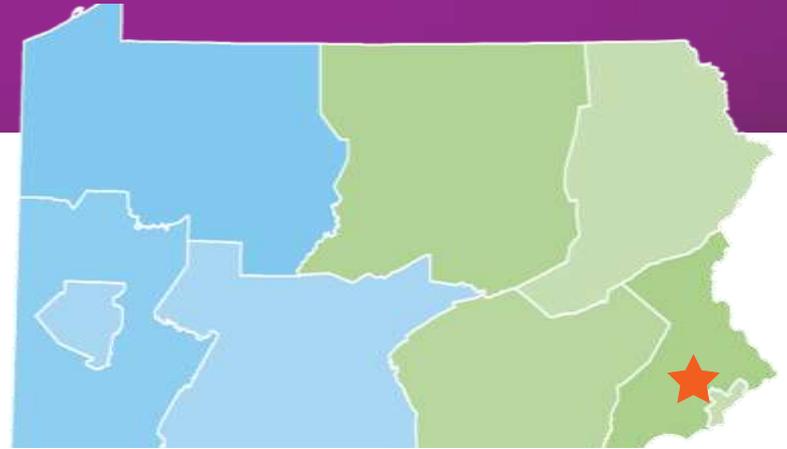


Take your
EDUCATION to the **NEXT LEVEL**



Financial Aid 101

Your Presenter



Fran C. McKeown

Higher Education Access Partner

PA Higher Education Assistance Agency (PHEAA)

215-801-7097

fmckeown@pheaa.org

We will be taking questions using the
Q&A
feature at the end of our
presentation.

