

Financial Aid 101

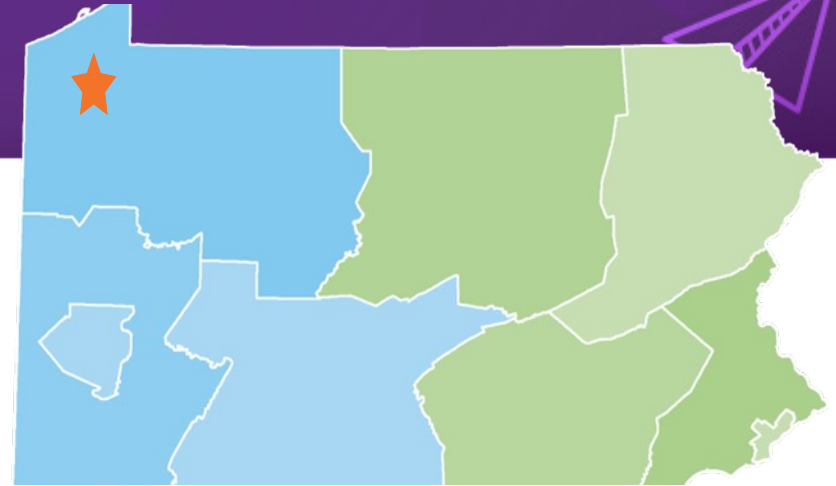


Welcome to tonight's presentation

We will begin promptly at 6:00 PM

Thank you for silencing your cell phone!

Your Presenter



Amy Sloan

Higher Education Access Partner

Northwest Region

**PA Higher Education Assistance Agency
(PHEAA)**

724-977-3662

Amy.sloan@pheaa.org

Crawford, Erie, McKean, Mercer, Potter & Warren Counties

Topics



- **Necessary Things to Consider**
- **Federal & State Programs**
- **Financial Aid Made Simple – 5 Steps**
 - **Scholarships**
 - **Deadlines**
 - **Filing the FAFSA**
 - **Comparing Financial Aid Notifications**
 - **Be sure to have the funds**
- **Student, Parent and Alternative Loans**
- **Web Resources**

Necessary Things to Consider (Student and Parent)



- College costs
 - Tuition, housing, food, books, fees
- Cost of transportation
 - Logistics between semesters, breaks
- Out of pocket costs **beyond just the first year**
- Loans for student and parent
- What are the employment demands
- What is your expected salary
 - Versus the cost of your education
- **RETURN ON INVESTMENT**
- **BE A SMART CONSUMER**



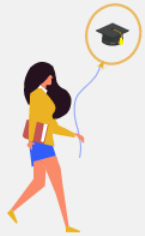
Net Price Calculator

- **What is the Net Price that you will pay?**
 - **Net Price Calculator**



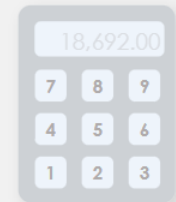
U.S. Department of Education

Net Price Calculator Center



Search for Schools' Calculator

Begin typing to search for schools



What does Net Price mean?

Net Price is the amount that a student pays to attend an institution in a single academic year AFTER subtracting scholarships and grants the student receives. Scholarships and grants are forms of financial aid that a student does not have to pay back.

What is a Net Price Calculator?

Net price calculators are available on a college's or university's website and allow prospective students to enter information about themselves to find out what students like them paid to attend the institution in the previous year, after taking grants and scholarship aid into account.

collegecost.ed.gov/net-price

MySmartBorrowing.org

- **An interactive, online tool created by PHEAA that helps students and families:**
 - **Estimate career salaries & college tuition**
 - **View the impact of savings on overall cost**
 - **Calculate loan repayment**
 - **Avoid over-borrowing**



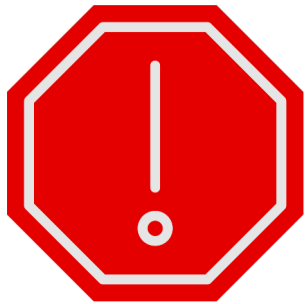
View the Results

Once you input your selections, you can:

- View your potential salary in your new career
- Add & compare up to four colleges
- See if you're borrowing too much



The Rule



Don't borrow more to get your education than you can reasonably expect to make during your very first year in the workforce.

- This keeps your loan payment <12% of your gross earnings**

(Recommendation from the National Endowment for Financial Education – [NEFE.org](https://www.nefe.org))

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

Federal Programs



- **Pell Grant (max award \$7,395)**
 - Eligibility same for all schools
 - Maximum - 12 Semesters
 - Must be enrolled at least half-time
- **Supplemental Educational Grant (FSEOG)**
 - Max \$4,000

PA State Grant Program

- **In State – Max Award \$5,750**
 - Eligibility determined in part by cost of the school
 - Maximum 8 semesters
 - Must be enrolled at least half-time
- **Reciprocal states:** Delaware, DC, Massachusetts, Ohio, Vermont, West Virginia
 - Up to \$600 for full-time students (\$800 for veterans)

2023-24 In-state maximum grant amount for eligible students based on cost of school

Cost Tier	Maximum Award
\$0 - \$12,000	\$3,058
\$12,001 - \$19,000	\$4,894
\$19,001 - \$29,000	\$5,260
\$29,001 - \$32,000	\$5,750

Work-Study

- 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
- Work-Study income removed from FAFSA eligibility calculation



