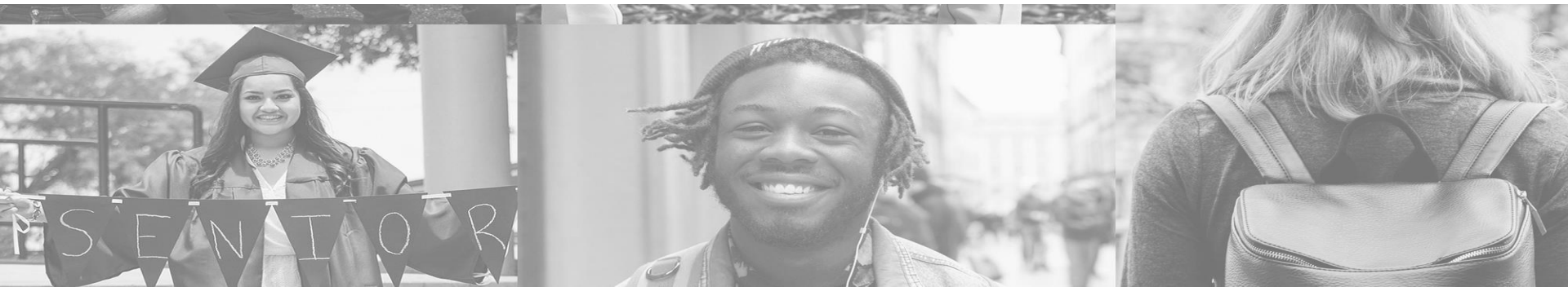




# **FINANCIAL AID 101**

**Prepare for Your Future**



# Your presenter

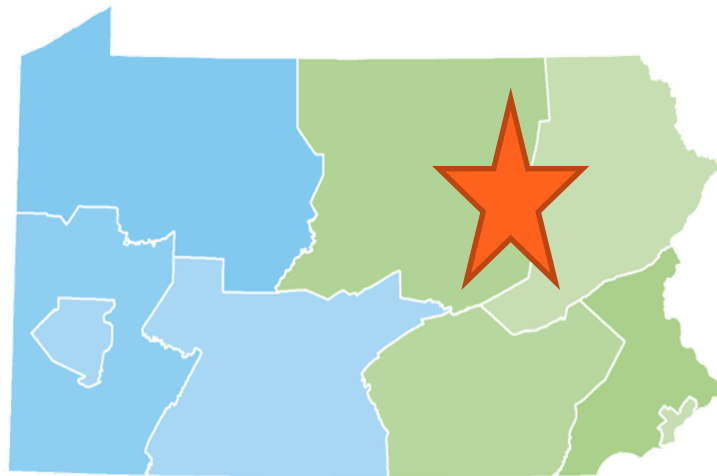
**Robin Walker**

Higher Education Access Partner

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

**717-956-8285**

**[rwalker@pheaa.org](mailto:rwalker@pheaa.org)**



# AGENDA

What is Financial Aid?

How do I apply?

The Aid sources available.

What happens next?

Making smart decisions!

# Financial Aid Basics

Financial Aid is funding provided to students and families to help pay for **POSTSECONDARY EDUCATION** expenses

## Principles:

- Paying is a joint responsibility of student and parent(s)
- A Federal Formula determines family “NEED”
- FORMS must be filed to receive ANY Aid
- Be a consumer – open minded, diverse search
- Buy and EDUCATION, NOT A SCHOOL



# Types of Financial Aid



## **GIFT AID**: Scholarships and Grants (not repaid)

Based on: **Financial Need** (income, assets, family)

**Merit** (ability, actions, criteria)

- Sources: Federal/State Government, Schools/Colleges, Organizations, Businesses, Community, Employers, FREE Internet Search

## **SELF HELP AID**: Loans, Work Programs, Savings

Loans are borrowed money and must be repaid

- Sources: Federal Government, Banks, Schools/Colleges

Work Study – earned money by students

Also.... Tuition Reimbursement and Military

# 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 after FAFSA is completed

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**





# FAFSA.GOV - New look and format for AY 19/20

The primary form used to determine Eligibility for Federal Financial Aid

Complete every year enrolled

New web format for online, tablet and phone use and a new “My Student Aid” App

Skip Logic built in to skip questions that don't apply

Fafsa4caster – practice site



# DEADLINES

*live it, learn it, love it*

**Federal Deadlines** - Apply anytime after October 1 in the year prior to when you will attend school  
(AY 2020-21: 10/1/19 – 6/30/21)

**School Deadlines** - vary, check websites!

## **PA State Grant Deadlines for FAFSA**

**May 1** - First-time and renewal students attending colleges, universities & college transferrable programs (excluding community colleges)

**August 1** – First-time students attending community college; a business, trade or technical schools, hospital school of nursing; Open Admissions Institutions or a 2-year non-transferrable degree program at a Jr or 4-year college





# Create an FSA ID (your electronic signature)

## FSAID.ed.Gov

or scroll down at FAFSA.gov & options within the FAFSA

[Create an FSA ID](#) [Manage My FSA ID](#)

Please enter your:

E-mail

?

Confirm E-mail

?

Username

?

Password

?

Confirm Password

?

✓ Numbers ✓ Uppercase Letters ✓ Lowercase Letters ✓ Special Characters ✓ 8-30 Characters ☐ Show Text

[CONTINUE >](#)

### HOW TO CREATE A FSA ID

**Before you start**  
Make sure you have access to your personal email account.

**STEP 1** Visit [fsaid.ed.gov](https://fsaid.ed.gov).

**STEP 2** Enter your email, create a username and a password.

**STEP 3** Enter your name, date of birth and Social Security Number.

**STEP 4** Confirm your profile information and enter your optional mailing address. You may also register to receive text messages to your mobile phone to perform account recovery functions (unlock account, reset password and retrieve username).

**STEP 5** Provide four required challenge questions and answers. You may also select to create an optional 8-digit code to access your loan balances over the phone.

**STEP 6** Verify and confirm your personal information as well as acknowledge the FSA ID terms and conditions.

**STEP 7** Verify your email address. Enter the secure code that was sent to the email address submitted in Step 2. This will allow you to use your email address as your username.

**I created my FSA ID, now what?**  
You can now use your FSA ID to sign an original FAFSA. Once the Social Security Administration verifies your information in 1-3 days, you will be able to start a renewal FAFSA, make changes to an existing FAFSA and log in to U.S. Department of Education websites.

**Don't give your FSA ID to anyone—not even to someone helping you fill out the FAFSA. Never share your FSA ID!**

**STILL HAVE QUESTIONS?**  
Visit [StudentAid.gov/fsaid](https://StudentAid.gov/fsaid).

**PHEAA**  
Pennsylvania Higher Education Assistance Agency

These materials have been developed and paid for by the Pennsylvania Higher Education Assistance Agency (PHEAA) for informational purposes. Although the information contained in this document is believed to be accurate at the time of printing, PHEAA does not guarantee its accuracy. You should independently verify that this information is correct.