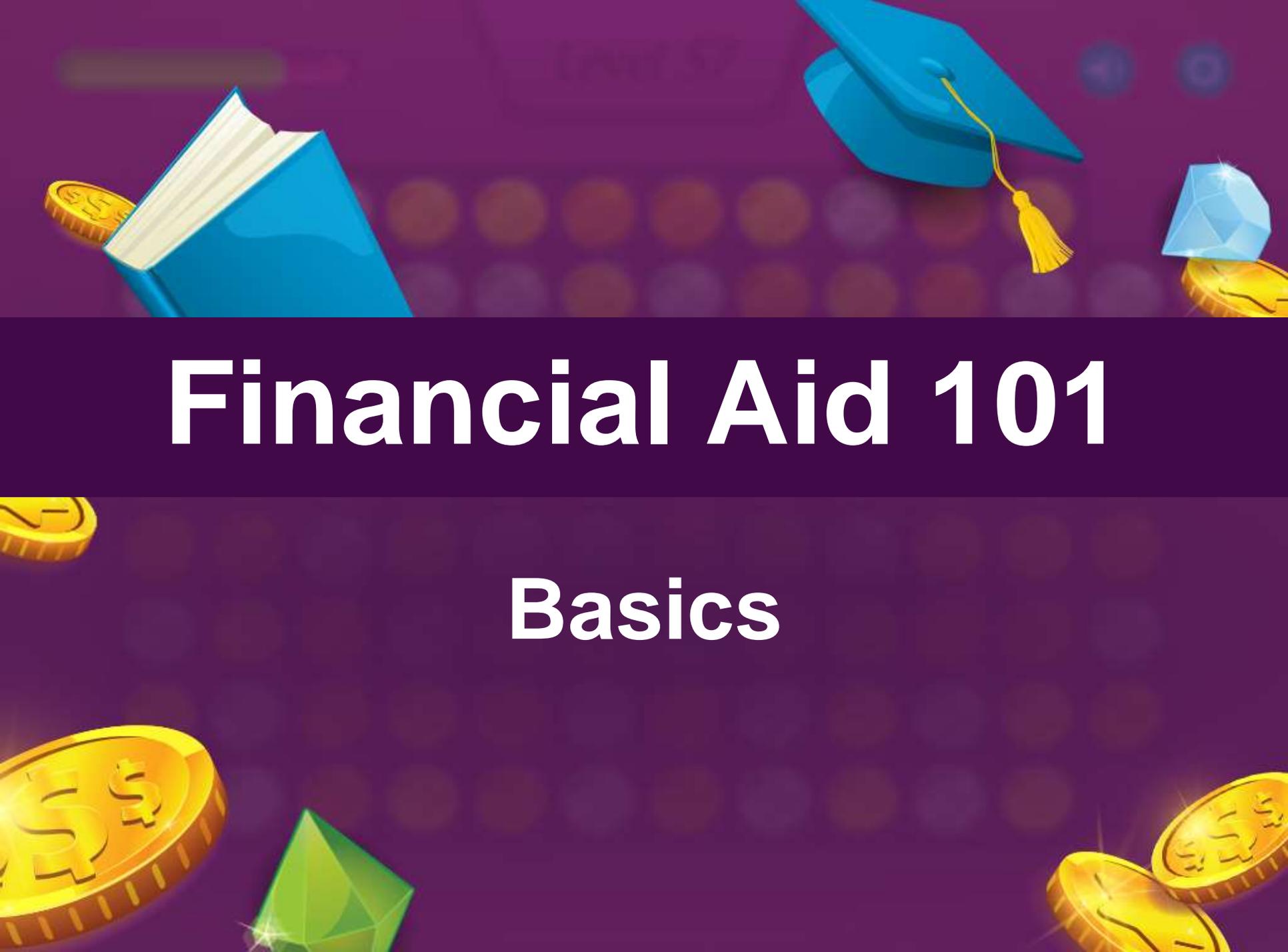


Click the ? symbol to see the feature
box
on the right of your screen.

Topics



- What is Financial Aid
- Aid sources available
- How do I apply
- What happens next
- Options to fund the gap



Financial Aid 101

Basics

Basic Principles, Federal Aid

- Paying is the joint responsibility of the student and parent(s), 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.

What Is Financial Aid?



Financial aid consists of funds provided to students and families to help pay for postsecondary educational expenses.

Types of Aid:

- Merit Scholarships (Free Money)
- Grants/Scholarships (Need-Based-Free Money)
- Self-Help (Loans, Work, Savings, etc.)

Funding Sources



Federal Government



State Government



School or College



Scholarships

Financial Aid Made Simple

5 Steps to Financial Aid





Financial Aid 101

APPLYING

Start with the **FORMS**

FAFSA – Free Application for Federal Student Aid

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

STATE GRANT FORM through PHEAA

- Required first year for all students

Some schools require additional forms:

CSS Profile – through the College Board; additional fees

Institutional Financial Aid Forms - through a specific school

KNOW WHAT FORMS EACH SCHOOL *REQUIRES*

Know Your Deadlines

DON'T MISS THE DEADLINE!

Federal Deadlines - Apply anytime after October 1 in the year prior to when you will attend school
(AY 2021-22: 10/1/20 to 6/30/22)

School Deadlines - vary, check websites!



PA State Grant Deadlines for FAFSA

May 1, 2021 - First-time and renewal students attending colleges, universities & college transferrable programs (excluding community colleges)

August 1, 2021 – 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

Whose Info Goes on the FAFSA?

YES

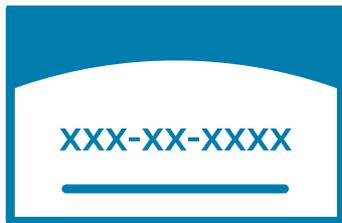
- Married parents living together
- Biological parents living together
- Divorced or separated parents
 - The parent the student lived with the most over the past 12 months. If equal, then the parent who provided more than 50% of student's support
- Stepparents – If part of student's household
- Adoptive parents

NO

- Foster Parents
- Legal Guardians
- Anyone else the student lives with

2021-2022 FAFSA Prep

Information Needed for FAFSA



Social Security Numbers



Federal Tax Returns and W-2's (2019)



2019 Untaxed Income



Checking and Savings Account Statement Balances as of FAFSA Filing Date



Investment Records



Email Addresses



Student & Parent Federal Student Aid Account (FSA ID)

Who Is Independent?



- Born before January 1, 1998
- Married
- Veteran (includes active duty personnel)
- Working on graduate level degree
- Emancipated minor in legal guardianship
- Orphan, in foster care or ward of the court at anytime when student was age 13 or older
- Have legal dependents other than spouse
- Student deemed homeless by proper authority
- (PA State Grant status can be different)

Create Your FSA ID Accounts

- The student applying for aid and one parent providing information on the FAFSA need to create an FSA ID at studentaid.gov.
- Create prior to completing the FAFSA.
- Legal signature for student and parent.
- Provides access to FAFSA and Federal Student Aid online systems.

After verifying, the mobile phone number can be used as the username to login.

