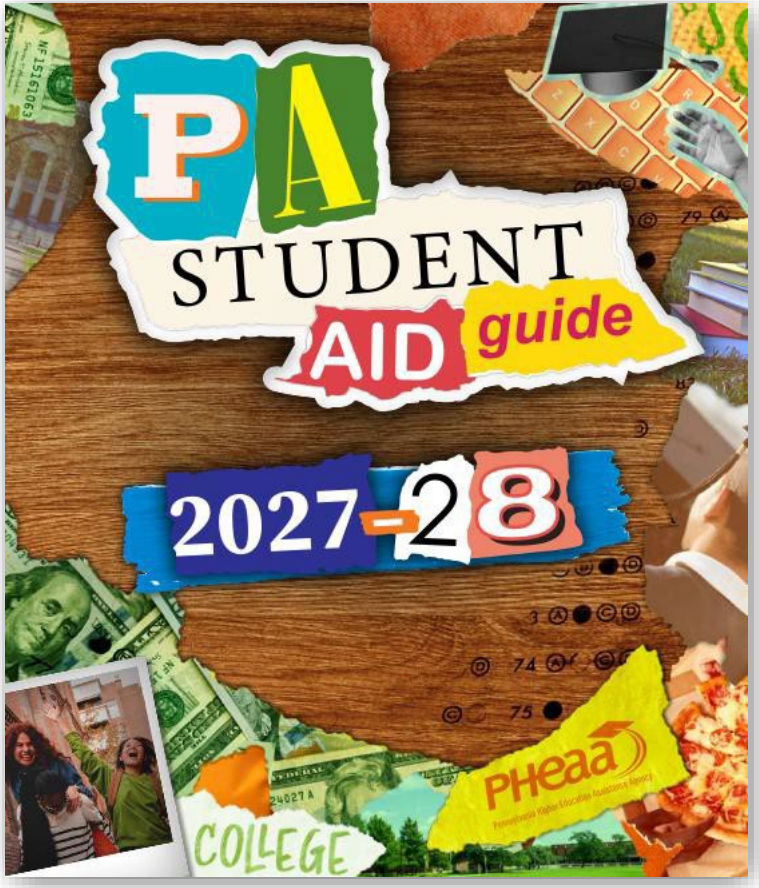
Topics



- Financial Aid Basics
- Federal and Pennsylvania State Aid
- Financial Aid Made Simple—5 Steps
- The Free Application for Federal Student Aid (FAFSA®)
- Student and Parent Loans
- Financial Aid Notifications
- Final Thoughts
- Questions

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



Financial Aid Basics

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 parents, to the extent possible.

Need-based financial aid is subject to a federal formula to determine financial aid.

Not all families qualify for need-based aid. There is no guarantee that you will get any free money to pay for higher education.

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 & mysmartborrowing.org)**
- Take advantage of college fairs & school visits (ask about cost and available aid)

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 nonfederal 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

Based on financial need or merit (assets, income, family, ability, actions, criteria)

- Scholarships and grants—**free money**
- Scholarships-merit or need based
- Grants-need based
- Federal government, state government, schools and colleges
- Organizations, businesses, community, employers.

Financial Aid – Self-Help Aid

- Loans
  - Loans are borrowed money—Must be paid back
- Work-study awards: Earned money
  - Wages earned and paid directly to the student for working, coordinated through the campus or state

Federal Grant Programs

- Pell Grant—max award $7,395*
  - Need based grant-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**

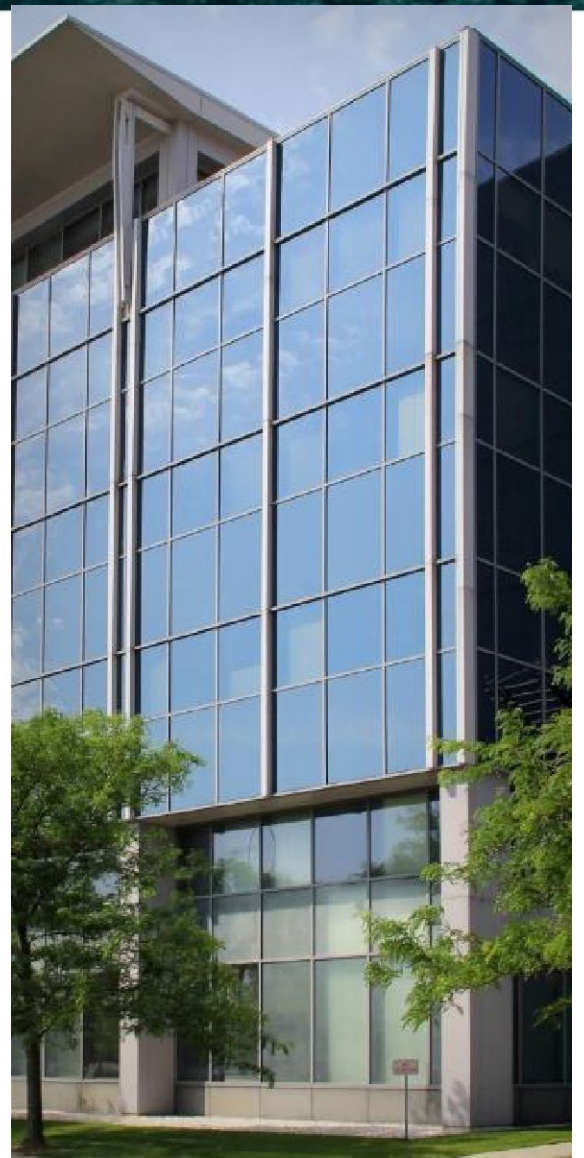
*for the 2026-27 academic year

PA State Grant Program

2026-2027 Award Amounts

- In-state—max award $6,000 (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



2026-27 Award Amounts for PA Schools

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

Cost Tier	Maximum Award	Minimum Award
$0 - $14,000	$3,192	$500
$14,001 - $21,000	$5,106	$500
$21,001 - $31,000	$5,488	$500
$31,001 - $34,000	$6,000	$500