RG-PSAID 053017

## THE FSA ID

### WHAT YOU NEED TO KNOW...

What is the FSA ID?  
FSA ID is a username and password that you use to log into certain U.S. Department of Education for Federal Student Aid (FAFSA®).

How do I create a FSA ID?  
You can create a FSA ID while completing the FAFSA or at any time.

Who needs a FSA ID?  
All students receiving federal student aid and all parents of dependent students completing the FAFSA will need their own FSA ID.

Can I create a FSA ID?  
Yes, as long as you are at least 13 years old and a U.S. citizen, permanent resident or eligible non-citizen.

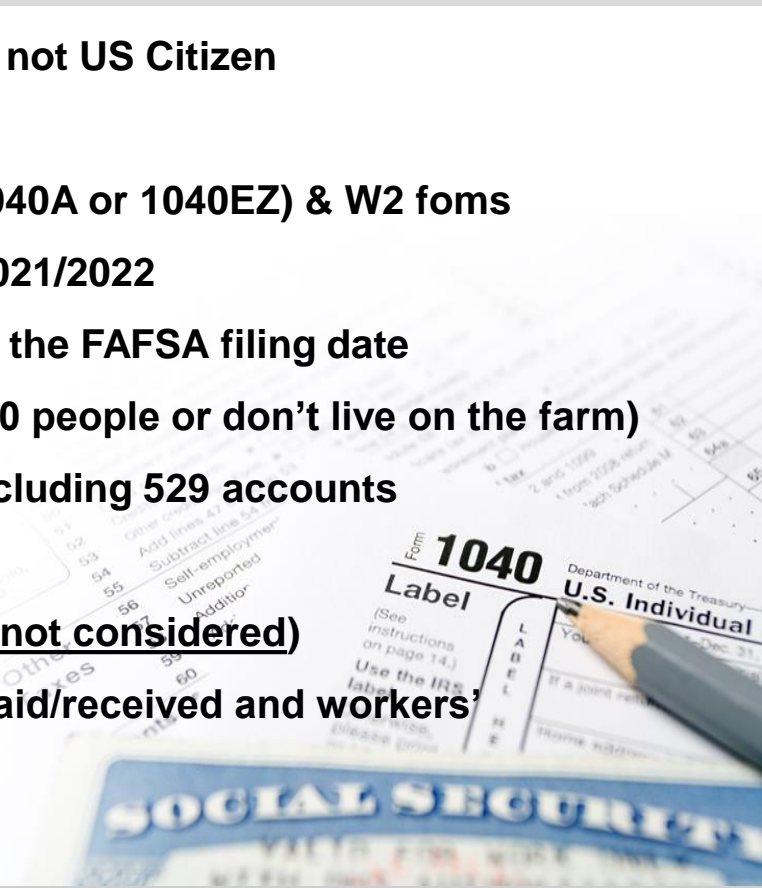
Do I need a FSA ID?  
Yes, you need a FSA ID to complete the FAFSA.

How do I use my FSA ID?  
Use your FSA ID to log into the FAFSA website to complete or update your FAFSA.

**Student and ONE Parent need separate ID's**  
**- Separate emails addresses required**

# Documents You May Need

- Social Security Number or alien registration number if not US Citizen
- Driver's license (student only and optional)
- Prior, Prior year's Federal income tax returns (1040, 1040A or 1040EZ) & W2 forms
  - 2018 taxes for AY 2020/2021 , 2019 taxes for AY 2021/2022
- Current bank statements (checking and savings) as of the FAFSA filing date
- Current business and farm records (if employ over 100 people or don't live on the farm)
- Records of any stocks, bonds & other investments, including 529 accounts
  - NET AMOUNTS
- Untaxed Income (untaxed Social Security benefits are not considered)
  - Veterans non-education benefits, child support paid/received and workers' compensation.



# 7 Sections / fill in the blanks

The screenshot shows the FAFSA application interface. At the top is a dark navigation bar with five buttons: 'Exit' (with a star icon), 'Clear All Data' (with a trash icon), 'View FAFSA Summary' (with a download icon), 'Save' (with a checkmark icon), and 'Help' (with a question mark icon). Below this is a section titled 'Student Address and E-mail'. Inside this section is a horizontal menu with seven items: 'Student Demographics' (which is highlighted with a red oval and a red arrow pointing to it), 'School Selection', 'Dependency Status', 'Parent Demographics', 'Financial Information', 'Sign & Submit', and 'Confirmation'. Below the menu is a 'STUDENT INFORMATION' header. Under this header is a text input field with the label 'Your permanent mailing address (include apt. number)'. At the bottom of the page, there is a date input field containing '11/02/1982'. To the right of the date field are two buttons: 'PREVIOUS' (with a left arrow icon) and 'NEXT' (with a right arrow icon). These two buttons are circled in red.

Exit Clear All Data View FAFSA Summary Save Help

## Student Address and E-mail

Student Demographics School Selection Dependency Status Parent Demographics Financial Information Sign & Submit Confirmation

### STUDENT INFORMATION

Your permanent mailing address (include apt. number)

11/02/1982

PREVIOUS NEXT

Use the Previous and Next buttons within the Application

Exit

Clear All Data

View FAFSA Summary

Save

Help

Search for Colleges

Student Demographic

School Selection

Dependency Status

Parent Demographics

Financial Information

Sign & Submit

Confirmation

STUDENT INFORMATION

John, based on the information you provided, we have determined that you may qualify for federal student aid. Continue through the application for us to determine how much aid you can receive.

Here's where you'll search for the colleges to which you'd like to send your FAFSA information. You can add up to 10 colleges at a time to your FAFSA. If you're applying to more than 10 colleges, [follow these instructions](#).

Make sure you add ALL colleges you're interested in, even if you haven't applied or been accepted yet.

Complete the fields below to search for a college to add to your FAFSA.

Do you know the college's [Federal School Code](#)?

