

Take your
EDUCATION to the **NEXT LEVEL**



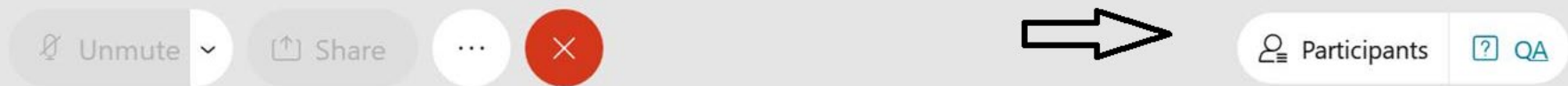
Financial Aid 101

Presenter

- Wendy Dunlap, Pennsylvania Higher Education Assistance Agency (PHEAA)
- wdunlap@pheaa.org

Welcome

- 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.

Welcome

- Our discussion will include:
- financial fit
- direct costs vs. indirect costs
- financial aid offers/notifications
- financial aid programs
- available resources



pheaa.org/college-planning/five-steps/

Higher Education

- There are many different types of higher education opportunities to choose from including:
- colleges and universities
- community colleges
- hospital schools of nursing
- trade and technical schools



Factors in Choosing a College

- Location
- Size
- Major/Academic Program
- Job Placement
- Graduation Rate
- Internships/Co-ops
- **Financial Fit**
- Acceptance of transfer credit/AP classes
- Safety
- Curriculum
- Student Life

How Do You Determine Your Financial Fit?





**Tuition, fees, dorm, meal plan,
books, living expenses,
transportation**

Net Price Calculators



- Schools are required to provide a net price calculator.
- Available on **collegecost.ed.gov** and school's web site.

SENDING YOUR KID TO COLLEGE

College Tuition 4 @ \$23,712.00	=	\$94,848.00
Books 4 @ \$1,300.00	=	\$5,200.00
Housing 4 @ \$3,800.00	=	\$15,200.00
Meals 4 @ \$8,000.00	=	\$32,000.00
Transportation 4 @ \$2,400.00	=	\$9,600.00
Total		\$156,848.00

Plan for the costs for the whole degree

Cash
\$156,848.00

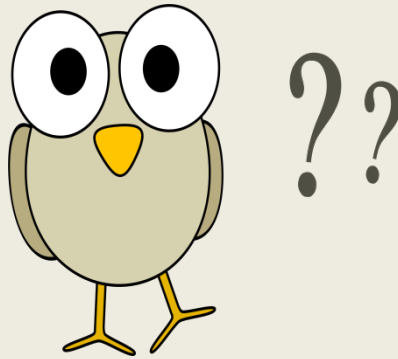


PAY TO THE ORDER OF

FOR

What should I be asking about costs?

- **Costs** different for different majors?
- Return on **investment**?
- How **long** will it take me to graduate?



Plan Now and Save \$ Later

- Earn college credits while in high school through AP courses and dual enrollment
- 2 + 2 Strategy (2 years at a Community College then transfer credits to a 4 year school) Check out **Patrac.org** and **Transferology.com**
- Plan to graduate on time or early



Financial Aid 101



Applying

Free Application for Federal Student Aid (FAFSA)