Username

Password

Email Address

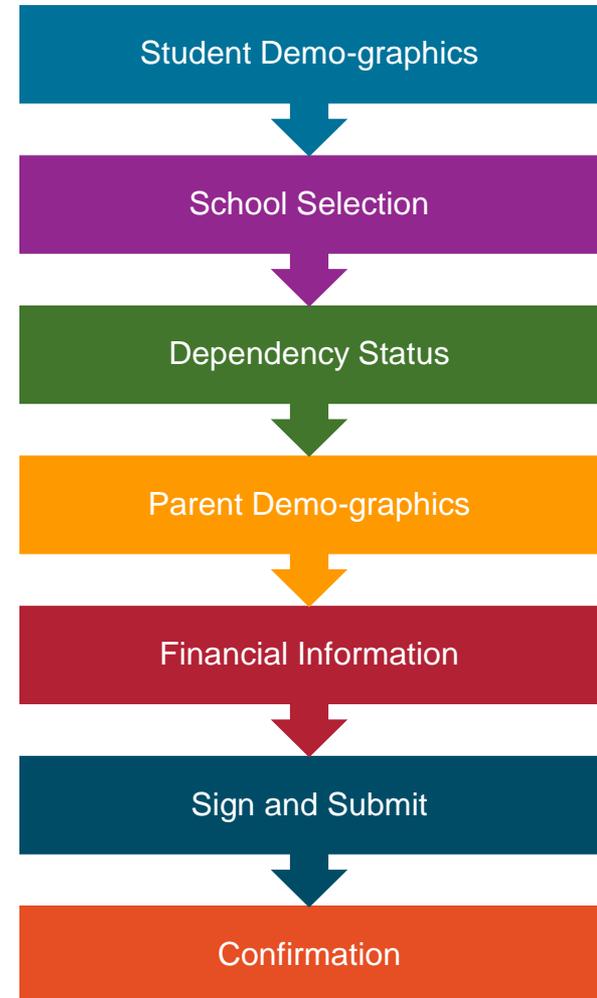
Mobile Phone

Security Questions

Social Security
Number

FAFSA Steps

1. Login – student or parent
2. Disclaimer – select accept
3. Application Year
4. Save Key
5. Introduction



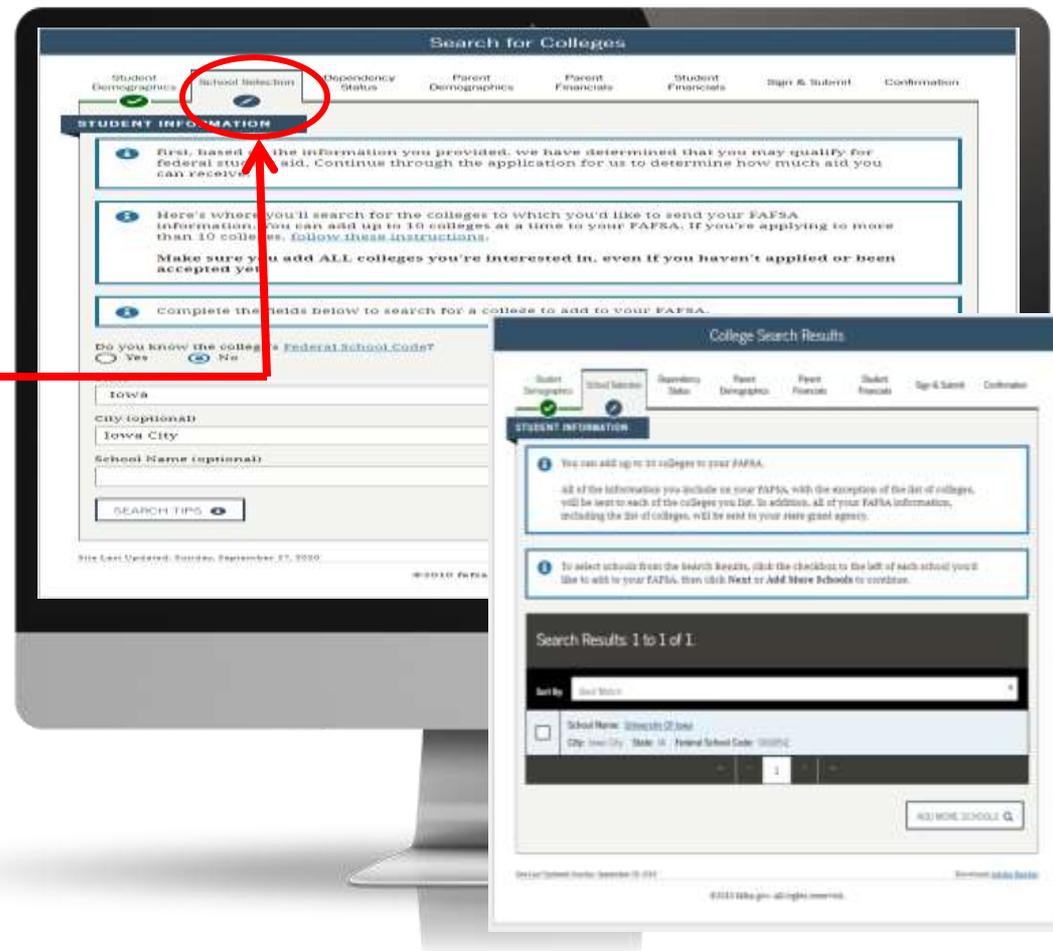
FAFSA (Free Application for Federal Student Aid) – FAFSA.gov

- The FAFSA is the primary federal form for financial assistance to attend postsecondary school.
- Must file a FAFSA each year a student attends school to be eligible.
- File online – Fast, Secure, SKIP LOGIC and Built-in Edits.