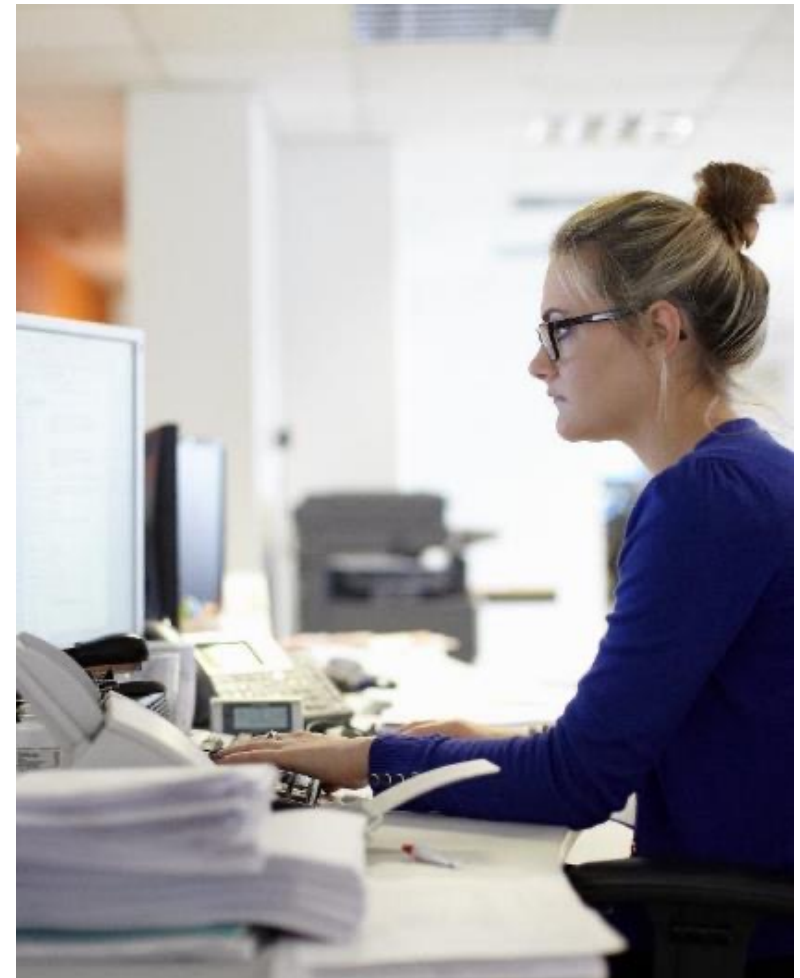
Financial Aid Made Simple

5 Steps to Financial Aid

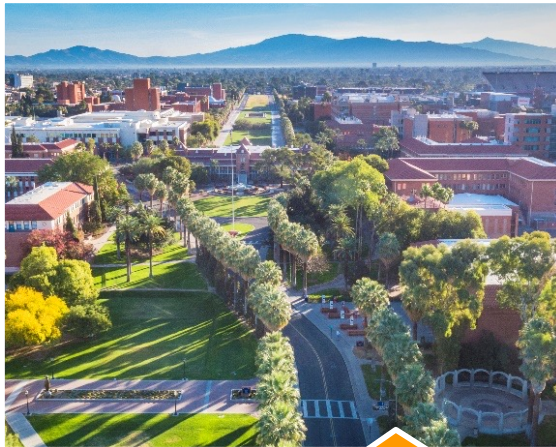


Step 1: Look For Free Money First

- **Start searching early**
- Use **FREE** scholarship search sites
- **Don't ignore scholarships with smaller award amounts**
- **Search for scholarships every year**