Yes

No

State

Pennsylvania

City (optional)

School Name (optional)

Pennsylvania State University

SEARCH TIPS

PREVIOUS

SEARCH

# SCHOOL SELECTION

## Look at more than one!

Select up to 10 colleges you are interested in attending

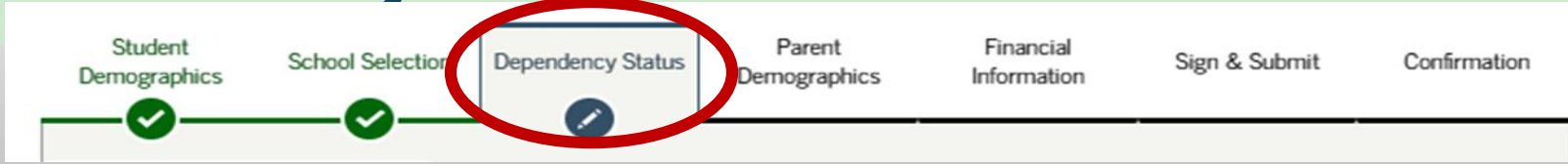
- You don't have to be currently accepted
- List the one you're most likely to attend first

Schools cannot see your Financial Info unless you list them on FAFSA

Schools cannot see the order or your other selections

Search by name or by school code

# Dependency Status



## Independent students are:

- 24 or older on January 1 of award year
- Veteran (includes active duty personnel)
- Married
- Working on graduate degree
- Emancipated minor or in a legal guardianship
- Orphan, in Foster Care or Ward of the Court at any time when the student was age 13 or older
- Have legal dependents other than spouse
- Student deemed homeless by proper authority



# Whose information goes on the FAFSA?

- ✓ **Independent student** – only their info
- ✓ **Dependent Student and Parent(s)**
  - ✓ **Divorced or Separated Parents -> Custodial Parent:** the parent that you lived with most during the last 12 months, if equal: the parent that provided the most financial support
  - ✓ **Divorced/Separated parents who live in the same household**
  - ✓ **Same Sex Parents**
  - ✓ **Stepparents**
  - ✓ **Adoptive parents**
- ✓ **NOT a parent for FAFSA:**
  - ✓ Foster parents
  - ✓ Legal guardians
  - ✓ Anyone else the student is living with





# IRS Data Retrieval Tool

Parent Tax Filing Status

Student Demographics School Selection Dependency Status Parent Demographics Financial Information Sign & Submit Confirmation

PARENT INFORMATION

Application was successfully saved.

Attention! You must provide financial information from your parents' 2016 tax return on the following pages.

For 2016, have your parents completed their IRS income tax return or another tax return?

Already completed

IRS.gov

Return to FAFSA | Log Out | Help

Spanish

### Get My Federal Income Tax Information

See our [Privacy Notice](#) regarding our request for your personal information.

Enter the following information from your 2016 Federal Income Tax Return. Required fields \*

First Name *	Dependent
Last Name *	Data
Social Security Number *	***-**-****
Date of Birth *	01 / 01 / 1994
Filing Status *	Single
Address - Must match your 2016 Federal Income Tax Return.	
Street Address *	
P.O. Box (Required if entered on your tax return)	
Apt. Number (Required if entered on your tax return)	
United States	
Select One	

By submitting this information, you certify that you are the identified. Use of this system to access another person's information may result in civil and criminal penalties.

All Info must match tax return!

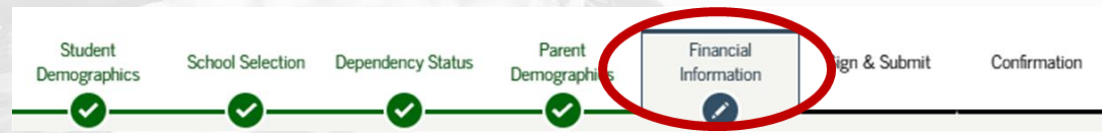
Leaving FAFSA on the Web

You are now leaving FAFSA on the Web and will be transferred to the IRS web site. Your FAFSA information will be saved.

Your saved FAFSA will automatically open either when you transfer your information from the IRS or choose to return to FAFSA on the Web from the IRS Web site. If you do not transfer your information or choose not to return to FAFSA on the Web from the IRS Web site, you will have to log in to open your saved FAFSA.

For your protection, your tax return information will not display on the IRS Web site or on the FAFSA.

[SKIP IRS DRT](#) [PROCEED TO IRS SITE](#)



Students and Parents can transfer IRS Tax Return Information directly into the FAFSA if applicable

- Manual entries are verified

Have W2's for earned income reporting

Parent IRS Info

Student Demographics School Selection Dependency Status Parent Demographics Financial Information Sign & Submit Confirmation

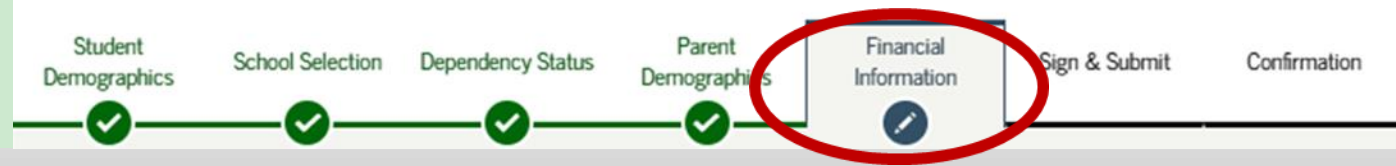
You have successfully transferred 2016 IRS tax information.

The father's IRS tax information has been successfully transferred into this FAFSA. Questions that were populated with tax information will be marked with "Transferred from the IRS." For your protection, IRS tax return information is not displayed on the FAFSA.

What type of income tax return did your father file for 2016?  
Transferred from the IRS

What was your father's adjusted gross income for 2016?  
Transferred from the IRS

# Assets



An **ASSET PROTECTION ALLOWANCE** is applied against a Parent's assets, based on the information gathered to this point

Student Demographics School Selection Dependency Status Parent Demographics Financial Information Sign & Submit Confirmation

**PARENT INFORMATION**

As of today, does the total amount of your parents' current [assets](#) exceed \$33,600.00?

☐ Yes ☒ No

Each family's number is unique to them

**NOT AN ASSET:** Home, Personal Property, Qualified Retirement Funds, Value of Life Insurance. Social Security Benefits are NOT considered

Report **NET ASSETS** (Value - Associated Debt/Penalty = Asset)

529 college savings accounts are reported as Parent Investments IF the total assets including the 529 are ABOVE the asset protection allowance number

Student Demographics School Selection Dependency Status Parent Demographics Financial Information **Sign & Submit** Confirmation

**Sign & Submit**

You have chosen to submit your FAFSA without all required signatures. If you continue, your application will not be complete.

Your FAFSA must be signed before your school can determine your eligibility for federal student aid. The fastest way to sign a FAFSA is electronically using an FSA ID. Click **choose another way to sign** below to sign with an FSA ID. [Click here for help signing with your FSA ID.](#)

To submit without signature(s), click **Submit My FAFSA Now**.

**Student Selected Signature Option**

Social Security Number: XXX-XX-6123  
Last Name: **Dependent**  
Date of Birth: 02/09/1999

Signature Status: **Submit Without Signatures**  
[choose another way to sign](#)

**Parent Selected Signature Option**

Social Security Number: XXX-XX-4644  
Last Name: **Student**  
Date of Birth: 12/30/1983

Signature Status: **Submit Without Signatures**  
[choose another way to sign](#)

[PREVIOUS](#) **SUBMIT MY FAFSA NOW**

# Sign + Submit = EFC / AID calculations

2018-2019 Confirmation Page



**Congratulations, John!**

Your FAFSA was successfully submitted to Federal Student Aid.