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 10 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.



IRS Data Retrieval Tool

After taxes are filed:

- Is a component of the FAFSA
- Automatically pulls in 2019 IRS Tax info for parents and students and places data into the FAFSA
- There are some exceptions – not everyone can use the IRS DRT
- Not everyone is required to file taxes, filing is not required to complete the FAFSA
- If estimated income is used to complete the FAFSA, go back later and use IRS Data Retrieval Tool



Sign & Submit

Signature Status

Student Demographics ✓ School Selection ✓ Dependency Status ✓ Parent Demographics ✓ Parent Financials ✓ Student Financials ✓ Sign & Submit ✎ Confirmation

i Both you and a parent need to sign your FAFSA.

Only sign for yourself. If you and your parent are not together, one of you sign, save the application and then exit. Give the "save key" to the other person who can sign in with it and sign and submit the FAFSA.

Be sure not to mix up your and your parent's FSA IDs when signing.

Student Signature Needed ✎

Signature Status: **Unsigned**

PROVIDE STUDENT SIGNATURE ✎

Parent Signature Needed ✎

Signature Status: **Unsigned**

PROVIDE PARENT SIGNATURE ✎

[PREVIOUS](#)

Site Last Updated: Sunday, September 29, 2019 [Download Adobe Reader](#)

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Confirmation Page & Link to the PA State Grant Form & Sibling Application

2021-2022 Confirmation Page



Congratulations, First!

Your FAFSA was successfully submitted to Federal Student Aid.

Confirmation Number: F 00600669903 07/13/2020 16:32:10

Data Release Number ([DRN](#)):2866

What Happens Next

- In 7-10 business days, we will mail you a Student Aid Report (SAR) 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).

PRINT THIS PAGE

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

Does your brother or sister need to complete a FAFSA?

If so, you can transfer your parents' information into a new FAFSA for your brother or sister to save time. Your parents will have to provide a signature again, but that's all.

[Expand All](#)

> Estimated Expected Family Contribution (EFC) = 002592

> IRS Information

> School(s) on your FAFSA:

School Name	Graduation Rate	Retention Rate	Transfer Rate	Additional Information from College Scorecard
MID-ATLANTIC CHRISTIAN UNIVERSITY	31%	62%	0%	NA



If you have questions, visit StudentAid.gov/fafsa/help.

TAKE A SURVEY

10K

Share

Tweet

Site Last Updated: Sunday, September 27, 2020

Download [Adobe Reader](#)

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Online State Grant Application

- Link off the FAFSA Application Confirmation Page

- » Missed the link or it wasn't available?

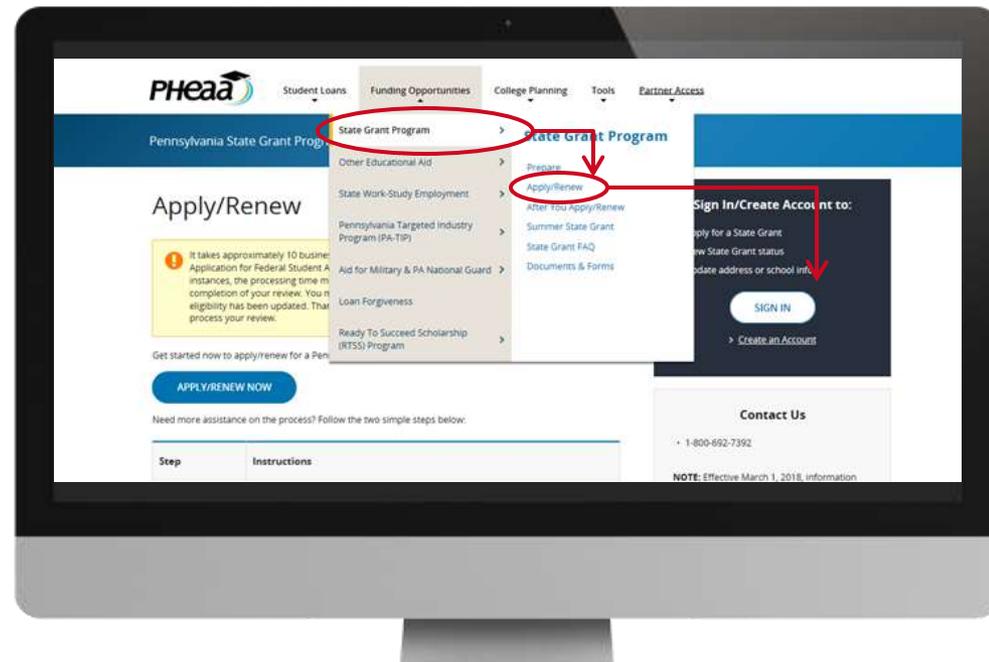
- Link in an email sent to student/parent from PHEAA,

OR

- Go to [PHEAA.org](https://www.pheaa.org); State Grant Program; and complete the form.