Types of Scholarships



**Postsecondary
Scholarships**

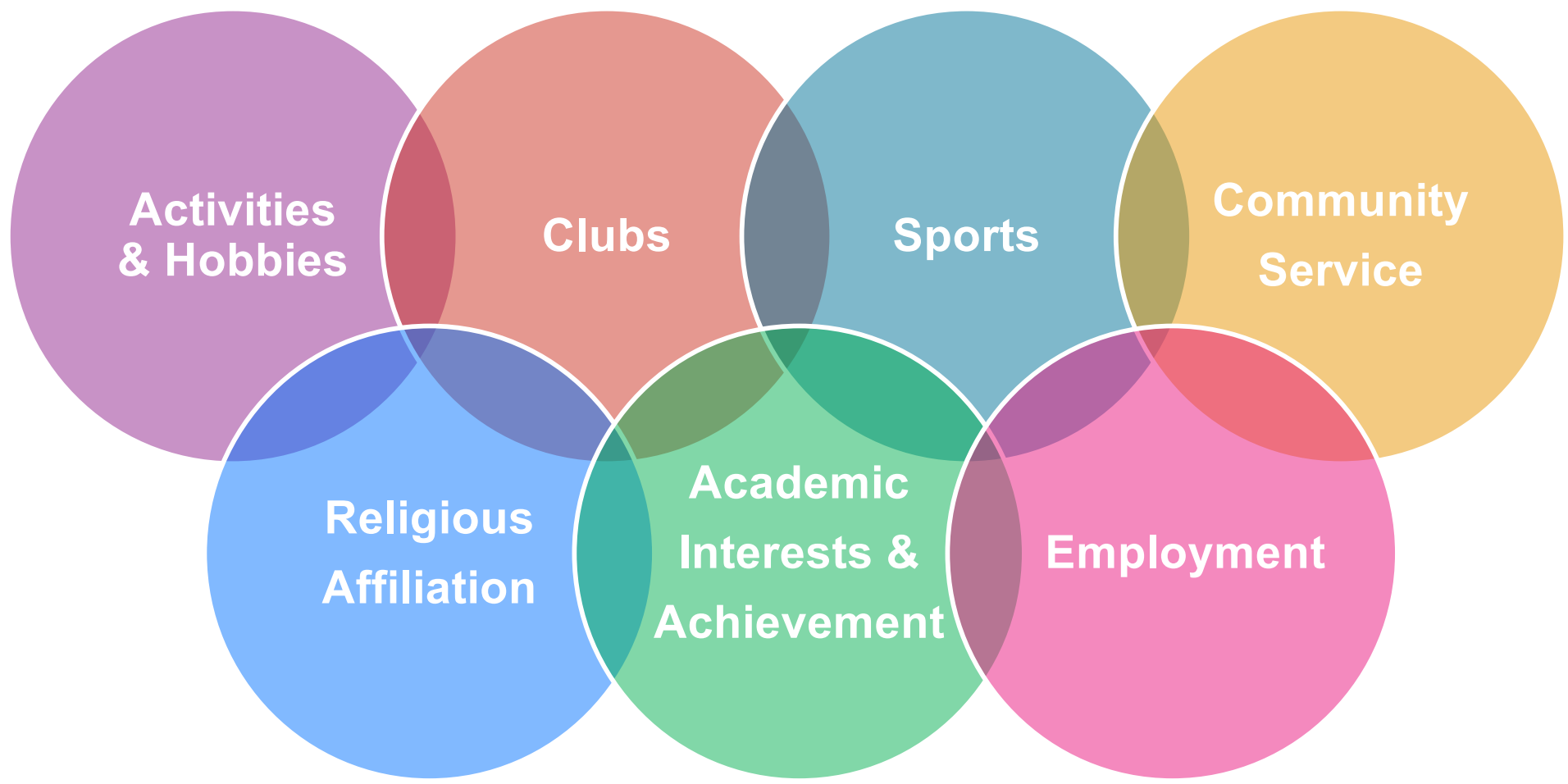


**Local and
Regional
Scholarships**



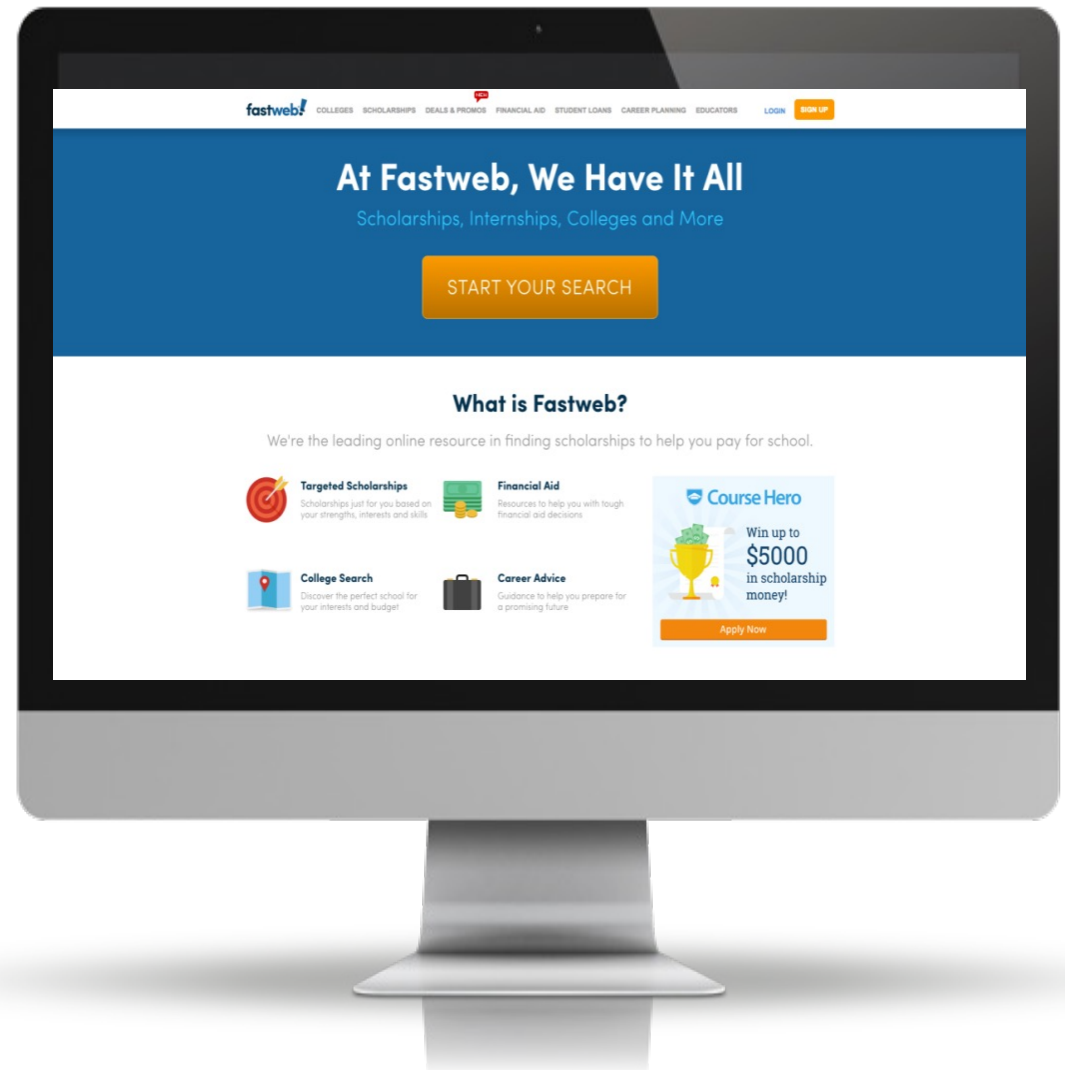
**National
Scholarships**

Your Scholarship Resume



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**



Step 2: Know Your Deadlines

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



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.**



PA State Grant Deadlines



- **May 1** – If you plan to enroll in a degree program or a college transferable program at a junior college or other college or university (excludes community colleges)
- **August 1** – If you plan to enroll in a community college; a business, trade, or technical school; a hospital school of nursing; or a 2-year program that is not transferable to another institution

DON'T MISS THE DEADLINE!