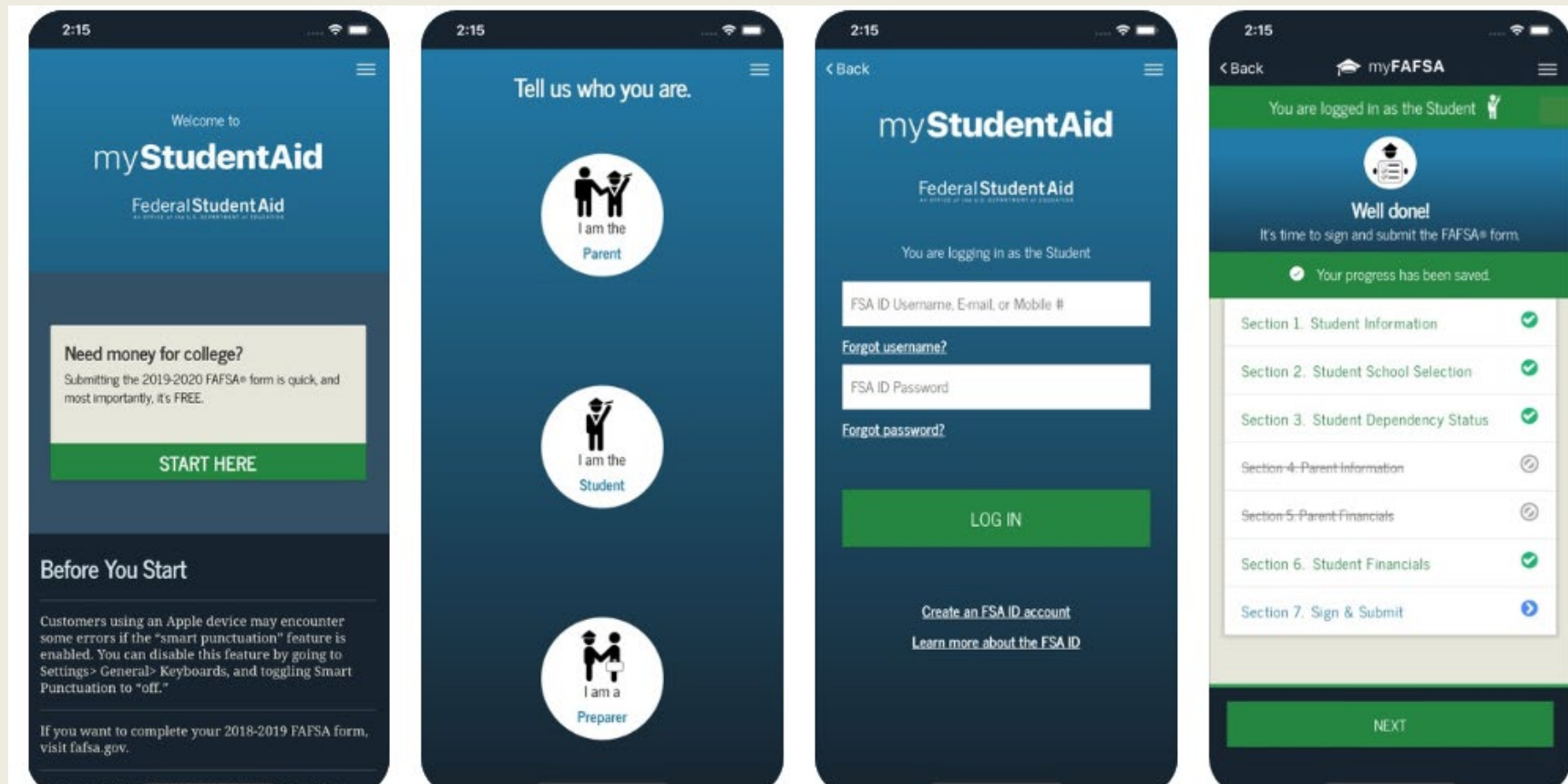
StudentAid.gov

myStudentAid app

**PDF at studentaid.gov
or 1-800-433-3243.**

- The FAFSA determines eligibility for Federal, State and other sources of financial aid.

MyStudentAid



When should you complete the FAFSA?

- FAFSA – available October 1 in the year prior to attendance
- School deadlines vary from school to school
- PA State grant deadlines



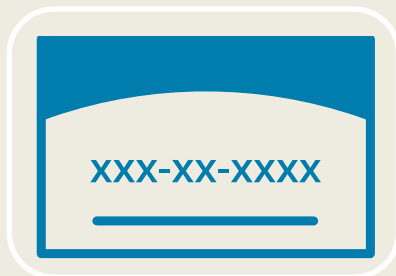
PA State Grant Deadlines

- **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!