- Additional information needed to determine PA State Grant eligibility:

- » Enrollment status (full-time/part-time)
- » Value of PA 529 College Savings Program
- » Program of study for students in vocational programs
- » Employment status



Help screens are available for all questions

Special Circumstances

If things change....

- Divorced or separated parents
- Recent death or disability
- Reduced income
- Unemployment
- Medical or dental expenses not covered by insurance

- ✓ Only a school can change a FAFSA related to circumstances
- ✓ Decisions are final and cannot be appealed to U.S. Department of Education
- ✓ Contact PHEAA for PA State Grant re-consideration

Forms Are Filed – Now What?



What's NEXT?

What Happens Next?

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 need

SAR/ISIR – reports information 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 Offer
(Aid Notification) based on Need and any Internal Aid
(Cost – EFC = Need)

You compare Award Offers

Determine true costs of school and make affordable choices



Need Analysis is Calculated by Your School



Schools use SAR calculations to determine a student's financial need based on –

Two Components:

- The student's Cost Of Attendance at the chosen institution.
- The student's Expected Family Contribution (EFC).

EFC figure includes parent(s) & student's contribution.

Net Price Calculators



- Enables current and prospective students, families and consumers to determine an estimate of an individual net price at a particular institution.
- **ESTIMATED** data must be provided by each institution:
 - » Total price of attendance
 - » Tuition, Fees, Room and Board
 - » Expenses (i.e., personal, transportation)
 - » Estimated total merit and need-based grant aid
 - » Estimated net price (attendance minus grant aid)

May not include scholarships

How is EFC Calculated?

In theory, the EFC is a number calculated to measure and compare the general financial strength of all families applying for aid - it is **NOT** the amount you are expected to pay. The EFC remains the same no matter which school the student attends.

- **Expected Family Contribution (EFC) is determined based on:**
 - ✓ Parent income and assets
 - ✓ Student income and assets
 - ✓ Family size
 - ✓ Number in college
 - ✓ Age of the older parent



This is NOT necessarily the amount you will pay each year!

Parent Income & Assets

- Allowances are made for federal, state, local and social security taxes; working parent households and a standard living allowance based on family size
- An **ASSET PROTECTION ALLOWANCE** is applied against a Parent's assets, based on the information provided on the FAFSA application

The screenshot shows the FAFSA application progress bar with steps: Student Demographics, School Selection, Dependency Status, Parent Demographics, Financial Information, Sign & Submit, and Confirmation. The 'Financial Information' step is currently active. Below the progress bar, a blue banner reads 'PARENT INFORMATION'. The question displayed is: 'As of today, does the total amount of your parents' current assets exceed \$33,600.00?' with radio buttons for 'Yes' and 'No'. A red circle highlights the word 'assets' and the amount '\$33,600.00'. A red arrow points from this circle to a callout box containing the text: 'Each family's number is unique to them'.

NOT AN ASSET: Home, Personal Property, Qualified Retirement Funds; Value of Life Insurance

Report **NET ASSETS** (Current Value – Current Debt = Net Asset)

529 college savings accounts are reported as Parent Investments.

Student Income & Assets



- Income protection allowance of \$6,970 is applied and the remaining amount is assessed at 50%
- Dependent students must report assets in their name
- Student assets are assessed at 20%

Calculating Financial **NEED**



1. Using FAFSA calculations:

School Cost	\$32,000
-EFC	<u>-\$ 5,000</u>
FINANCIAL NEED	\$27,000

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

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

NOTE: EFC Stays the same, Costs Vary

Financial Aid Notification

- Official notification from school about financial aid, terms and conditions
- Lists the type of aid and amount to be received
- Describes what must be done to accept or reject any type of aid
- Discloses students rights, responsibilities and academic requirements
- There is no required standard format for Financial Aid Notices

Reviewing the Financial Aid Notification

After reviewing their notifications, students should be sure they know and understand the following:

How much of the financial aid is free money?

Which types of aid are based on need, and which are based on merit?

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

Will aid increase as tuition increases?

Will aid change from year to year?

Will loans be needed?



Financial Aid 101



Federal & State Aid

Federal Programs

- Pell Grant - max award \$6,345* (for 2020-21)
- Max EFC is 5711
- Campus-based aid (amounts determined by Financial Aid Office at each potential school)
 - » FSEOG.....up to \$4,000
 - » Federal Work-Study...FAO determines

For most programs, student must be enrolled at least half-time.