Step 3: The FAFSA is Your Connection to Funding

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

- **Federal programs**
- **State programs**
- **School programs**

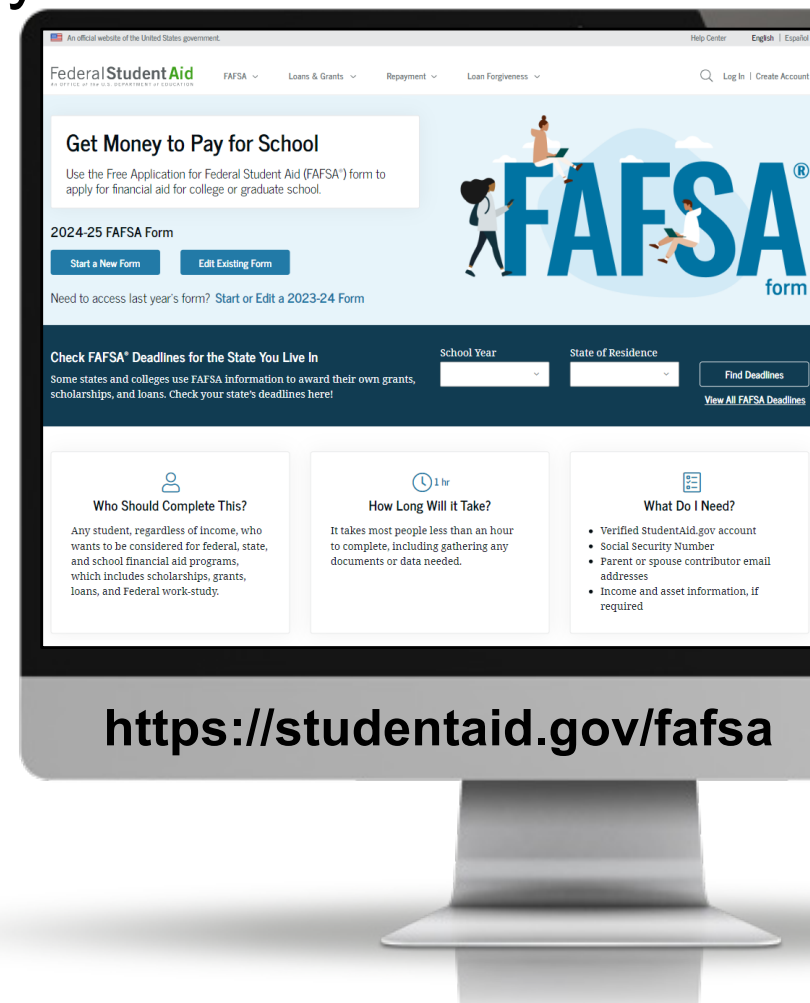


FAFSA (Free Application for Federal Student Aid) – StudentAid.gov/fafsa

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- 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.
- The FAFSA is available as early as October 1 of a student's senior year of high school

The 2024-25 FAFSA will NOT be available until December 2023!



<https://studentaid.gov/fafsa>

Create Your FSA ID Accounts

- The student applying for aid and all contributors providing information on the FAFSA need to create an FSA ID at studentaid.gov/fsa-id.
- Create 2-4 days prior to completing the FAFSA.
- Legal signature for student and contributors.
- Users without an SSN will be able to acquire an FSA ID.

Social Security Number

Username

Email Address

Password

Mobile Phone

Security Questions

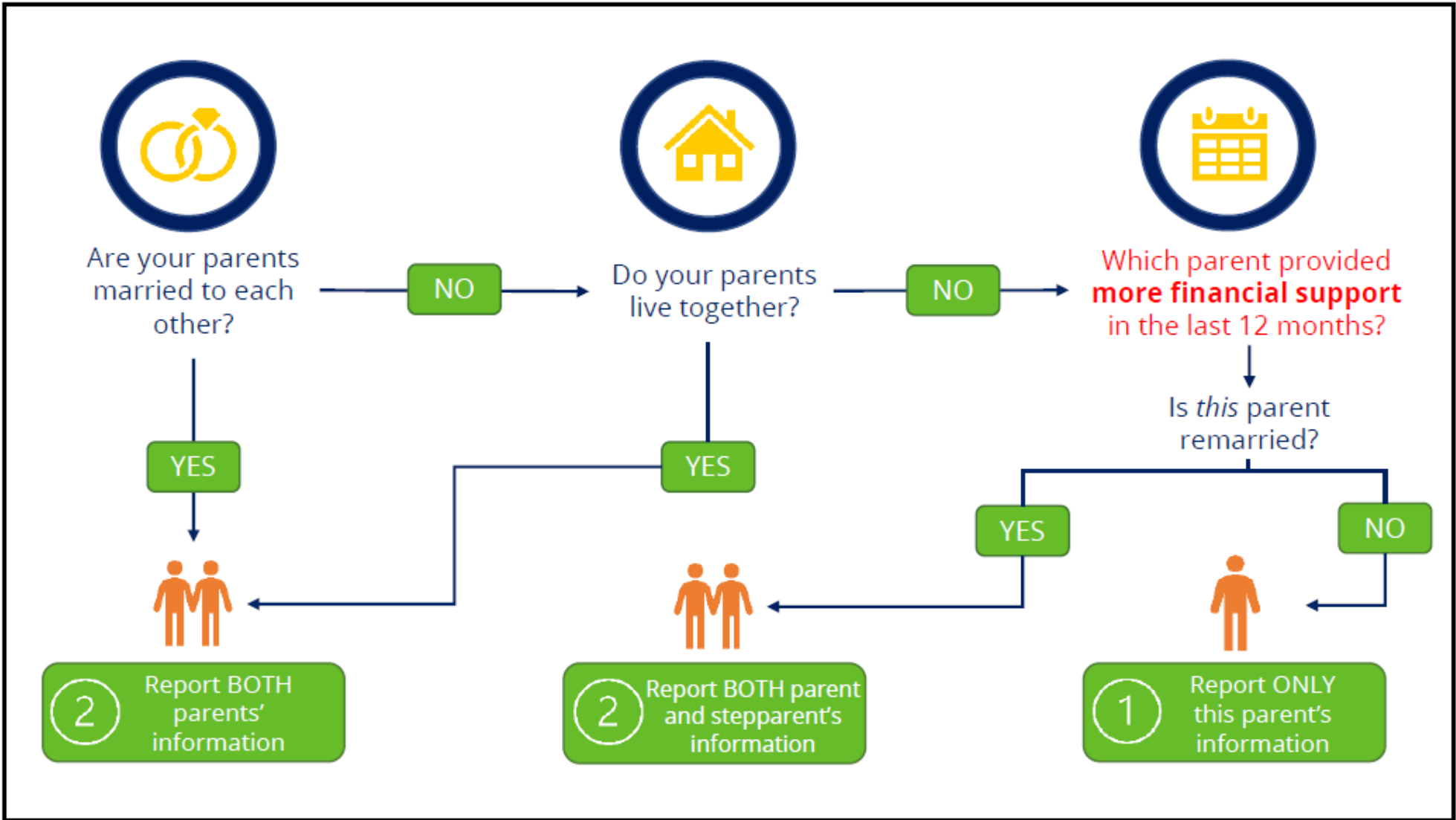
Enable Two-Step Verification

Roles Within the 2024-25 FAFSA



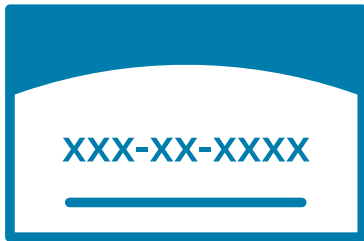
- **Contributors will need an FSA ID to access the FAFSA application.**
- **No more ability to start a FAFSA form with just student identifiers.**
- **Parent and student contributors must log in separately to complete their respective sections.**

For Dependent Students, Who Reports Info on the 2024-25 FAFSA?