Confirmation Number: F 12004251707 07/27/2018 14:49:4

Data Release Number (DRN): 9999

#### What Happens Next

- You will receive an e-mail version of this page.
- In 3-5 business days, you will receive an e-mail notifying you that your FAFSA was processed.
- Your FAFSA information will be made available to your school(s), and they will use it to determine the aid you may be eligible to receive.
- Your school(s) will contact you if they need more information or when they are ready to discuss your financial aid award.
- If you have questions about your financial aid package, contact your school(s).

An abbreviated version of your confirmation page has been sent to you at the e-mail address: [newuser@fafsademo.com](mailto:newuser@fafsademo.com)

[PRINT THIS PAGE](#)

[Expand All](#)

> **Estimated Expected Family Contribution (EFC) = 999999**

> **Info Information**

> **School(s) on your FAFSA:**

## EFC stays the same for ALL schools

Parent contribution divided by number of children in college at the same time

Student Income protection: 50% over \$6,570 is considered

**EFC:** Expected Family Contribution  
Family Financial Strength Number, NOT what you're expected to pay

**Driving factors:** Income, Family Size and Age of oldest parent

Approx calculation on assets: 20% student, 6% of parent assets

# PA State Grant FORM



Congratulations, Sample!

Your FAFSA was successfully submitted to Federal Student Aid.

Confirmation Number: F 11200004104 03/27/2018 11:00:37/2018 11:31:55 AM:3/27/2018 11:31:55 AM

Data Release Number (DRN): 9970

## What Happens Next

- You will receive an e-mail version of this page.
- In 3-5 business days, you will receive an e-mail notifying you that your FAFSA was processed.
- Your FAFSA information will be made available to your school(s), and they will use it to determine the aid you may be eligible to receive.
- Your school(s) will contact you if they need more information or when they are ready to discuss your

**Easiest Method:** Click the Link on the FAFSA confirmation Page, info is transferred

samplestudent@sample.com

PRINT THIS PAGE

Start your state application to apply for Pennsylvania state-based financial aid.

Completed the first year attending, uses new FAFSA in subsequent years

Missed the Link – go to PHEAA.org, 24 hours after filing or watch for PHEAA reminders

**NEW !  
E-Sign  
process**

The screenshot shows the PHEAA website with the following elements:

- Navigation Bar:** Contact Us, About Us, Careers, Site Map, Sign In or Create Account.
- Search Bar:** I want to... Select and go to... Search Site: [Search Icon]
- Menu:** Home, College Planning, Funding Opportunities, Partner Access, Tools & Resources.
- State Grant Program:**
  - Programs
    - Apply/Renew
    - After You Apply/Renew
    - Summer State Grant
    - State Grant FAQ
    - Documents & Forms
  - Educational Aid
  - Study Employment
  - Military
  - ational Guard
  - orngiveness
- Pennsylvania State Grant Program:**
  - State Grant Update:** The Pennsylvania General Assembly appropriates funds to PHEAA for the Pennsylvania State Grant and other programs. Until the state budget has been signed by the Governor, PHEAA is unable to confirm awards or disburse funds to schools and employers for the current 2016-17 Academic Year. This affects all state and federal programs administered by PHEAA.
  - Apply/Renew Now:** A grant is a type of financial aid award that you don't need to repay, as long as you meet all of the eligibility requirements.
  - Prepare:** Before you apply for a Pennsylvania State Grant, find out whether you meet the eligibility requirements and how much money you can expect to receive.
  - Apply/Renew:** To be considered for a Pennsylvania State Grant, you must fill out the FAFSA (Free Application for Federal Student Aid) and complete the Pennsylvania State Grant Form. Most renewal students do not have to complete the State Grant Form.
- Sign In/Create Account to:**
  - Apply for a State Grant
  - View State Grant status
  - Update address or school info
- Contact Us:** 1-800-692-7392
- State Grant FAQ:**
  - How do you determine my State Grant award?
  - How do I make corrections on my State Grant Form?
  - How will I receive my State Grant funds?
  - See All Questions
- Documents & Forms:**
  - State Grant Program Manual
  - Rights and Responsibilities
  - ADA Accommodation Request Form
  - See All Documents & Forms



Pennsylvania Higher Education Assistance Agency

# The process.....

Department of Education's Central Processing System uses the FAFSA calculations to create your NEED ANALYSIS



- ☒ EFC is calculated – number used to determine aid
- ☒ SAR/ISIR – reports your eligibility for Aid to you and your school choices
- ☐ Schools and State receive your results
- ☐ Grant eligibility is calculated
- ☐ You Apply/Applied to your school choices
- ☐ Once Accepted – schools produce Award Letters  
(Aid Packages) based on Need and any Internal Aid  
(Cost – EFC = Need)
- ☐ You compare Award Letters
- ☐ Determine true costs of school and make affordable choices



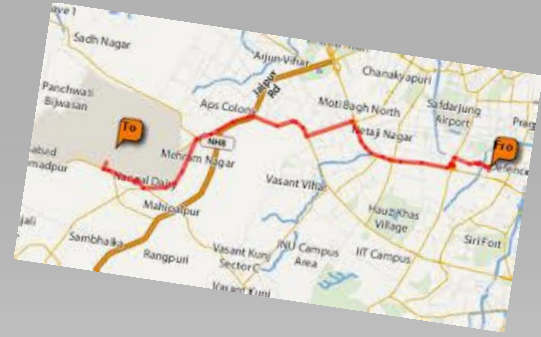
# Cost of Attendance

The Financial Aid Office will include **DIRECT COSTS** in determining the student's annual cost of attendance (Budget) at their school.

- Tuition, Fees, Room, Meals(Board), Books, Supplies

Don't forget about **INDIRECT COSTS**:

- Dorm Furnishings, Transportation, Personal Expenses, Laundry, Dependent Care, Pizza...