2021-2022 FAFSA Prep

Information Needed for FAFSA



Social Security Numbers



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



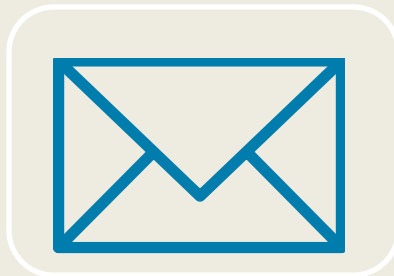
2019 Untaxed Income



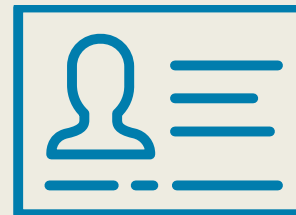
Checking and Savings Account Statement Balances as of FAFSA Filing Date



Investment Records



Email Addresses



Student & Parent Federal Student Aid Account (FSA ID)

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

When Is A Student Automatically Considered “Independent”?



- 24 or older on Jan 1st of 2021
- 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

Aside from the Student, Who Reports Info 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
- Stepparent – If part of the student's household
- Adoptive parents

NO

- Foster Parents
- Legal Guardians
 - » By Court Order
- Anyone else the student is living with

Beginning the FAFSA

Login

Log in to the FAFSA

Only students may use their FSA ID to log in. Parents and others can start a FAFSA for a student by entering the student's identifiers. Parents and others can also work on a FAFSA form or correction the student started using the **Save Key** that the student made. [Help for parents.](#)

Form Approved
OMB No. 1845-0001
App. Exp. 12/31/2022

I am the student

OR

I am a parent, preparer, or student from a Freely Associated State

NEXT →

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

©2010 fafsa.gov. All rights reserved.