2024-2025 FAFSA Prep

Information Needed for FAFSA



Social Security Numbers



Federal Tax Returns and W-2's (2022)



Child Support Received



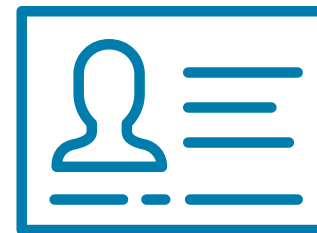
Checking and Savings Account Statement Balances as of FAFSA Filing Date



Investment Records



Email Addresses



Student & Parent Federal Student Aid Account (FSA ID)

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

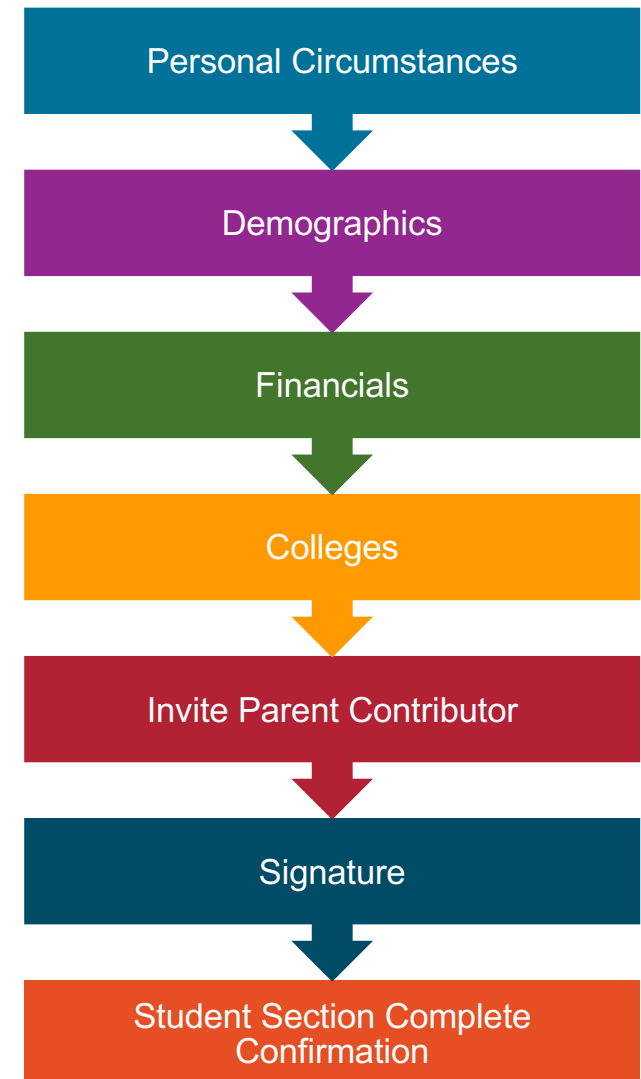
- **Value of 529 accounts for the student owned by the parent(s) of a dependent applicant or owned by the student applicant**
- **Child support received for the calendar year**
- **Net Worth of your businesses or for-profit agricultural operations.**

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)


FAFSA Steps – Dependent Student

1. Login – dependent student
2. Dependent Onboarding Steps
3. Verify Student Identity Information
4. Student Provides Consent



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.



FORM
2024-25

Student: Raya Tran

Save | FAFSA Menu

1 Personal Circumstances
2 Demographics
3 Financials
4 Colleges
5 Signature


Invite Parents to your FAFSA[®] Form

You will need to provide information for your parents

Based on your answers in the previous section, you'll need to provide information about both of your parents on your FAFSA form. You can invite your family members to your form to help you complete all required sections.

Enter names of parents, identified on the prior page, and we'll send electronic requests on your behalf.

Please make sure to provide information that your parents would use to login to StudentAid.gov.




Parent

First Name

Last Name

Date of Birth

Month	Day	Year
05	05	1973



Parent Spouse
optional

First Name

Last Name

Date of Birth

Month	Day	Year

Social Security Number (SSN)

 ⓘ

 My parent doesn't have a SSN

Email Address

Confirm Email Address

Social Security Number (SSN)

 ⓘ

 My parent doesn't have a SSN

Email Address

Confirm Email Address

Consent - IRS Direct Data Exchange

- **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.**
- **Direct Data Exchange to import applicant, parent, parent spouse, and/or student spouse Federal Tax Information (FTI)**
- ***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.**

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
- Once the final school choice is made, students should update their PA State Grant record.

FAFSA FORM 2024-25 Student Raya Tran Save FAFSA Menu

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

FAFSA FORM 2024-25 Student Raya Tran Save FAFSA Menu

Personal Circumstances Demographics Financials **Colleges** Signature

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.

0 of 20 Schools Selected View Selected Schools

Search by School Name Search by School Code

State

Cal x

California (CA)

School Name - optional

Search

Previous Continue

Signing with the FSA ID

FAFSA FORM 2024-25 Student Raya Tran Save FAFSA Menu

Personal Circumstances Demographics Financials Colleges **Signature**

Sign and Complete Your Part

Summary
This page confirms you understand the terms and conditions of the FAFSA form, and that you have filled it out accurately to the best of your ability.

The FAFSA form is a legal document you will electronically sign with your FSA ID. Because this is associated with your personal information, do not share it with anyone.

By signing this application electronically using your FSA ID (username and password) and/or any other credential or by signing a signature page and mailing it to us, YOU, THE STUDENT, certify that you

- will use FSA ID to sign the application
- are not in default on a federal student loan
- do not owe a federal student loan repayment
- will notify the federal government if you are a dependent student and your parent(s) are not providing you with financial support
- will not provide false or misleading information

By signing this application electronically using your username and password, and/or any other credential or by signing a signature page and mailing it to us, you certify that all of the information you provided is true and complete to the best of your knowledge and you agree, if asked to provide

- information that will verify the accuracy of your completed form, and
- U.S. or state income tax forms that you filed or are required to file.