# Net Price Calculator

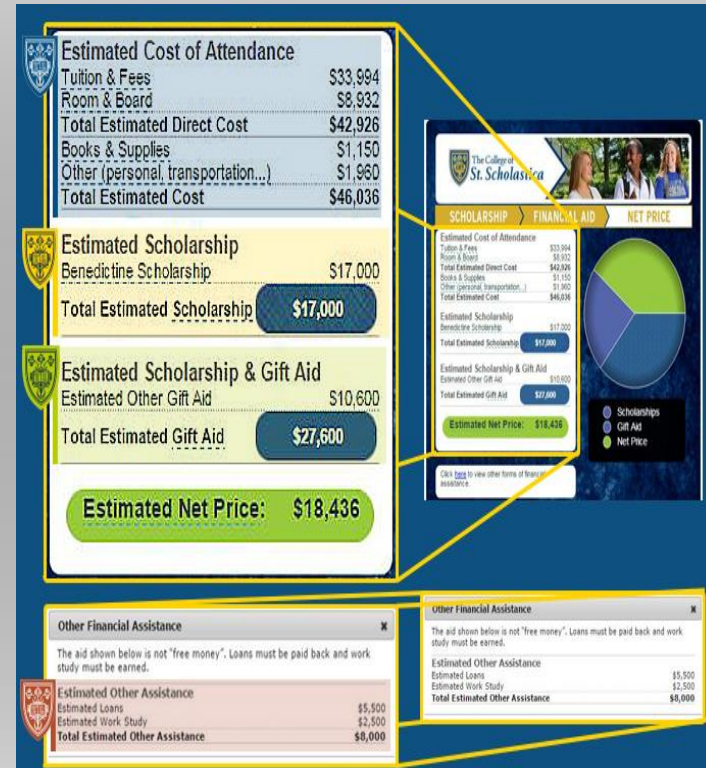


Every Institution, by law, must provide families with a Net Price Calculator on their website to estimate net costs

## ESTIMATED data provided by each institution:

- Total price of attendance
- Tuition, Fees, Room and Board
- Expenses (ie personal, transportation..)
- Estimated merit and need based grant aid
- ESTIMATED NET PRICE (attendance minus grant aid)

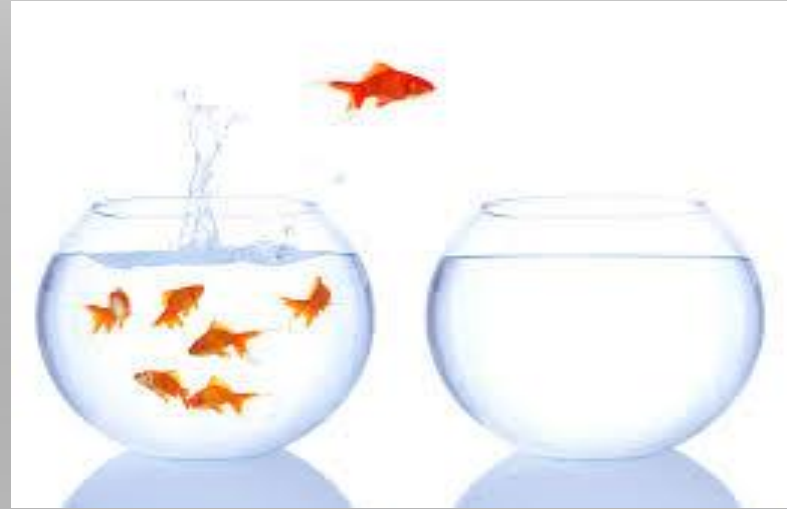
Does not always include internal Scholarships



# Special Circumstances ...

***If things change ...contact the Financial Aid Office***

- Reduced Income or PPY Inflated Income
- Recent death or disability
- Divorced or separated parents
- High health care bills
- Foster parents
- Legal guardians
- Living with others



**Only a school can change a FAFSA related to circumstances**  
**Contact PHEAA for PA Grant re-consideration**

# Funding Options Available

**“Well, how much money will I get?”**



# Federal Grants based on Need (EFC)

**Pell Grant ..... up to \$6,195** (19/20 AY)

**Campus-based aid – amounts determined by FAO**

**FSEOG..... up to \$4000**

**Federal Work Study... FAO determines**



Student must be enrolled at least half-time and meet satisfactory academic progress

Eligibility determined by FAFSA (forms)

Amounts determined by Need Analysis & Cost of School

# Other Federal Grant Programs

[StudentAid.ed.gov/types](https://StudentAid.ed.gov/types)

- TEACH Grant
- Occupational Vocational Rehabilitation Program (OVR)
- Post 9/11 GI Bill Benefits
- Iraq and Afghanistan Service Grant
- US Dept. of Health and Human Services
  - <https://www.benefits.gov/us-department-health-and-human-services-hhs-student-assistance-programs>
- Americorps
- American Opportunity Tax Credit & Lifetime Learning Credit
  - tax return credits - see IRS Publication 970



# PA State Grant [pheaa.org](http://pheaa.org)



**Full time in PA\* .... up to \$4,128** (19/20 AY)

Greater than 50% Online: half of the eligible award

Out of State – up to \$551 in DE, DC, MA, OH, WV, VT

- **All other states - \$0**

\* Must be a resident of PA, attend at least half-time in a minimum 2 year program and meet satisfactory academic progress – see [pheaa.org](http://pheaa.org) or the PA Student Aid Guide

Eligibility determined by FAFSA & PA Grant Form

**Amounts determined by Need Analysis & Cost of School**



# **State Administered Grants** – [pheaa.org](http://pheaa.org)

- **State Work-Study Program**
- **Partnerships for Access to Higher Education Program (PATH)**
- **PA Targeted Industry Program (PA-TIP)**
- **PA National Guard Educational Assistance Program (EAP)**
- **Chafee Education and Training Grant (Foster Students)**
- **Postsecondary Education Gratuities Program (PEGP)**
- **Blind or Deaf Beneficiary Grant Program**
- **Ready to Succeed Scholarship Program**
  - **2nd year and beyond**



# PATH Grant

- PHEAA partnership with community – based PA organizations that offer grants or scholarships to eligible PA residents
  - » Current PATH partners at [PHEAA.org/PATH](https://www.pheaa.org/PATH)
- PHEAA PATH Grant match – up to \$2,500
- The student must be enrolled at least half-time in a PHEAA-approved postsecondary institution
- Student must have received a PA State Grant for the semester or quarter for which they are nominated to receive a PATH Grant

# Educational Assistance Program (EAP)

- Department of Military and Veterans Affairs (DMVA)
  - » Distributes and collects applications
  - » Determines approval of applicants
- Students must sign a 6-year agreement with the PA National Guard
- Awards are based on tuition charged to PA residents at a state-owned school



# PA Military Family Education Programs

- On July 1, 2019, Governor Wolf signed the PA GI Bill which will allow the spouses and children of National Guard member's to attend college for free or at a reduced cost.
- The Military Family Education Program (MFEP) will be administered by PHEAA and the DMVA.
- It is the first of its kind in the nation and is expected to benefit up to 8,000 military family members.
- An additional 6-year service commitment with the PA National Guard is required.
- More information is forthcoming.