* **Goes to most financially needy students**

Pennsylvania State Grant*) (2020-21)



- In-state (PA) - Full-time: up to \$4,525
- In-state (PA) – Part-time: 1/2 of the FT award
- Out-of-state - Up to \$578 in DC, DE, MA, OH, VT, WV. \$770 for veterans.
- Amount determined in part by the cost of the school.

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



Financial Aid 101



Federal Loans

Federal Direct Loan Program

- Available to **ALL** students **REGARDLESS** of need
- Additional unsubsidized funds available for Independent & Parent PLUS denials
 - » 2.75% interest rate (AY 20-21), 1.057% fee
 - » Rates set every July 1st for the life of that year's loan; fees are deducted from disbursement
- In student's name, no collateral or credit check, must sign MPN
- Available loan amounts increase in subsequent years
- No payments required while attending school & six-month grace period
- Flexible Repayment options
- 150% RULE applies – New borrowers as of 7/1/13

**Studentaid.gov &
school's website!**

Based on FAFSA, students have a combination of:

- Subsidized:
Federal government pays interest in school and grace status
- Unsubsidized: interest accrues in school and grace

Federal Direct Stafford Loan 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
1st Year	\$5,500 Total No more than \$3,500 may be subsidized	\$9,500 Total No more than \$3,500 may be subsidized	\$20,500 each academic year Graduate / Professional students are no longer eligible for subsidized loans
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	\$138,500 Total No more than \$65,000 may be subsidized

Federal Direct PLUS Loan

- For parents of dependent undergraduate or graduate level students
- In parent's name for student costs
- Rates set every July 1st for the life of that year's loan; fees are deducted from disbursement
 - » 5.30 % variable/fixed interest rate; 4.228% fees (AY 20-21)
- Can borrow up to the Cost of Attendance
- MUST apply each year
- No Debt-to-Income test, only lenient credit check
- Can have an endorser (co-signer)
- Principal can be deferred while student is in school; Interest will continue to accrue
- IF denied - student is eligible for an additional \$4,000 unsubsidized loan
- Must file a FAFSA



Financial Aid 101



Private/Alternative Loans



**ONLY consider private or
alternative loans after looking into
all other sources of financial aid**

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
 - Fees, interest rates, loan amounts, and repayment provisions vary by lender
 - Repayment may be deferred until education completed
 - Students must sign a "Self Certification Form"

READ THE FINE PRINT



The image shows a document titled "Private Education Loan Applicant Self-Certification". The document contains several sections with checkboxes and text. The visible sections include:

- APPLICANT INFORMATION:** Includes fields for Name, Address, City, State, Zip, and Phone.
- CO-SIGNER INFORMATION:** Includes fields for Name, Address, City, State, Zip, and Phone.
- DECLARATION:** A section where the applicant and co-signer declare that the information provided is true and correct.
- AGREEMENT:** A section where the applicant and co-signer agree to the terms and conditions of the loan.
- SIGNATURES:** Fields for the applicant and co-signer to sign and date the form.

PA Forward Education Loans

Pennsylvania's Student Loan Program



- Low cost affordable student loan products, originated and serviced through PHEAA, available to **help Pennsylvania Students & families.**
- Variety of repayment options.

Who can use PA Forward?

- Undergraduate Students
- Graduate Students
- Parents, Stepparents, Guardians
- Refinancing Option
- PA Residents attending any Title IV eligible school
- OH, NY, NJ, DE, MD, VA residents attending a PA school



Apply and find more details on PA Forward at PHEAA.org/PAForward

It's worth a look to find what works for you!

Scholarships



Types of Scholarships

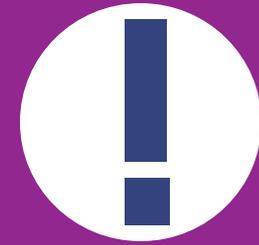


- Postsecondary scholarships
 - » Merit, Major, Characteristics
 - » Admissions & Financial Aid
- Local and regional scholarships
 - » School Counselor
 - » Local Foundations
- National scholarships
 - » Websites

Scholarship Search

Don't miss out on FREE money!

- Start early – and KEEP LOOKING
- Don't forget to continue studies!
- GOOGLE your interests
- Don't PAY for information
- Criteria varies by school
 - If you're asked to pay, it's not free money (SCAM)
- Don't disqualify yourself until IT disqualifies YOU
- Don't fear ESSAYS
- Provide what is asked
- Small scholarships ADD UP
- Activities, Athletics, Family, Hobbies, Participation, Attributes – DO YOUR RESEARCH
- **Don't miss DEADLINES**
- Write it down!