You also certify that you understand that the secretary of education has the authority to verify information reported on your application with the Internal Revenue Service and other federal agencies.

If you sign this application or any document related to the federal student aid programs electronically using a username and password, and/or any other credential, you certify that you are the person identified by the username and password, and/or any other credential and have not disclosed that username and password, and/or any other credential to anyone else. If you purposely give false or misleading information, you may be fined up to \$20,000, sent to prison, or both.

Sign Your FAFSA Form

I, Raya Tran, agree to the terms outlined above

Cancel Submit

- 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 not be processed yet.

Parent's Invitation Email

FederalStudentAid

Help Complete [StudentFirstName]'s Form

[Contributor First Name],

[StudentFirstName] [StudentLastInitial] can't be eligible for federal student aid without your input. Help them complete the *Free Application for Federal Student Aid (FAFSA®)* form.

Providing information as a contributor does not make you financially responsible for [StudentFirstName]'s education costs. Completing the FAFSA form is how they qualify for student aid including

- Federal Pell Grants,
- federal student loans,
- state financial aid, and
- school financial aid.

[Log in with your FSA ID (account username and password) to complete your section.]

Note: Forms are deleted after 45 days of inactivity.

Don't recognize [StudentFirstname]? Read [\[Help topic title\]](#).

Log In

Why You Were Invited

Without your input, [StudentFirstName] won't be eligible for federal student aid.

Reasons To Finish Early

Here's why it's a good idea to finish as soon as possible:

States and schools have different deadlines for student aid. Check the ["FAFSA® Deadlines"](#) page for more information.

You may need extra time to make corrections after you submit.

Can't find [StudentFirstname]'s Form?

Read [\[help topic title\]](#).

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

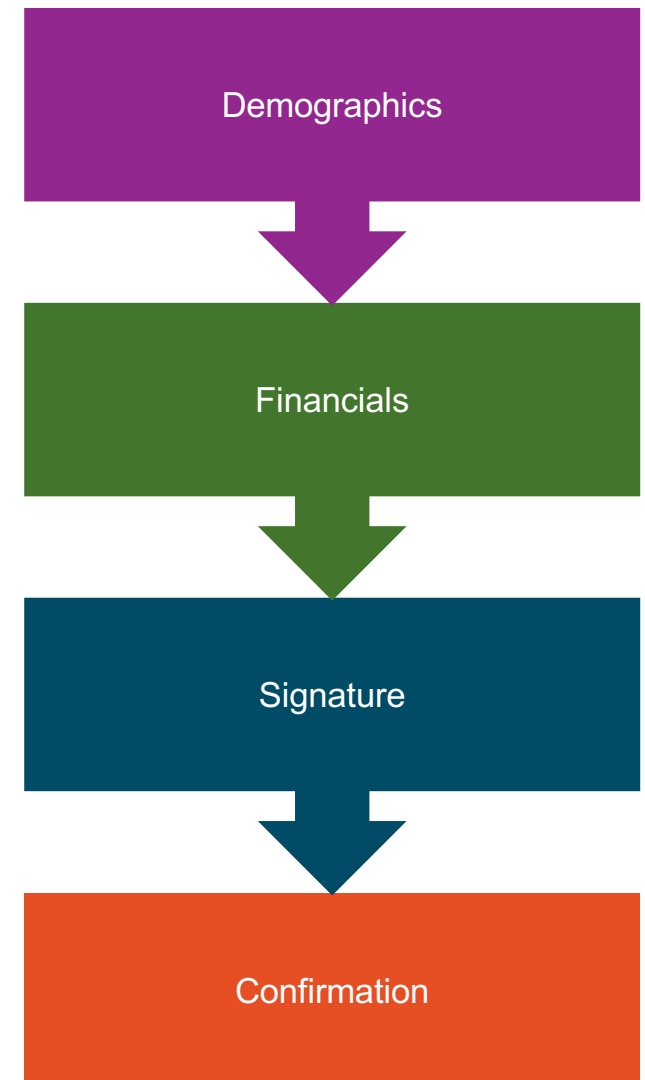
This email was sent by: Office of Federal Student Aid
U.S. Department of Education
400 Maryland Ave, SW
Washington, DC, 20002, US

Please do not reply to this email. Messages sent to this email address are not monitored. If you wish to contact us, please use the [StudentAid.gov contact page](#). For more information about financial aid, visit [StudentAid.gov](#).

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 contributor can submit the FAFSA form



Confirmation Page When Parent Submits the FAFSA

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- Confirmation page will be emailed and is available if the student logs into: StudentAid.gov

Applicants should allow or enable pop-ups from StudentAid.gov prior to completing the FAFSA, to ensure able to view all beneficial information.

FAFSA FORM 2024-25 Parent of Raya Tran Save FAFSA Menu

Congratulations,
the FAFSA® Form Is Complete!

Raya Tran
Completion Date
10/12/2024

What Happens Next

- Email sent**
Confirm that the student received an email version of this page.
- The Student Will Receive Notification of Processing**
In one to three days, the student will receive a notification by email that their FAFSA form was processed and sent to the student's schools.
- The Student Will Receive School Communications**
We use the information collected on the student's FAFSA form to calculate their Student Aid Index (SAI). The SAI lets schools determine how much aid the student is eligible to receive. Schools will reach out to the student if they need more information. They will also contact the student with financial aid offers. Once received, the student can contact their financial aid offices directly to ask questions about their student aid packages.

Track and Manage the Student's FAFSA® Form [View Status](#)

You can check the status of the student's application in the "My Activity" section of your StudentAid.gov account. We will let you know if we need anything more from you.