# PA Targeted Industry Program (PA-TIP)

- Targeted industries at approved schools:
  - » Energy
  - » Advanced Materials and Diversified Manufacturing
  - » Agriculture and Food Production
- Need-based awards up to the maximum PA State Grant award
- Many requirements of PA State Grant, except:
  - » Program must be at least 10 weeks but less than 2 years
- Must file a FAFSA & PA – TIP application



# Chafee Education & Training Grant (ETG)

- Federally-funded program
- PA students aging out of foster care
- Enrolled at least half-time and attending an institution
- Must file a FAFSA & Chafee application
- 2019-20 AY max award is \$5,000





# Fostering Independence Through Education Waiver

- On June 28, Governor Wolf signed the Fostering Independence Through Education Act
- It waives tuition for youth who were in foster care at age 16 or older, including those adopted
- Beginning in the fall of 2020, all PA colleges and universities will be required to offer tuition waivers for eligible students.
- The waivers, which also cover college application fees, can be used for up to five years or until a student reaches age 26
- Additional Information will be forthcoming

# Postsecondary Education Gratuity Program (PEGP)

- Benefits children of select emergency personnel who died in the line of duty
- A waiver of institutional charges for tuition, fees, room and board minus any grants or scholarships received at a PA community college, state-owned or state-related institution
- Must be enrolled full-time in associate or baccalaureate degree program
- Must File a FAFSA, SGF and PEGP application



# Blind or Deaf Beneficiary Grant

- Students who are visually or hearing impaired
- Enrolled at least half-time
- Maximum award \$500
- Must file a FAFSA & Blind or Deaf Beneficiary Grant Application

# Other PA Programs - OVR

- State agency that provides a variety of services for individuals with:
  - » Physical disabilities
  - » Mental/nervous/emotional disorders
  - » Drug and alcohol rehabilitation
  - » Learning disabilities
- Diagnostic testing
- Financial support (gift aid) for higher education
- Must complete FAFSA



# Scholarships! Don't miss FREE Money

- **START EARLY—and KEEP LOOKING**
  - GOOGLE your Interests
- DON'T PAY for information (Scam)
- Criteria varies by school and organization
  - Follow Directions – provide what is asked
- Don't Fear Essays – recycle
- Don't disqualify yourself until IT disqualifies YOU
- Small amounts ADD UP
- Activities, Athletics, Family, Hobbies, Attributes, Participation – DO YOUR RESEARCH
- Create a Profile/Resume – everything about you
- **DON'T MISS DEADLINES**

- ✓ FastWeb.com
- ✓ EducationPlanner.org
- ✓ FinAid.org
- ✓ Unigo.com
- ✓ Scholarships.com
- ✓ Scholarship-Page.com
- ✓ DoSomething.org/Scholarships
- ✓ Colleges.Niche.com
- ✓ StudentScholarships.org
- ✓ BigFuture.Collegeboard.org
- ✓ CollegeAnswer.com
- ✓ CollegeNet.com
- ✓ MeritAid.com
- ✓ MORE....



# Federal Direct Loan Program (borrowed funding)

StudentLoans.gov or the School's Website

**Awarded to ALL eligible undergraduate students, regardless of NEED**

## **2 Loan components**, based on FAFSA

**Subsidized** – Govt pays interest while attending and during grace period

**Unsubsidized** – Student is responsible for interest (Accrues in school and grace)

5.045% variable/fixed interest rate, 1.062% fee (AY 18/19)

- Changes every July 1 for new loans

- **In Student's Name**
- No Collateral or Credit Check
- No Payments required while attending school and 6 month Grace Period
- Affordable repayment options
- MUST complete a FAFSA and Sign an MPN
- Additional amounts for Independent Students and if Parent PLUS Loan is denied

# Federal Direct Stafford Loan Program Borrowing Limits

Undergraduate Students			Graduate Students
Annual Limits	Dependent Students	Independent or Dependent Students whose parents are unable to borrow a PLUS Loan	Graduate or Professional Studies
<b>1<sup>st</sup> Year</b>	<b>\$5,500</b> Total No more than \$3,500 may be subsidized	<b>\$9,500</b> Total No more than \$3,500 may be subsidized	<b>\$20,500</b> each academic year Graduate / Professional students are no longer eligible for subsidized loans
<b>2<sup>nd</sup> Year</b>	<b>\$6,500</b> Total No more than \$4,500 may be subsidized	<b>\$10,500</b> Total No more than \$4,500 may be subsidized	
<b>3<sup>rd</sup> Year and beyond</b>	<b>\$7,500</b> Total No more than \$5,500 may be subsidized	<b>\$12,500</b> Total No more than \$5,500 may be subsidized	
<b>Aggregate Limits</b>	<b>\$31,000</b> Total No more than \$23,000 may be subsidized	<b>\$57,500</b> Total No more than \$23,000 may be subsidized	<b>\$138,500</b> Total



# Federal Direct PARENT PLUS Loan

## For Parents of Dependent Undergraduate Students

PLUS loans also available for Independent Graduate Students

- In a Parent's Name for student costs – up to the Cost of Attendance
- Payment can be deferred while student is in school (interest accrues)
- No Debt-to-Income test, Only lenient credit check
- Must apply each year and file a FAFSA
- IF DENIED – student is eligible for an additional \$4,000 unsub

7.595% Variable/Fixed Interest Rate; 4.248% fees (AY 18/19)

Changes every July 1 for new loans



# Private / Alternative Education Loans

**Options for Balances 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

**NEW from PHEAA beginning AY 19/20:**

## **PA Forward Student and Parent Loan**

- **NO FEES, Rate Discounts for ACH & Graduating**
- **Low interest rates**
- **[www.PHEAA.org/PAForward](http://www.PHEAA.org/PAForward)**



**Compare to find the right fit**

# PHEAA.org/PAForward

PHEAA's new PA Forward Student Loan Program is designed specifically for PA students and families.



# PA Forward – Undergraduate Student Loans

These loans are designed specifically for students enrolled or who plan to be enrolled at least half time in a Title IV approved degree, certificate, or diploma granting program.

## Loan Benefits

- Low-cost, fixed interest rates (5.01-7.43% APR)<sup>1</sup>
- Zero Fees
- Borrow up to 100% certified cost of attendance (tuition, fees, room, board, books, etc.)<sup>3</sup>
- Low minimum loan amount: \$1,500
- 0.50% interest rate reduction for graduating
- 0.25% interest rate reduction for enrolling in *Direct Debit*<sup>4</sup>
- No pre-payment penalty
- Multiple repayment plans
- Co-signer release option

# PA Forward – Parent Loan

These loans are designed specifically for parents or guardians of dependent undergraduate students enrolled at least half-time in a Title IV approved degree, certificate, or diploma granting program.