- ✓ FastWeb.com
- ✓ EducationPlanner.org
- ✓ Scholarshipamerica.org/
- ✓ Chegg.com
- ✓ FinAid.org
- ✓ Peerlift.org
- ✓ Scholarships.com
- ✓ Scholarship-Page.com
- ✓ DoSomething.org/Scholarships
- ✓ Colleges.Niche.com
- ✓ StudentScholarships.org
- ✓ BigFuture.Collegeboard.org
- ✓ CollegeAnswer.com
- ✓ CollegeNet.com
- ✓ Cappex.com/scholarships
- ✓ Unigo.com
- ✓ Careeronestop.org/toolkit/training/find-scholarships.aspx
- ✓ **MORE....**

Options for Funding the Gap

Meeting the Gap

- Research School Options
 - Additional institutional money
 - Tuition payment plan
 - Income Share Agreement (ISA)
 - Institutional Loan
- Consider options for cutting costs
 - Commute or alternative housing options
 - Resident assistant (RA) option
 - Alternative meal plan options
 - Take summer classes
 - Buy used books, rent, research online for cheaper costs, check with the library
- Research private outside scholarships
- Employer reimbursement programs
- Alternative schools (affordable school, community college, 2 + 2 strategy (2 years at a community college then transfer credits to a 4 year school) Check out **Patrac.org**
- Federal parent PLUS loan
- Home equity loan/Line of credit
- Private/Alternative loans
- 529 college saving plan
- AmeriCorps/Peace Corps
- Military (JROTC, ROTC, National Guard)
- Current Wages