Other State Programs

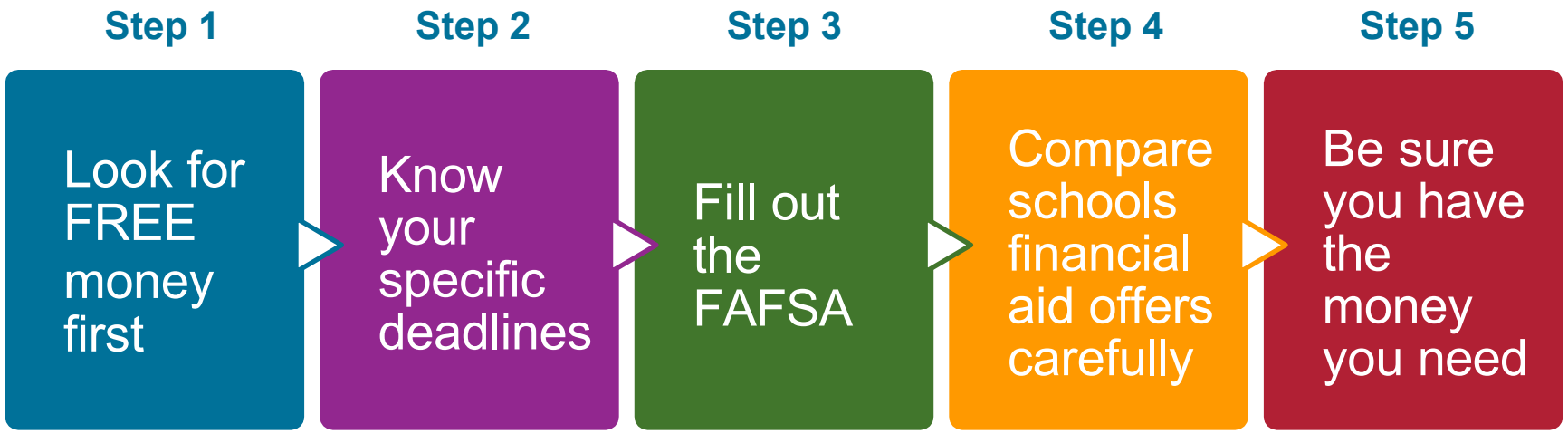
- PA Active Volunteer Tuition & Loan Assistance Program
- PA Blind or Deaf Higher Education Beneficiary Grant Program
- Chafee Education and Training Grant Program
- PA Fostering Independence Tuition Waiver Program
- Grow PA Scholarship Grant Program
- PA Mental Health Education Learning in Schools
-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

New Program!

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

Financial Aid Made Simple

5 Steps to Financial Aid



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.



Scholarships
There is something for everyone!

Don't miss out on FREE money!

Start Early and Search Often

Use free scholarship search sites

Create an Academic Resume:

- Academic success
- Extra Curricular Activities
- Community Involvement/Volunteerism

- **Don't shy away from essays!**
- **Secure Letter of Recommendations early**
- **Pay attention to deadlines and understand the terms**

- ✓ Appily.com
- ✓ BigFuture.Collegeboard.org
- ✓ Chegg.com
- ✓ CollegeAnswer.com
- ✓ CollegeNet.com
- ✓ DoSomething.org/Scholarships
- ✓ FastWeb.com
- ✓ Goingmerry.com
- ✓ Hbcuconnect.com
- ✓ Internationalscholarships.com
- ✓ www.iefa.org
- ✓ thepasshefoundation.com
- ✓ Raise.me
- ✓ ScholarshipExperts.com
- ✓ Www.sacfoundation.com
- ✓ Tfec.org
- ✓ Uncf.org
- ✓ Unigo.com

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

You must complete your FAFSA by the deadline to be considered for the PA State Grant.

- **May 1**—If you plan to enroll in a degree program or a college transferable program at a 2-year private college or other college or university.
- **August 1**—If you plan to enroll in a community college; a designated Pennsylvania -Admission institution; a business, trade, or technical school; a hospital school of nursing; or a 2-year program that is not transferable to another institution.



Deadlines Are Crucial



- Make sure you know the priority FAFSA filing deadlines for the schools you are researching.
- File your FAFSA prior to the earliest deadline of your school possibilities.
- Students do not have to be accepted for admission to list any schools on the FAFSA.

Step 3: The FAFSA is Your Connection to Funding

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

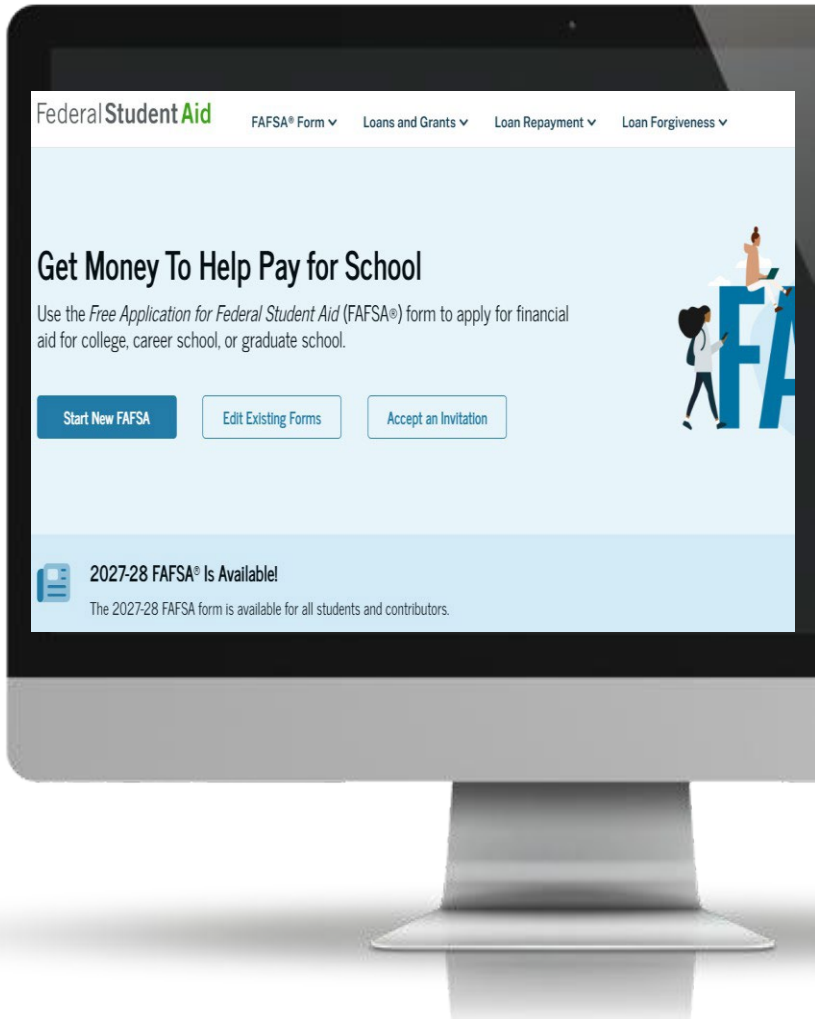
- Federal programs
- State programs
- School programs



FAFSA (Free Application for Federal Student Aid)

- The FAFSA is the primary federal form for financial assistance to attend a 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**.