## Loan Benefits

- Low-cost, fixed interest rates (5.19-7.38% APR)<sup>2</sup>
  - Zero Fees
  - Borrow up to 100% certified cost of attendance (tuition, fees, room, board, books, etc.)<sup>3</sup>
  - Low minimum loan amount: \$1,500
  - 0.25% interest rate reduction for enrolling in *Direct Debit*<sup>4</sup>
  - No pre-payment penalty
  - Multiple repayment plans
- (Includes in-school interest only option)

# PA Forward Disclaimer

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, monthly payments of \$107.05 for a period of 120 months, a fixed periodic interest rate of 5.45% and a total amount financed of \$12,845.50. 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 \$61.67 for 46 months and monthly payments of \$92.13 for the remainder of the repayment term, a fixed periodic interest rate of 7.40% and a total amount financed of \$19,420.77. The borrower in this sample did not qualify for any interest rate discounts.

Please note these APRs are estimates and may differ from the actual rates received.

2. 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, monthly payments of \$107.05 for a period of 120 months, a fixed periodic interest rate of 5.45% and a total amount financed of \$12,845.50. The borrower in this sample qualified for a 0.25% Direct Debit benefit for the entirety of the repayment period.

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Please note these APRs are estimates and may differ from the actual rates received.

3. Subject to aggregate loan limits.
4. If you choose the Interest Only or Partial Interest Repayment Plans, you will not be initially eligible for Direct Debit or the 0.25% rate reduction until your loan enters repayment and you start paying toward both principal and interest.

Applicants, including co-signers, are subject to credit qualifications, completion of an application and credit agreement, and verification of application information.

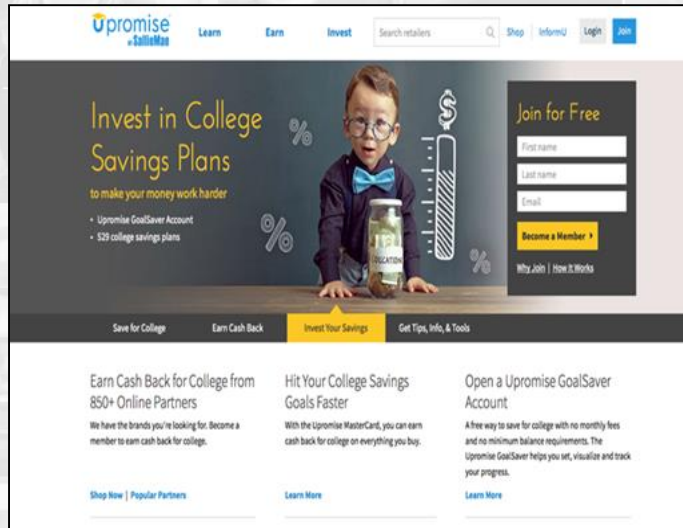
PHEAA reserves the right to discontinue all programs or benefits without prior notice.



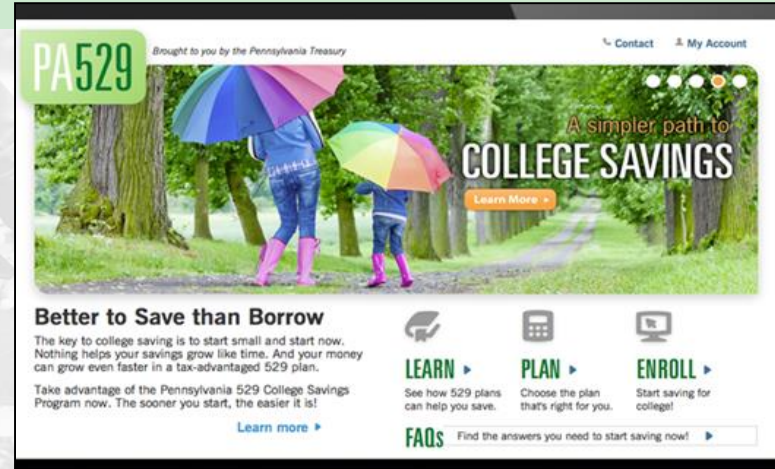
# Other ways to save and pay

## PA 529 College Saving Plan

A tax free savings account for post secondary education costs **PA529.com**



The screenshot shows the Upromise.com homepage. At the top, there's a navigation bar with 'Learn', 'Earn', 'Invest', a search bar, and links for 'Shop', 'Info', 'Log In', and 'Join'. The main banner features a young boy in a suit and bow tie, holding a jar of coins, with the text 'Invest in College Savings Plans to make your money work harder'. Below this, there are three columns of content: 'Save for College' (Earn Cash Back for College from 850+ Online Partners), 'Hit Your College Savings Goals Faster' (With the Upromise MasterCard, you can earn cash back for college on everything you buy), and 'Open a Upromise GoalSaver Account' (A free way to save for college with no monthly fees and no minimum balance requirements). Each column has a 'Learn More' link.



The screenshot shows the PA529 College Savings Plan website. At the top, it says 'PA529 Brought to you by the Pennsylvania Treasury'. The main banner features a family walking on a path with umbrellas, with the text 'A simpler path to COLLEGE SAVINGS' and a 'Learn More' button. Below the banner, there's a section titled 'Better to Save than Borrow' with a sub-header 'The key to college saving is to start small and start now. Nothing helps your savings grow like time. And your money can grow even faster in a tax-advantaged 529 plan.' It also mentions 'Take advantage of the Pennsylvania 529 College Savings Program now. The sooner you start, the easier it is!' and a 'Learn more' link. To the right, there are three icons: 'LEARN' (See how 529 plans can help you save), 'PLAN' (Choose the plan that's right for you), and 'ENROLL' (Start saving for college!). At the bottom, there's a 'FAQs' section with the text 'Find the answers you need to start saving now!' and a right-pointing arrow.

## Upromise.com

Anyone can earn for your student by registering credit cards and shopping with participating companies

\$ earned can go into a 529, pay a loan or be received for expenses

# Options to Cover the Cost of Education

- A school doesn't care how you come up with the balance, just that you do.
- Families can CHOOSE the methods of borrowing and funding combinations that meet their needs to cover balances - it's unique to YOUR resources.

**You can mix & match = balances!**

- |   |  |  |
|---|--|--|
| ✓ Savings – Family                                  | ✓ Tuition Payment Plans – School                     | ✓ Employers – Tuition reimbursement programs                           |
| ✓ 529 College Saving Plans - Family                 | ✓ Federal Student Loans – DOE                        | ✓ 401K – Withdrawal or loans (See a financial advisor or your HR Dept) |
| ✓ U Promise credits – Family, friends               | ✓ Parent PLUS Loans – DOE                            | ✓ Credit Cards – Banks (be cautious)                                   |
| ✓ Scholarships – Various sources, including schools | ✓ PA Forward Loan – State                            | ✓ Student part-time job – Students work-study/private jobs             |
| ✓ Grants – Federal/State programs                   | ✓ Private Education Loans – Banks / Finance Entities |  |
|   | ✓ Institutional Loans – School                       |  |
|   | ✓ Home Equity Loans – Banks                          |  |