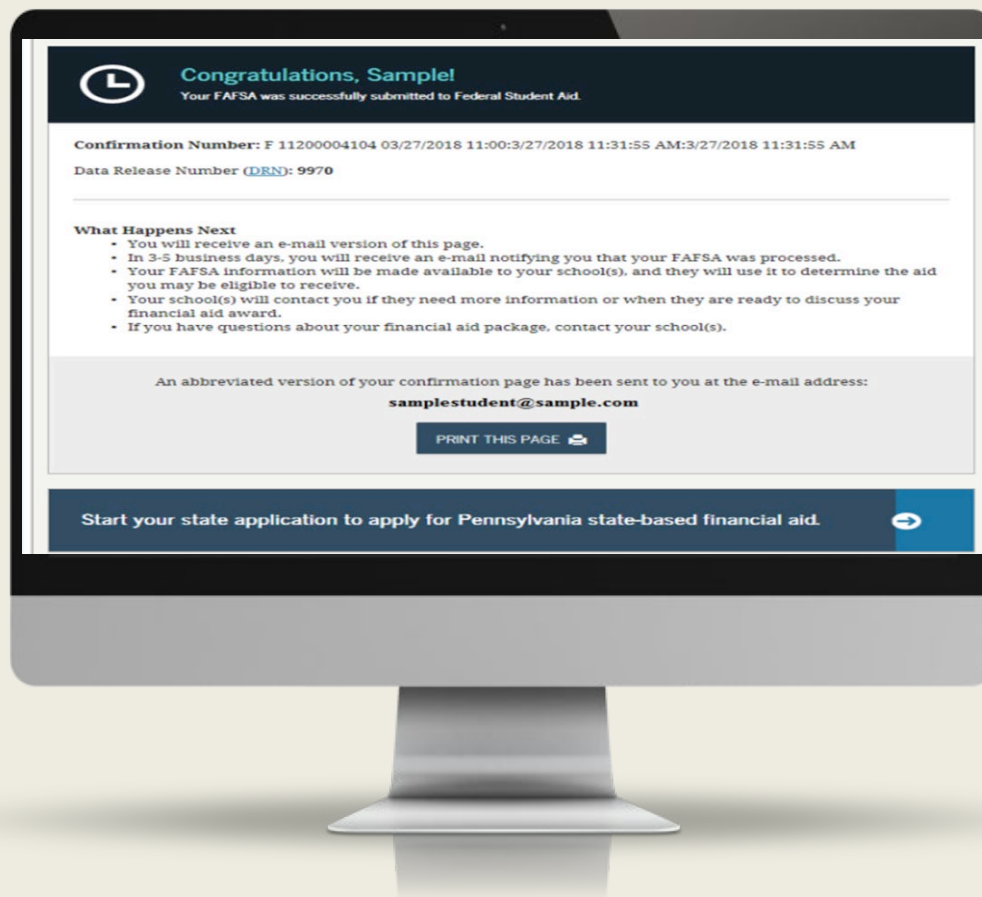
FAFSA – School Selection

- Only schools that are listed will be able to see your FAFSA information
- **Students can list up to 10 colleges**

The screenshot shows the FAFSA 'School Selection' page. The navigation bar at the top includes tabs for Student Demographics, School Selection (highlighted with a red circle), Dependency Status, Parent Demographics, Financial Information, Sign & Submit, and Confirmation. The main content area has a blue header 'School Selection' and a vertical 'STUDENT' label on the left. Two messages are displayed: an information message about federal student aid eligibility and a green confirmation message 'Application was successfully saved.' Below the messages, a search section allows adding up to 10 colleges. It includes a 'State' dropdown menu, a 'City' text input field (optional), and a 'Federal School Code' text input field. A red arrow points from the text 'Students can list up to 10 colleges' to the search section.

Pennsylvania State Grant Form

Link directly to the State Grant Form from the **FAFSA Confirmation Page** of your FAFSA!