StudentAid.gov/fafsa



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**.
- Create at least 1 day 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

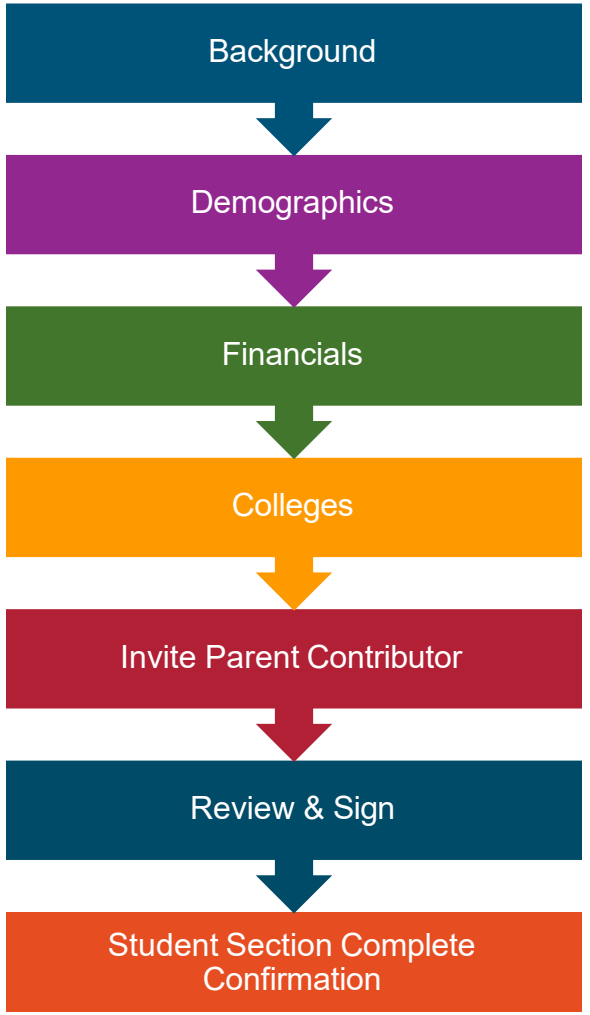
Email Address

Password

Enable Two-Step Verification

FAFSA Steps – Dependent Student

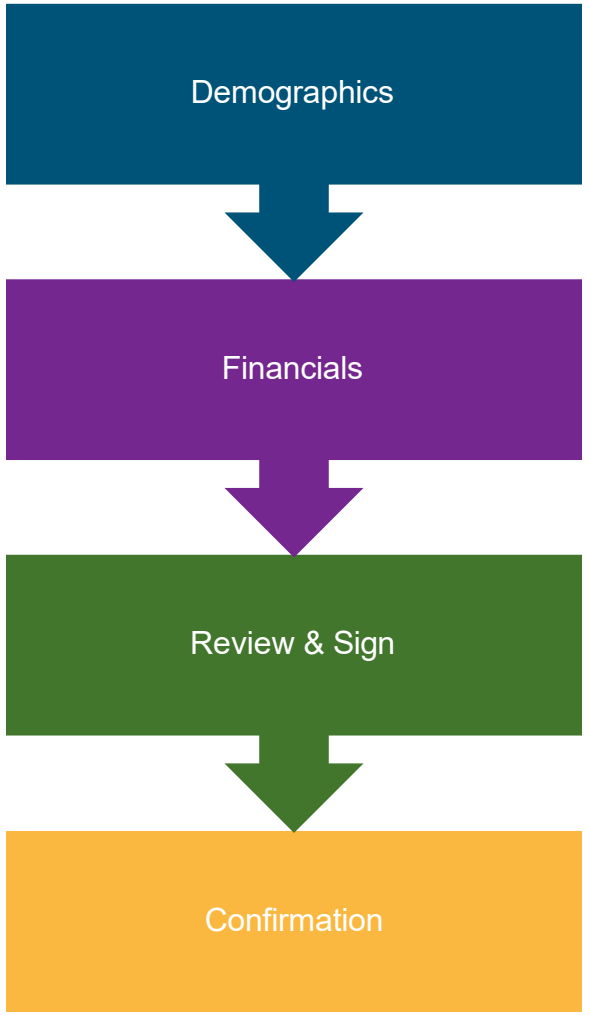
1. Login—dependent student
2. Dependent onboarding steps
3. Verify student identity information
4. Student provides consent



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



Dependent Students - Who Reports info on the 2027-28 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



Dependent Students - Who Reports Info on the 2027-28 FAFSA?

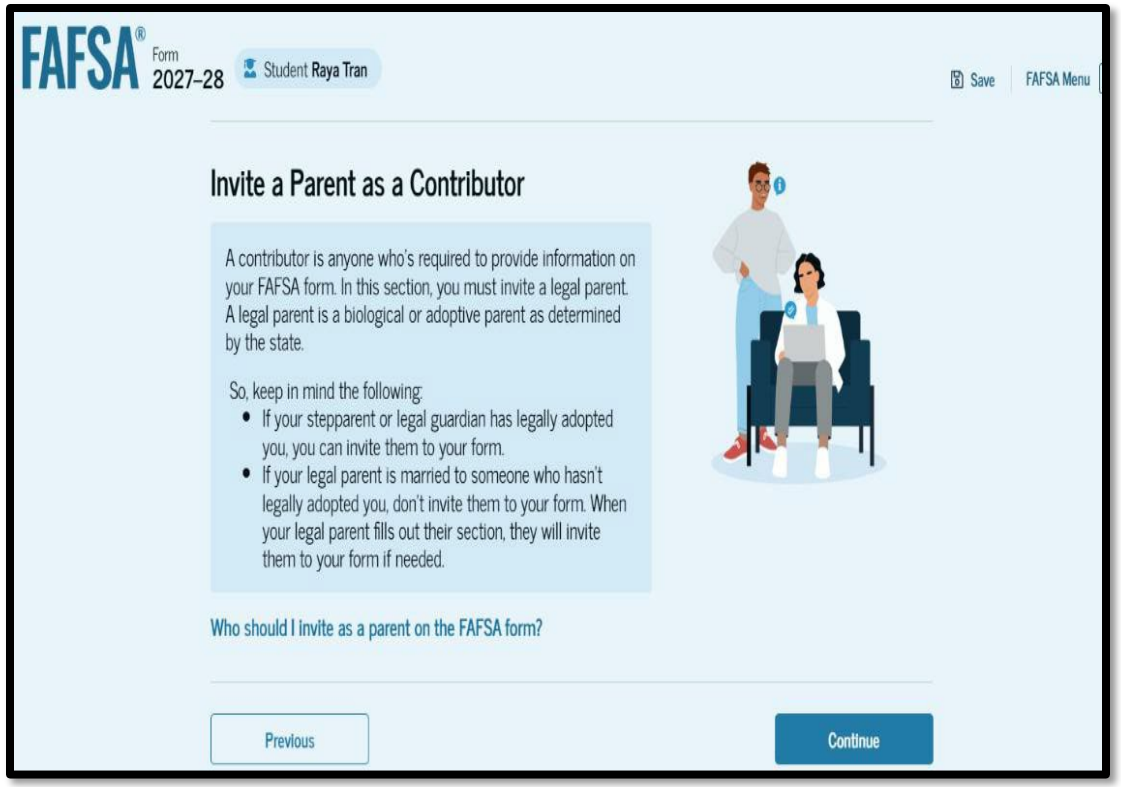
On the FAFSA, the legal parent is the student's:

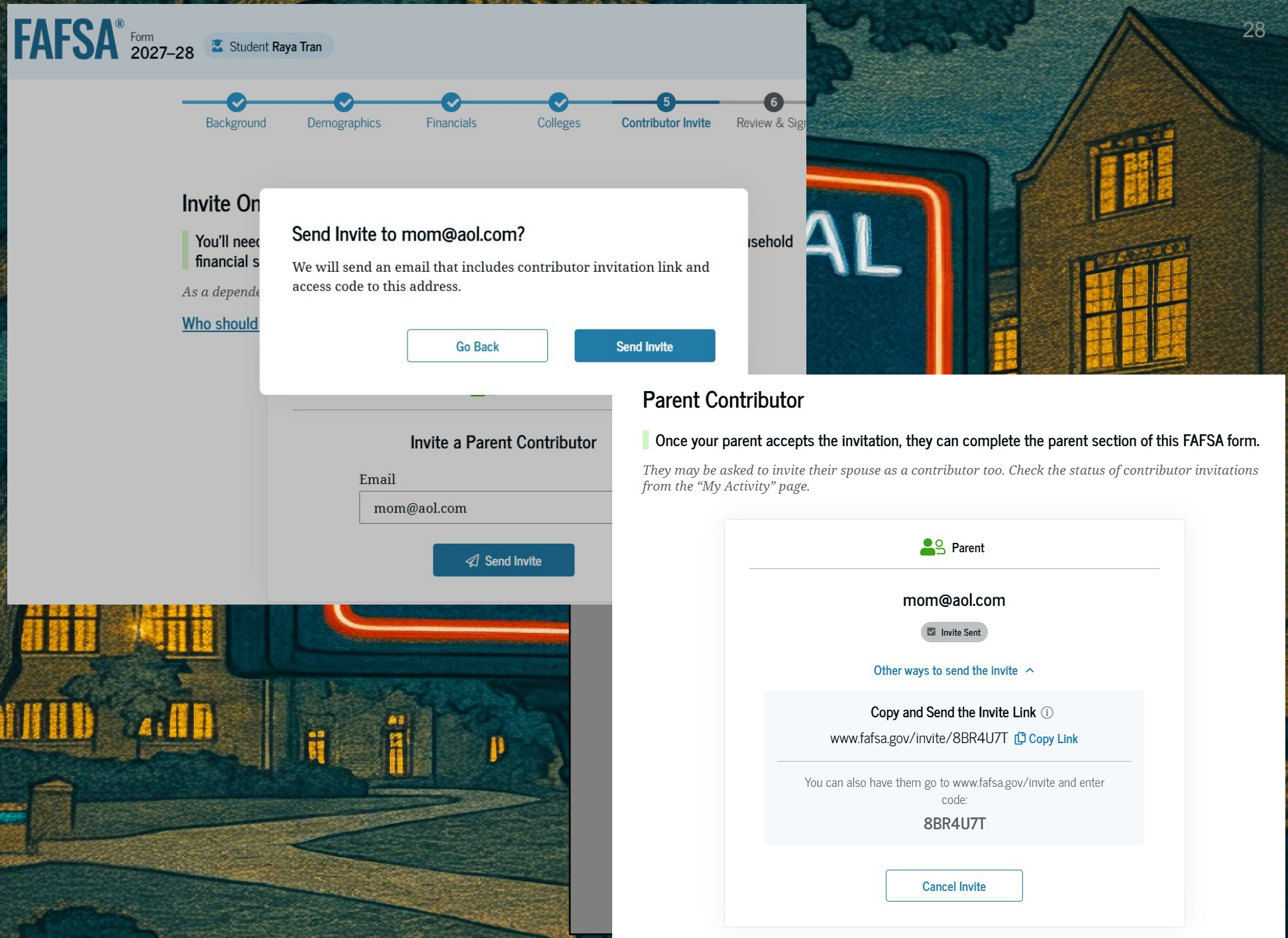
- Biological or adoptive parent
  - Regardless of gender
  - Or as determined by state (listed on birth certificate)

- Dependent students can use the Who's my FAFSA Parent? wizard to determine which parent(s) will be a required contributor on the FAFSA.
- Scan QR code or visit StudentAid.gov/fafsa-apply/parents to access the Parent Wizard

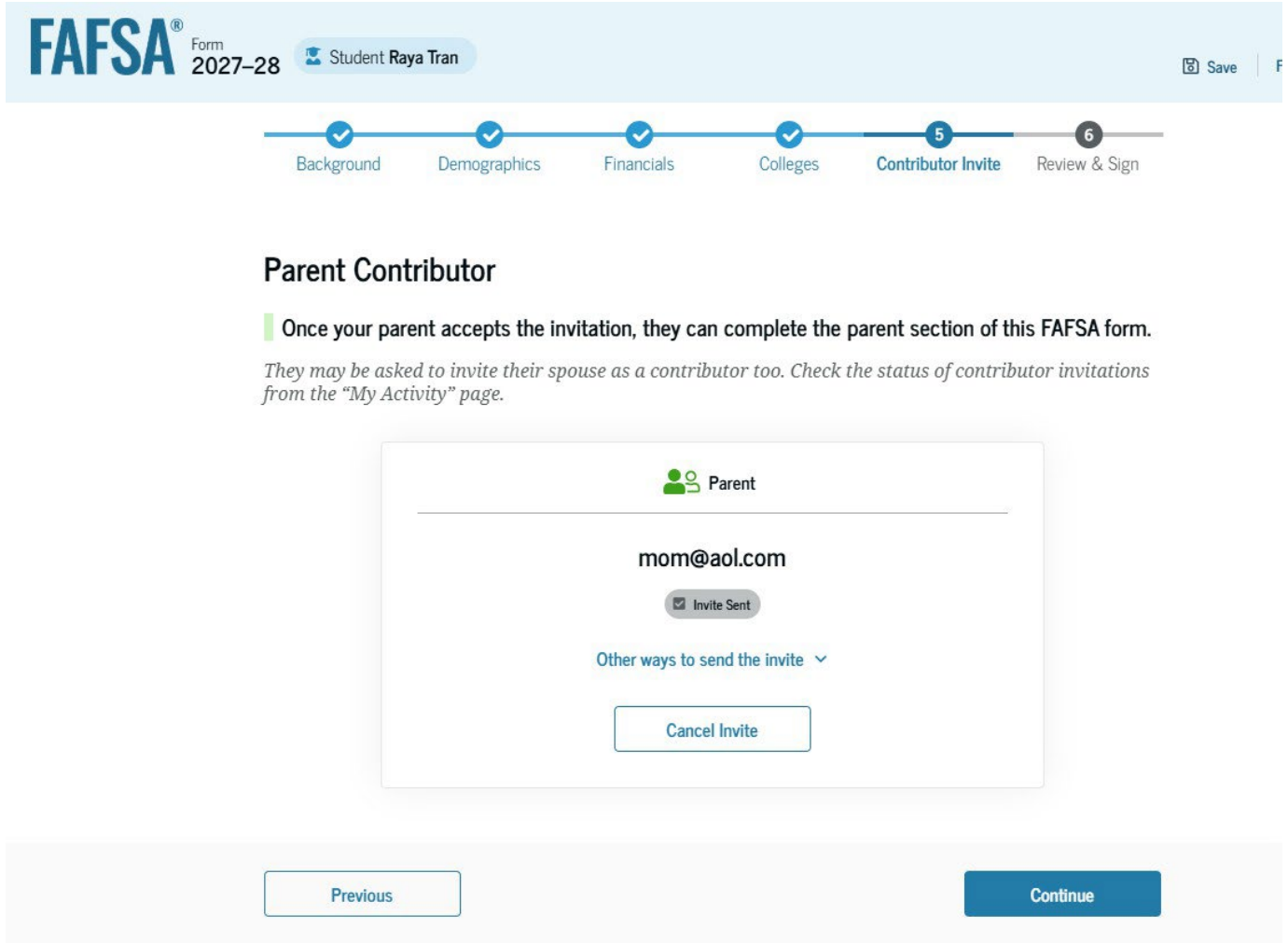
Dependent Student Invites Parent

- 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.