Next Steps



# Schools determine NEED



## 1. Using FAFSA calculations:

School Cost (varies per school) .....	\$26,000
<b>EFC (stays the same) .....</b>	<b>- \$3,000</b>
FINANCIAL NEED .....	\$23,000

2. FAO “**Packages**” students based on Financial Need and available funding (varies by school)

3. Financial **Award Letter** is sent to the Student

**NOTE: EFC Stays the same, Costs Vary**

# Financial Aid Award Letter Understand it!



## **An official notification from the School about financial aid, terms, and conditions**

- Lists the type and amount of each award to be received and accept/reject steps
  - Sign and return
  - Complete MPN's for loans; Entrance Counseling

**Verification:** IF you are flagged, request official tax transcripts online at **[www.irs.gov](http://www.irs.gov)** or by calling (800) 908-9946. Please note that tax transcripts are not the same as copies of tax returns

## **REVIEW and ASK QUESTIONS**

- Is there criteria on the Gift Aid - GPA, Participation, Membership, Major ?
- Will funds change if tuition changes; Will Gift Aid continue in subsequent years
- Is PLUS and Workstudy packaged?!
- How are Outside Scholarships Handled?
- What is the overall debt – the letter is for one year's costs.

# Packaging Example

SCHOOL	A	B	C	D
COST	\$ 6,600	\$15,000	\$25,000	\$45,000
<b>EFC</b> (stays the same for all schools)	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
NEED	<u>\$ 3,600</u>	<u>\$12,000</u>	<u>\$22,000</u>	<u>\$42,000</u>
<b>FREE MONEY</b> (varies)	<b>\$2,000</b>	<b>\$ 7,000</b>	<b>\$ 9,500</b>	<b>\$23,000</b>
LOANS (Federal Direct Lending)	\$4,600	\$ 5,500	\$ 5,500	\$ 5,500
WORK STUDY ( <u>after</u> you work a job!)	\$ 0	\$ 0	\$ 2,000	\$ 3,000
<u>TOTAL AID</u>	<u>\$ 6,600</u>	<u>\$12,500</u>	<u>\$17,000</u>	<u>\$31,500</u>
GAP (Cost – Aid)	\$ 0	\$ 2,500	\$ 8,000	\$13,500
<b>ACTUAL COST</b> (Cost – FREE Money)	<b>\$4,600</b>	<b>\$ 8,000</b>	<b>\$15,500</b>	<b>\$22,000</b>



# Begin with the End in Mind

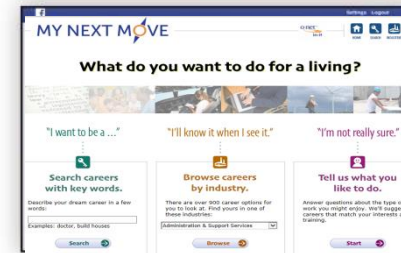
**RESEARCH the EXPECTED SALARY in your FUTURE CAREER, find an affordable school, and borrow realistically**

- There are many paths to the same degree
- Research every option, including community colleges and commuting
- Only attend a school you can reasonably afford
- Only borrow what you absolutely need to attend
- Approach education from a consumer standpoint
- **Is there a CAREER SERVICES Dept**
- **Much depends on You and Your Choices**



# PHEAA Online Resources

- [PHEAA.org](http://PHEAA.org)
- [EducationPlanner.org](http://EducationPlanner.org)
  - Career planning
- [MyNextMove.org](http://MyNextMove.org)
  - Research Careers
- [MySmartBorrowing.org](http://MySmartBorrowing.org)
  - Borrow smart
- [YouCanDealWithIt.com](http://YouCanDealWithIt.com)
- [Facebook.com/pheaa.aid](https://Facebook.com/pheaa.aid)
- [MyFedLoan.org](http://MyFedLoan.org)

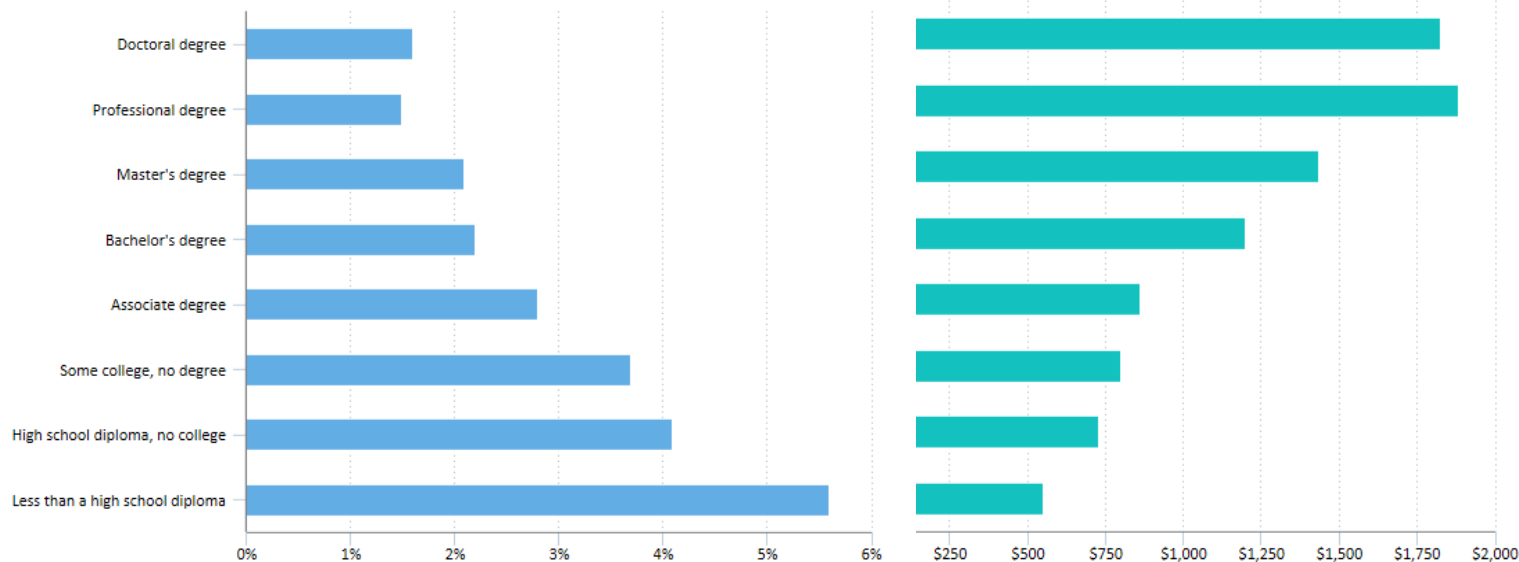


# It pays top have an education

Unemployment rates and earnings based on education attainment, 2018

Unemployment rate %

Median Usual Weekly Earnings \$



Ref: US Dept of Labor: Bureau of Labor Statistics/Career Outlook

# Thanks and Best Wishes!

## Questions?



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