PHEAA Account Access (SGF)

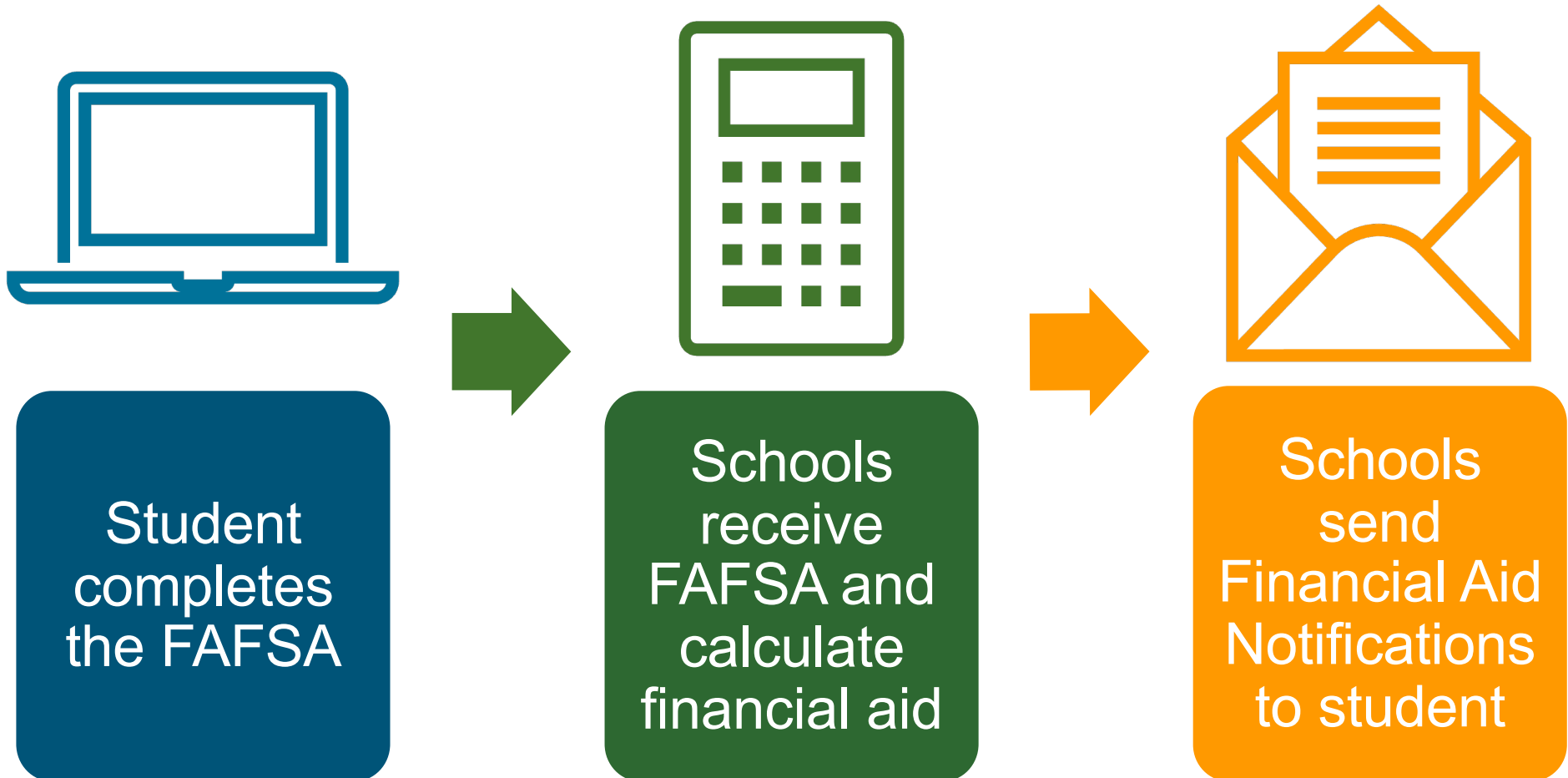
In addition to the FAFSA, first-time applicants must also complete the PA State Grant Form (SGF)

Create an account to:

- Check your PA State Grant eligibility
- Update your school of choice
- Complete State Grant Form

The screenshot displays the PHEAA website interface. The navigation menu includes 'Student Loans', 'Funding Opportunities', 'College Planning', 'Tools', and 'Partner Access'. The 'Funding Opportunities' menu is expanded, showing options like 'State Grant Program', 'Other Educational Aid', 'State Work-Study Employment', 'Pennsylvania Targeted Industry Program (PA-TIP)', 'Aid for Military & PA National Guard', 'Loan Forgiveness', and 'Ready To Succeed Scholarship (RTSS) Program'. The 'Other Educational Aid' option is circled in red, and a red arrow points to the 'Apply/Renew' link within its sub-menu. Another red arrow points to the 'After You Apply/Renew' link. On the right side, a 'Sign In/Create Account to:' panel is visible, featuring a 'SIGN IN' button and a 'Create an Account' link. Below the main content, there is a table with columns for 'Step' and 'Instructions', and a 'Contact Us' section with the phone number 1-800-692-7392. A note at the bottom states 'NOTE: Effective March 1, 2018, information'.

FAFSA is Filed... Now What?



Step 4: Compare Schools' Financial Aid Notices Carefully

- Official notification from the school, there is no required standard format
- Lists the type and amount of aid to be received
- Describes what must be done to accept or reject any aid
- Discloses rights, responsibilities and academic requirements

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





Reviewing the Financial Aid Package



How much of the financial aid is free money?

Which awards are based on need, and which are based on merit?

Are there any conditions on the free money? GPA requirement?

Will awards increase as tuition increases?

Will awards change from year to year?

Will loans be needed?

How is the SAI Calculated?

- **Primarily income-driven**
- **Major factors for dependent student:**
 - **Parental & student - income and assets**
 - **Family size and number of family members in college**
- **A student's SAI remains the same no matter which school the student attends**
- **The SAI is not the amount a family is required to pay and is rarely the amount they actually pay**



Comparing Packages

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: 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 and have a strategy for handling it?**
- **Remember What's Important: Knowing Your Return on Investment & Being a Smart Consumer!**





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**

Financial Aid 101



LOANS



Federal Student Loans

- Available to **ALL** students **REGARDLESS** of need
- In student's name, no collateral or credit check, must sign MPN
- Interest rate is 5.50%. There is a 1.057% fee deducted from loan amount at disbursement
- No payments required while attending school & six-month grace period
- Subsidized – No interest charged to student while enrolled or in grace period
- Unsubsidized – Interest accrues in school and during grace period



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

Federal Direct PLUS Loan



- For parents of dependent undergraduate or graduate level students
- In parent's name for student costs
- If denied - student is eligible for an additional \$4,000 unsubsidized loan
- Rates set every July 1st
 - 8.05% fixed rate
 - 4.228% fee

Private/Alternative Loans

- From private lenders or financial institutions
 - In student's name/co-signer usually required
 - Terms vary by lender – compare before making choices

READ THE FINE PRINT





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

Low, Fixed Rates
3.82-7.69%^{1,2}
APR

Effective as of 5/11/23

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 \$183.49 a fixed periodic interest rate of 4.10%, and a total amount repaid of \$11,009.34. The borrower in this sample qualified for a 0.25% Direct Debit benefit for the entirety of the repayment period. 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 \$64.17 for 46 months and \$93.84 for 180 months, a fixed periodic interest rate of 7.70%, and a total amount repaid of \$19,843.12. 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 applies to 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 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.