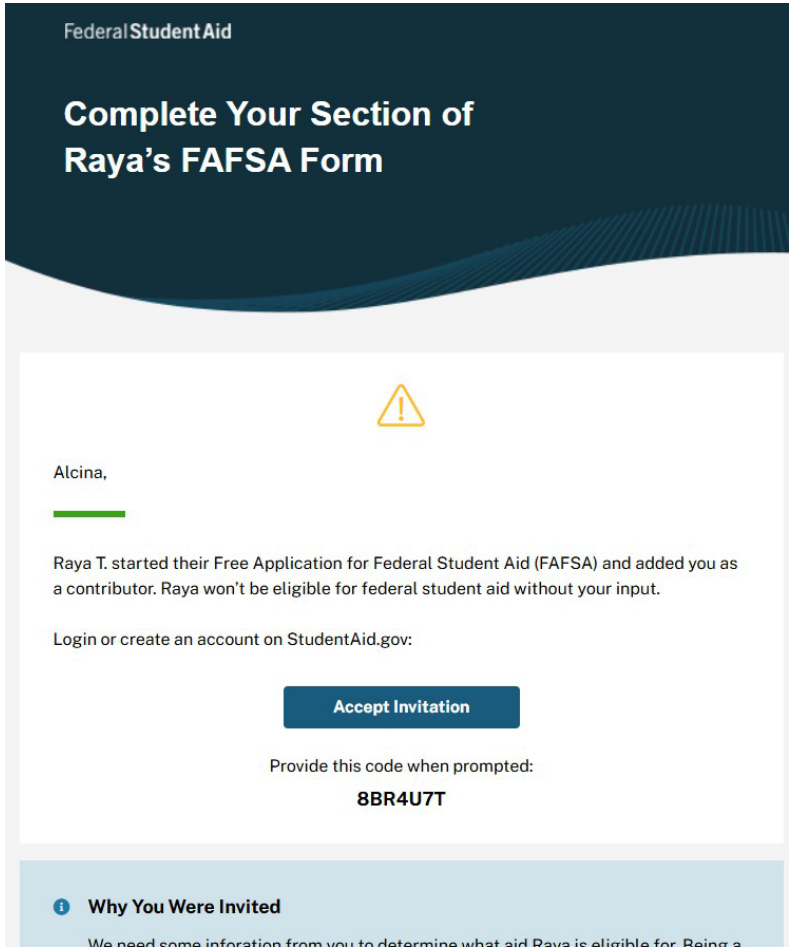



FAFSA® Form 2027–28
Student Raya Tran
Background
Demographics
Financials
Colleges
5
Contributor Invite
6
Review & Sig
Invite On
You'll nee
financial s
As a depende
Who should
Send Invite to mom@aol.com?
We will send an email that includes contributor invitation link and access code to this address.
Go Back
Send Invite
Invite a Parent Contributor
Email
mom@aol.com
Send Invite
Parent Contributor
Once your parent accepts the invitation, they can complete the parent section of this FAFSA form.
They may be asked to invite their spouse as a contributor too. Check the status of contributor invitations from the "My Activity" page.
Parent
mom@aol.com
Invite Sent
Other ways to send the invite
Copy and Send the Invite Link
www.fafsa.gov/invite/8BR4U7T
Copy Link
You can also have them go to www.fafsa.gov/invite and enter code:
8BR4U7T
Cancel Invite

Dependent Student Invite Sent



Parent's Invitation Email



Federal Student Aid

Complete Your Section of Raya's FAFSA Form

Alcina,

Raya T. started their Free Application for Federal Student Aid (FAFSA) and added you as a contributor. Raya won't be eligible for federal student aid without your input.

Login or create an account on StudentAid.gov:

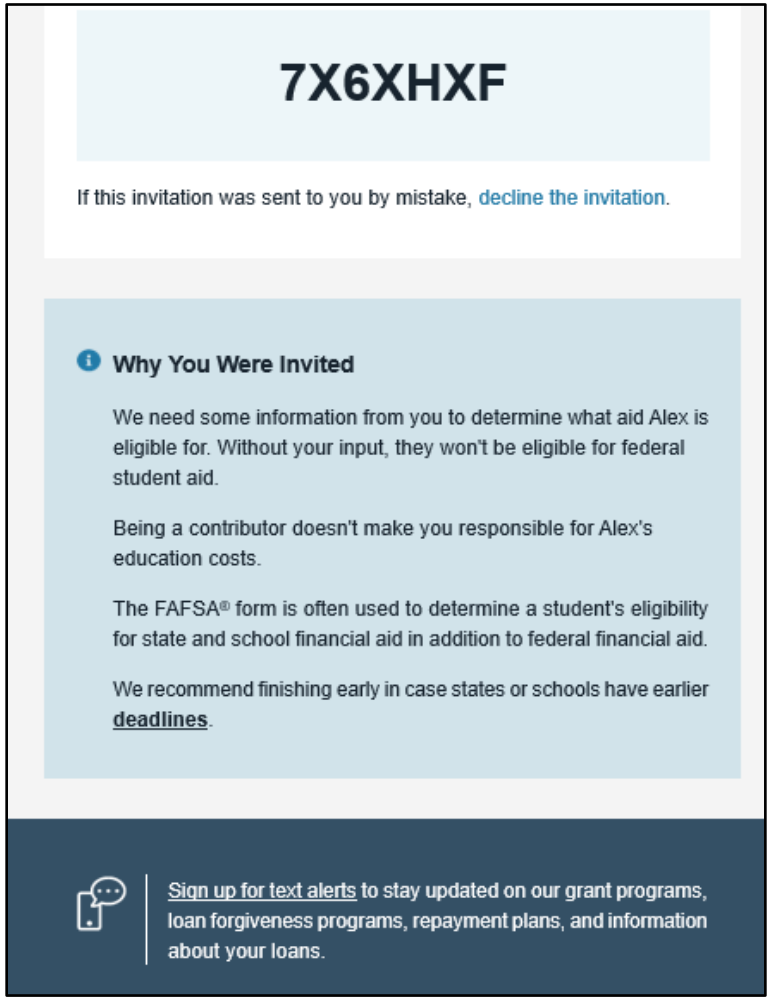
Accept Invitation

Provide this code when prompted:

8BR4U7T

Why You Were Invited

We need some inforation from you to determine what aid Raya is eligible for. Being a



7X6XHXF

If this invitation was sent to you by mistake, decline the invitation.