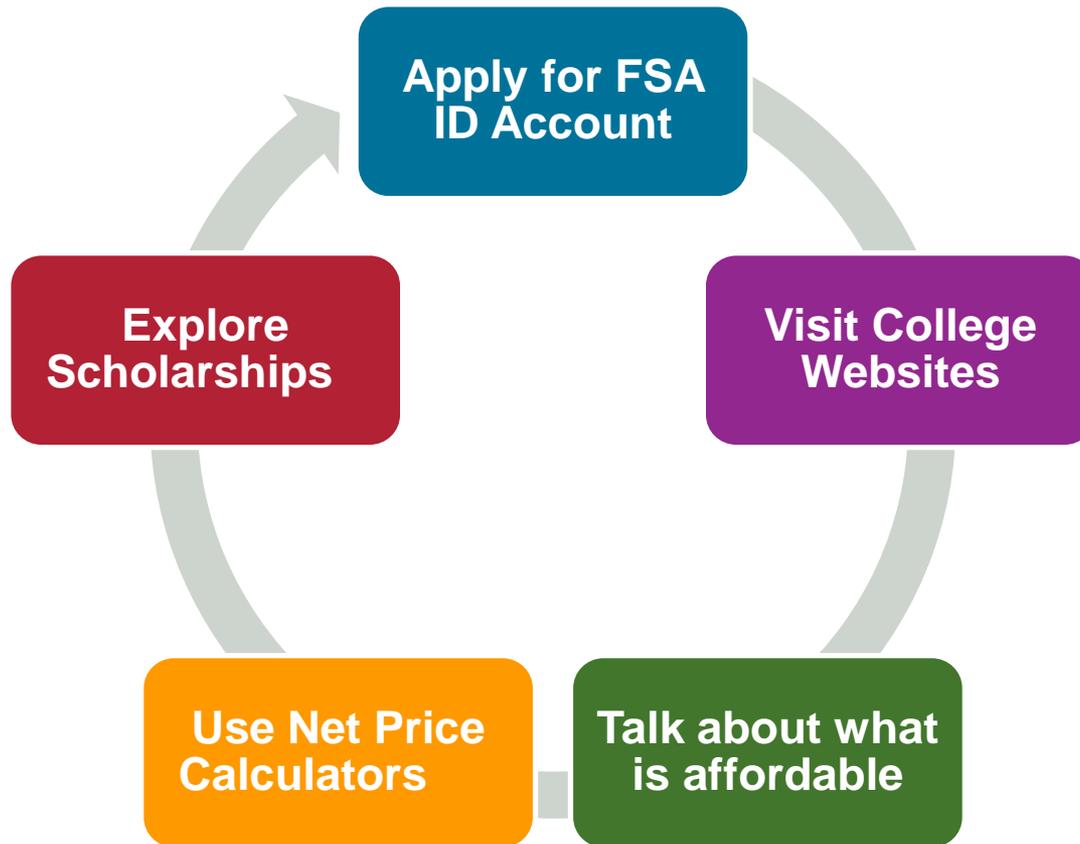


Financial Aid 101



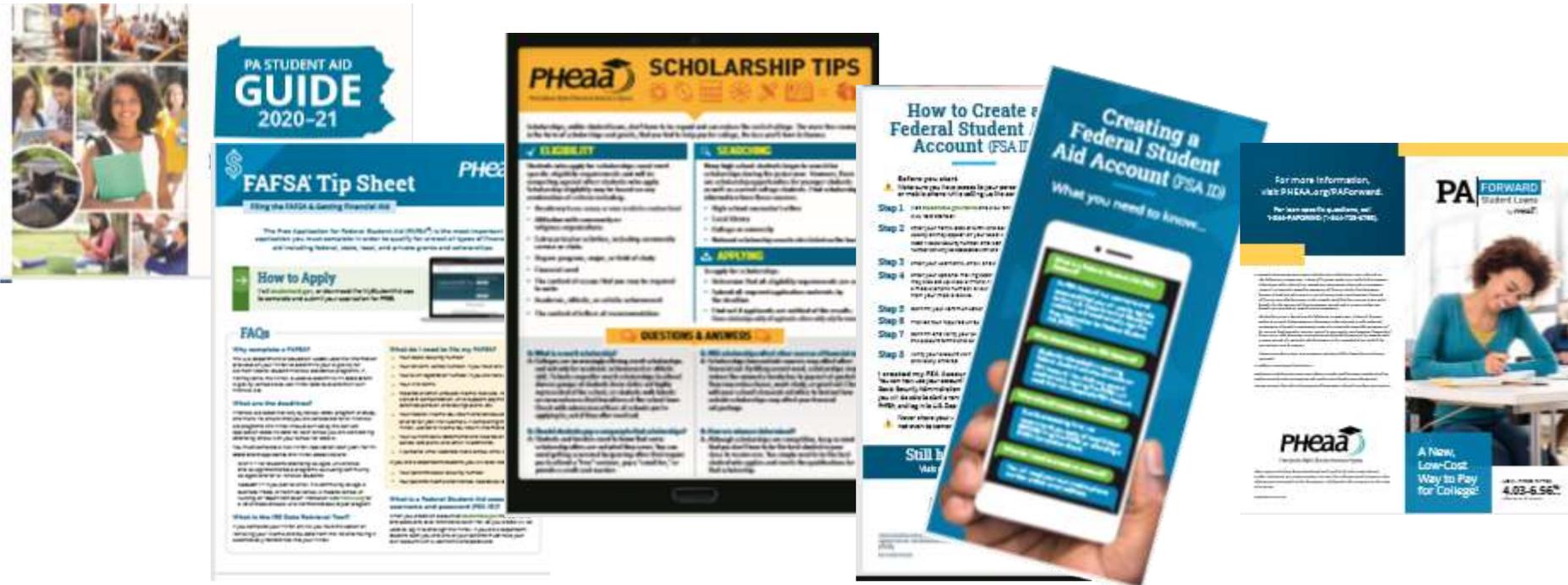
Final Thoughts & Wrap-Up

What Can You Do Now?



PHEAA FAN & FAFSA Toolkits

Inside FAN & FAFSA Toolkits



Order at: <https://www.pheaa.org/materials-ordering/selectMaterial.shtml>

PHEAA Online Ordering

1

- Access PHEAA Website
- Select **Tools**

2

- Select **Online Ordering**
- Select **COUNSELOR**

3

- Select **FAN** Toolkit
- Select **FAFSA** Toolkit



* I am a(n)

- Select One -
- Community Partner
- Counselor**
- Educator
- Employer
- Financial Aid Office
- Legislative Office
- Lender - PA Forward Referral
- Lender
- Library
- Parent
- Student (13 years or older)

Continue >



Materials to Guide Planning for Higher Education

Choose your material below and enter the desired quantity. We may limit order quantities based on availability of supply.

I am a Counselor

- 1 Select Material
- 2 Provide Customer Info
- 3 Review & Submit
- 4 Confirmation

Expand All

Featured Items

	2020 Financial Aid Resource Manual	QTY: <input type="text"/>	Add
5 book limit			
This publication is made available for high school counselors, community agency partners, legislators and financial aid professionals. It provides a general understanding of the financial aid process and examines the available financial aid programs that make higher education more affordable for families.			
	FAFSA Kit	QTY: <input type="text"/>	Add
This kit contains: Student Aid Guide, PA Forward Overview Brochure, FAFSA Tipsheet, Scholarship Tipsheet & FSA ID Bookmark. These publications provide an overview of the financial aid process, with information on most of Pennsylvania's financial aid programs and services.			
	FAN Kit	QTY: <input type="text"/>	Add
This kit contains: Student Aid Guide, PA Forward Overview Brochure, FAFSA Tipsheet, Scholarship Tipsheet & FSA ID Bookmark. These publications provide an overview of the financial aid process, with information on most of Pennsylvania's financial aid programs and services.			

0 Items in cart

View Cart >

Use Your Resources



- **PHEAA.org**
- **EducationPlanner.org & MySmartBorrowing.org**
- **YouCanDealWithIt.com**
- **MyFedLoan.org**
- PHEAA toll free: **800-692-7392**
- Federal Student Aid Info Center: **800-433-3243**
- **StudentAid.gov** – general financial aid info

Contact Information

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Questions