Undergraduate & Graduate

Pennsylvania's Student Loan Program

- **Low-cost, fixed interest rates**
- **Zero fees**
- **Borrow up to 100% certified cost of attendance including tuition, fees, room, board, books, etc. (Subject to aggregate loan limits)**
 - **Loans taken for a less than half-time academic period may borrow up to \$5,000**
- **Low minimum loan amount: \$1,500**
- **0.50% interest rate reduction for graduating**
- **0.25% interest rate reduction for enrolling in Direct Debit**
- **No pre-payment penalty**
- **Multiple repayment plans**
- **Co-signer release option**

Visit PHEAA.org/PAForward today!



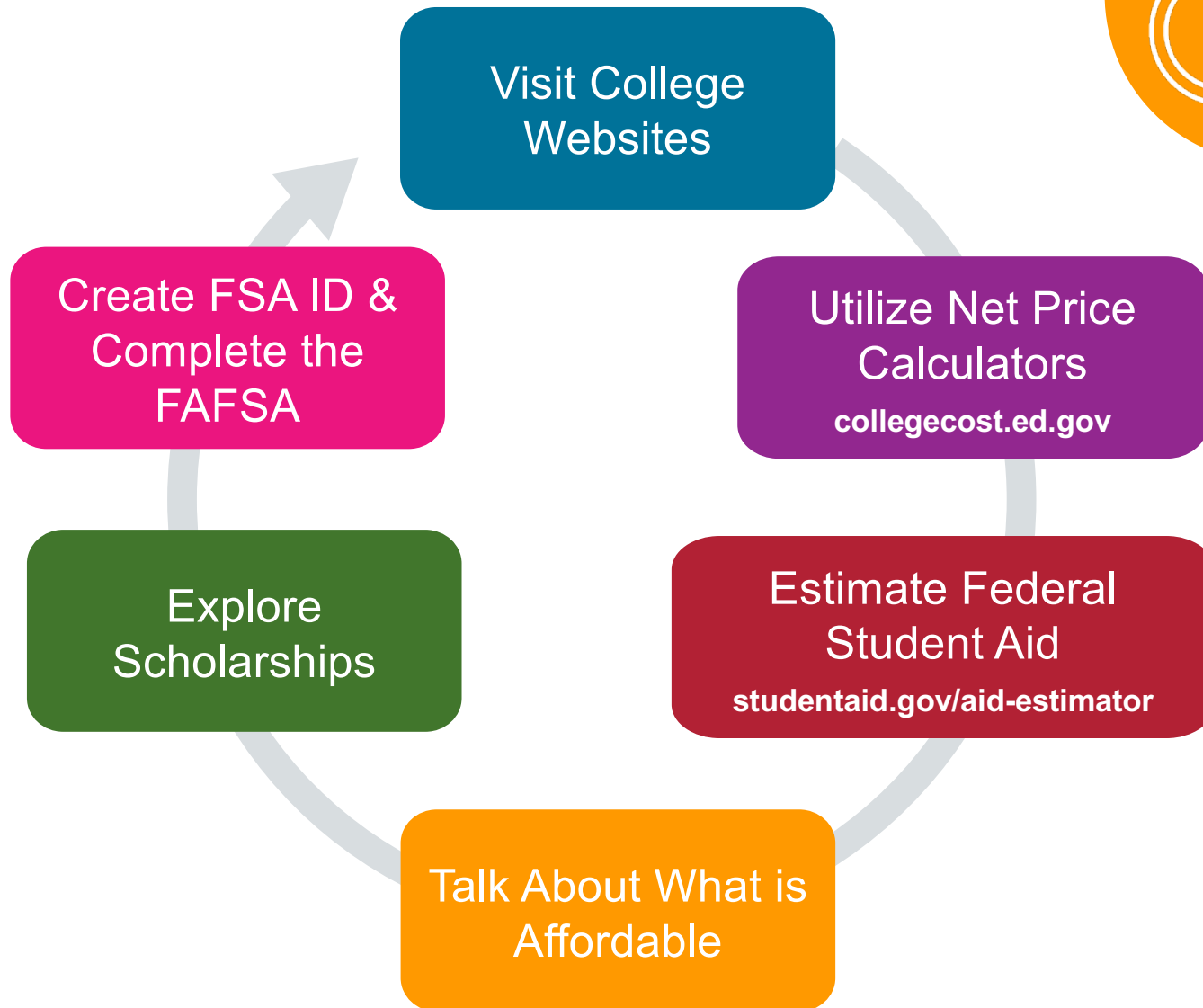
Ways to Reduce the Need for Financial Aid



- **Graduate on time!**
- **Earn college credits in high school**
- **Buy/rent textbooks**
- **Consider commuting**
- **Find cheaper meal plan**



What Can You Do Now?



Use Your Resources



- **PHEAA.org**
 - PHEAA toll free: 800-692-7392
- **StudentAid.gov** – The one-stop shop site for financial aid information.
 - [Studentaid.gov/FAFSA](https://studentaid.gov/FAFSA) – Direct link to the FAFSA
 - [Studentaid.gov/FSA-ID](https://studentaid.gov/FSA-ID) – Direct link to the FSA ID
 - [Studentaid.gov/help-center](https://studentaid.gov/help-center) – Information center
 - Federal Student Aid Info Center: 800-433-3243
- **MySmartBorrowing.org**
- **Collegecost.ed.gov/net-price**
- **Fastweb.com**
- **EducationPlanner.org**
- **YouCanDealWithIt.com**