Why You Were Invited

We need some information from you to determine what aid Alex is eligible for. Without your input, they won't be eligible for federal student aid.

Being a contributor doesn't make you responsible for Alex's education costs.

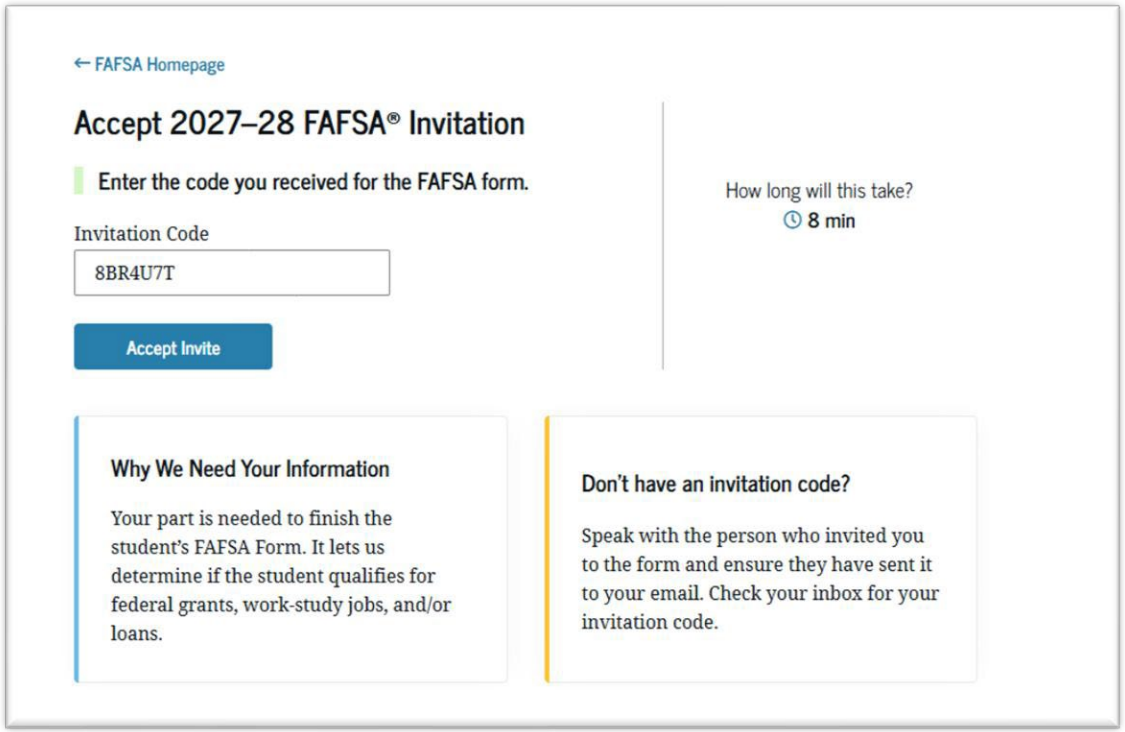
The FAFSA® form is often used to determine a student's eligibility for state and school financial aid in addition to federal financial aid.

We recommend finishing early in case states or schools have earlier deadlines.

Sign up for text alerts to stay updated on our grant programs, loan forgiveness programs, repayment plans, and information about your loans.

Parent Needs to Accept Invitation

After logging in, the parent is taken to the "Accept 2027–28 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.



When Is A Student Automatically Considered "Independent"?

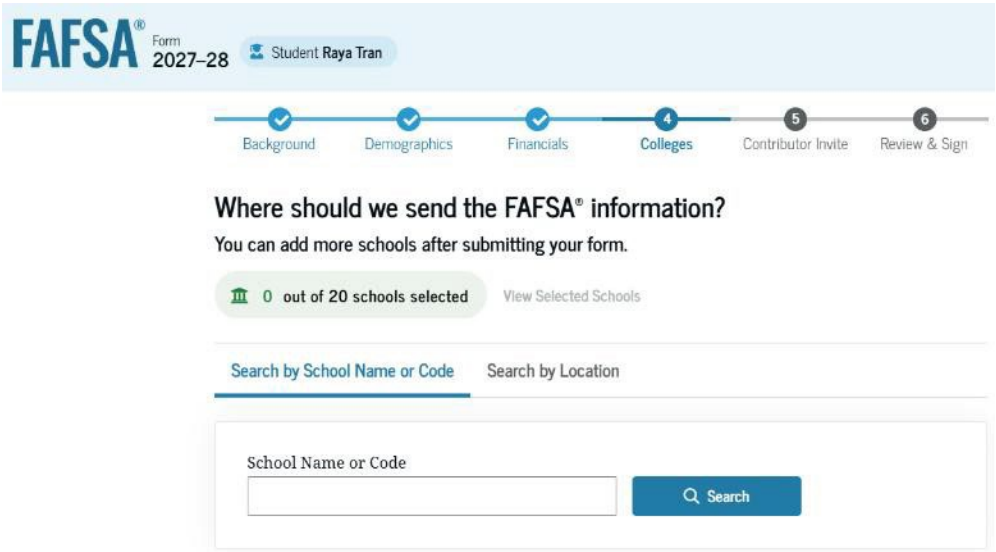


- 24 or older on Jan 1st of 2027
- Married
- Veteran (includes active-duty personnel)
- Working on graduate level degree
- Legally emancipated minor or in a legal guardianship with someone other than their parent or stepparent, as determined by a court in state of residence
- Orphan, in foster care or 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 – 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





After Filing

After completing the FAFSA, students and contributors will receive a FAFSA Submission Summary in real-time.

After the initial submission, students can make up to four corrections without waiting between transactions.

Information will be shared with PHEAA and all college choices.

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.

PA State Grant Application Information

- Visit pheaa.org/StateGrant after completing the FAFSA for more information
- 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 information will be automatically sent to PHEAA

Steps to Apply for a PA State Grant

1. Complete the FAFSA by the appropriate filing deadline.
2. If you pass the pre-screening applicant checks, you'll get an email from noreply@grantus.pheaa.org to activate your GrantUs account.
3. Review and complete items listed under your Action Items.

Students should watch for email messages and mail from PHEAA regarding their PA State Grant status. Students with incomplete applications will not be considered for state grant funds. Additional details on how to apply for a PA State Grant can be found at pheaa.org.

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

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?

Financial Aid Notification Letter

Dream University

Congratulations on your admission to Dream University!

Please review the financial aid offer information listed below and contact us with any questions.

Estimated Annual Cost of Attendance

Tuition & Fees.....$18,000

Housing & Meals.....$13,500

Total Billed Costs.....$31,500

The total estimated Cost of Attendance is $35,500. This includes $4,000 of non-billed expenses such as books, supplies, transportation and other living expenses.

Financial Aid Offer	Fall	Spring	Total
Federal Pell Grant	$3,698	$3,697	$7,395
Pennsylvania State Grant	$2,744	$2,744	$5,488
Federal Supplemental Educational Opportunity Grant (FSEOG)	$1,500	$1,500	$3,000
Dream University Grant	$1,000	$1,000	$2,000
Dream University Scholarship	$3,000	$3,000	$6,000
Total Scholarships and Grants	**$11,942**	**$11,941**	**$23,883**
Federal Direct Subsidized Loan	$1,750	$1,750	$3,500
Federal Direct Unsubsidized Loan	$1,000	$1,000	$2,000
Total Education Loans	**$2,750**	**$2,750**	**$5,500**
Federal Work Study *Federal Work Study offers are not credited to the student's bill	$1,200	$1,200	$2,400

Comparing Financial Aid Offers

Cost	$10,521	$36,212	$46,810
SAI	$ 6,474	$ 6,474	$ 6,474
Need	$4,047	$29,738	$40,336
Free Money	$ 4,016	$ 18,909	$18,000
Loans	$ 5,500	$ 5,500	$ 5,500
Work-Study	$ 0	$ 3,000	$ 3,000
TOTAL AID	**$9,516**	**$27,409**	**$20,310**
Gap = (Cost – Aid)	**$ 1,005**	**$8,803**	**$21,000**
Actual Cont. = (Cost – Free $)	**$6,505**	**$17,303**	**$28,800**

Other Forms You May Need to Complete



- ✓ Check with your school

College Scholarship Service (CSS) Profile

College Specific Form

FAFSA Renewal, CSS Profile

- Renew every year for aid opportunities
- Submit your renewal **early**—it matters!
- If your school requires the CSS Profile, you need to also renew every year for aid options at your school



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

Step 5: Be Sure You Have The Money You Need

- 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

- Undergraduate Students
  - Subsidized (6.52% interest and 1.057% fee)
  - Unsubsidized (6.52% interest and 1.057% fee)
- Graduate Students
  - Unsubsidized (8.07% interest and 1.057% fee)
- Parents
  - PLUS Loan (9.07% and 4.228% fee)

Federal Direct Loans



- Loan is in student's name
- Max. borrowing limits
- May receive a Direct **Subsidized** and/or Direct **Unsubsidized** loan
- Interest rate 6.52%
- Origination fee 1.057
- Deferred payments
- Must complete the FAFSA®
- Must complete entrance counseling & MPN

Undergraduate Students		
Annual Limits	Dependent Students	Independent or dependent students whose parents are unable to borrow a PLUS Loan
1st Year	**$5,500** Total No more than $3,500 may be subsidized	**$9,500** Total No more than $3,500 may be subsidized
2nd Year	**$6,500** Total No more than $4,500 may be subsidized	**$10,500** Total No more than $4,500 may be subsidized
3rd Year and beyond	**$7,500** Total No more than $5,500 may be subsidized	**$12,500** Total No more than $5,500 may be subsidized
Aggregate Limits	**$31,000** Total No more than $23,000 may be subsidized	**$57,500** Total No more than $23,000 may be subsidized

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
  - 9.07% variable/fixed interest rate; 4.228% fees
- MUST apply each year
- Payments 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!

PA FORWARD Student Loans by PHEAA

Undergraduate and Graduate Loans

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



Low, Fixed Rates

2.78–9.94% APR [1,2]

Effective as of 6/4/26

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 $178.84 and a final payment of $170.99, a fixed periodic interest rate of 3.06%, and total payments of $10,722.77. 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 $83.17 for 52 months and monthly payments of $107.34 for the remainder of the repayment term, a fixed periodic interest rate of 9.98%, and total payments of $23,645.54. The borrower in this sample did not qualify for any interest rate discounts. Less than half-time students may only borrow a maximum of $5,000 per loan. These APRs are estimates and may differ from the actual rates received.

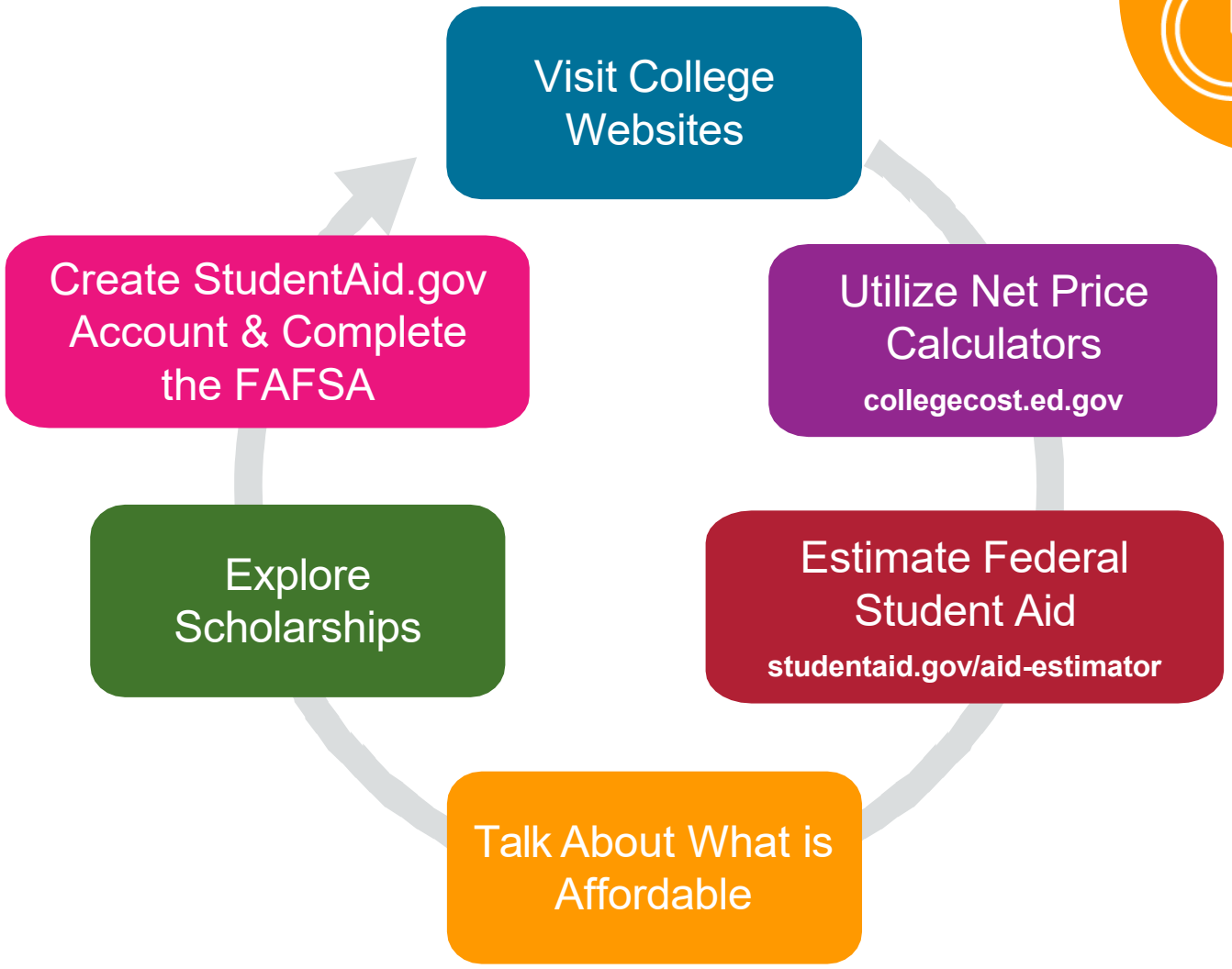
2)The provided rate range includes Undergraduate, Graduate, and Parent loans and may change based on loan type, loan term, repayment plan, and applicable discounts (not all discounts apply to all loan products). See individual loan programs for more specific information. PHEAA uses applicant credit scores 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: 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

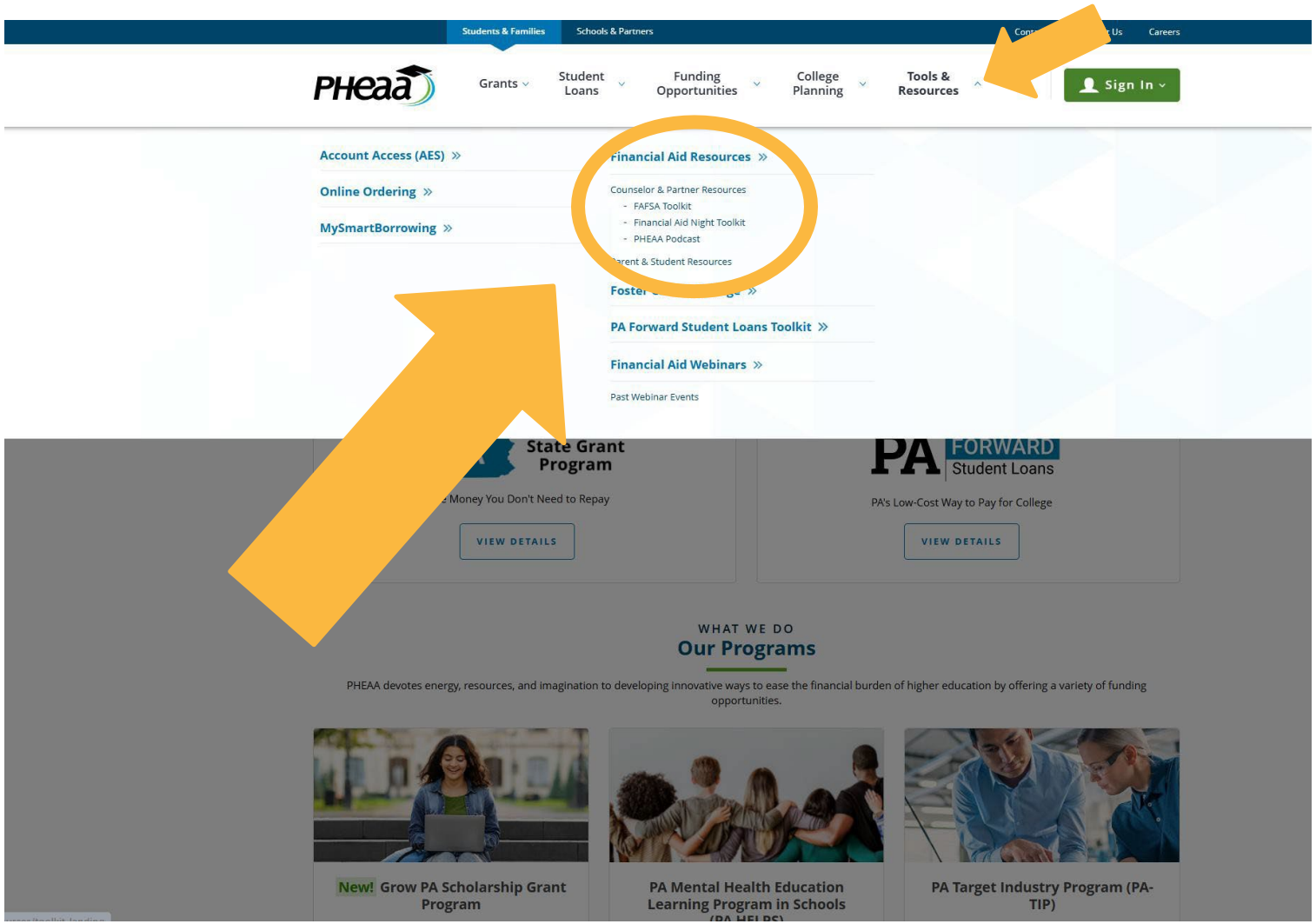
Stay Up to Date with PHEAA

Sign up for more information on our programs and services!

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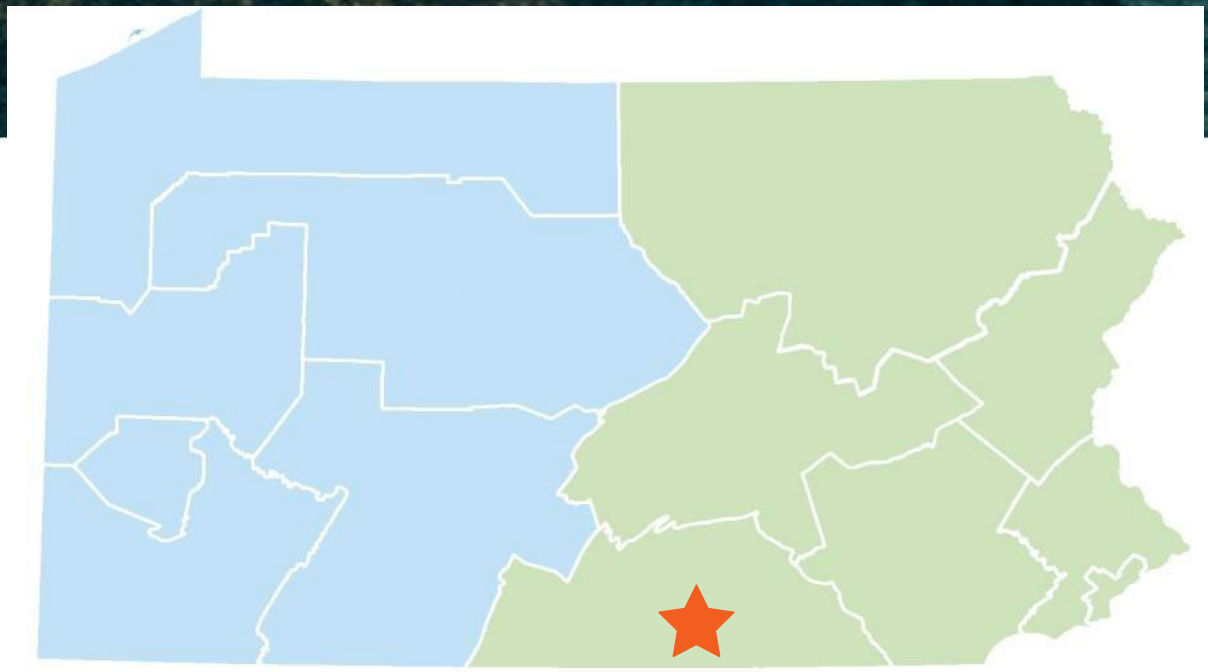
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Questions?