Other Forms You May Need to Complete



✓ Check with your school



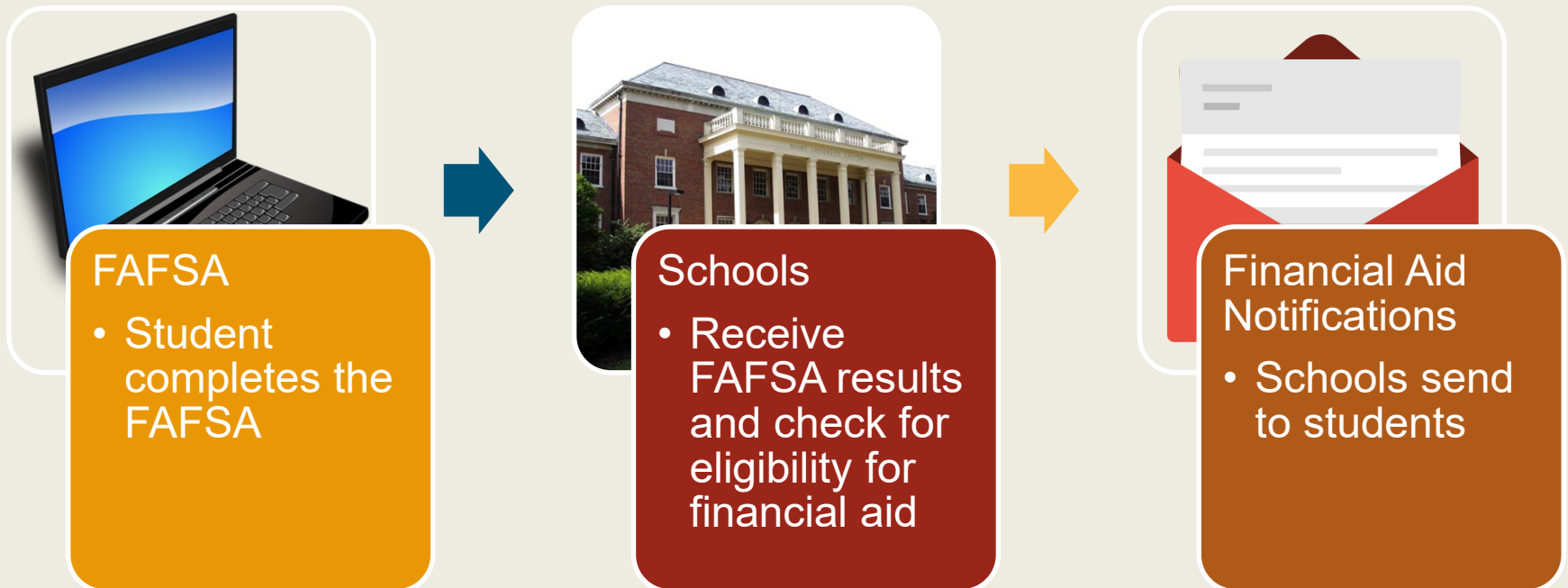
FAFSA Renewal, CSS Profile

- Renew every year for aid!

LUCKY YOU!

You don't get to fill out the FAFSA or the CSS Profile just once! You get to go through the process **EVERY YEAR** you attend college in order to continue receiving aid.

What Happens Next?



How is the EFC Calculated?



- Remains the same no matter which school the student attends
- Primarily income-driven
- Parental & student income & assets
- Family size and number of family members in college
- Age of older parent

COA (Cost)

- EFC

= NEED

Parents Income and Assets

- Tax filers report AGI from tax return and income from work from W-2
- An asset protection allowance is applied
- Based on the age of the older parent
- Assets are reported as of the date the FAFSA is filed
- **Not an asset:** Value of primary residence, personal property, qualified retirement accounts and life insurance policies

Student Income and Assets

- Allowances are made for taxes
- Earnings from work study are excluded
- Income protection allowance of up to \$6,970
 - » (AY 20/21) and remaining income assessed at 50%
- Dependent students must report assets in their name
- Student assets are assessed at 20%

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

Contact school and PHEAA to report these changes.



Dream University

Congratulations on your admission to Dream University!

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

Estimated Annual Cost of Attendance:

Tuition & Fees	\$18,000
Housing & Meals	\$13,500
Total Billed Costs	\$31,500

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

FINANCIAL AID OFFER	FALL	SPRING	TOTAL
Federal Supplemental Opportunity Grant (SEOG)	\$1,500	\$1,500	\$3,000
Federal Pell Grant	\$3,172	\$3,172	\$6,344
Pennsylvania State Grant	\$1,844	\$1,844	\$3,688
Dream Grant	\$1,000	\$1,000	\$2,000
Dream Scholarship	\$3,000	\$3,000	\$6,000
Total Scholarships & Grants			\$21,032
Federal Direct Subsidized Loan	\$1,750	\$1,750	\$3,500
Federal Direct Unsubsidized Loan	\$1,000	\$1,000	\$2,000
Total Educational Loans			\$5,500
Estimated Remaining Costs	\$3,939	\$3,939	\$7,878

* Federal Work-Study offers are not credited to the student's bill

Look at Direct vs. Indirect Costs

Paid to the college

- Tuition
- Fees
- Dorm
- Meal Plan

Paid elsewhere

- Books and supplies
- Transportation
- Living expenses

Direct Costs – Gift Aid (Free Money)

College A

Direct Costs \$53,000

-\$30,000 Grants and Scholarships

=\$23,000 in remaining costs

College B

Direct Costs \$29,000

-\$5,000 Grants and Scholarships

=\$24,000 in remaining 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?

Funding Sources



Federal Government



State Government



School or College



Scholarships

Pennsylvania State Grant*



- In-state (PA) - Full-time: up to \$4525*
- In-state (PA) – Part-time: 1/2 of the FT award
- Reciprocal States – Delaware, DC, Massachusetts, Ohio, Vermont, West Virginia
 - » Maximum Award in these states: \$578
 - » Maximum Award in these states for qualified veterans: \$770
 - ▶ Minimum Award: \$500

*Amount determined in part by the cost of the school.

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

Other State Programs



- State Work-Study
- Blind or Deaf Beneficiary Grant
- Educational Assistance Grant (EAP) – National Guard
- PA Military Family Education Program (MFEP)
- Chafee Education and Training Grant – co-administered with the PA Department of Human Services
- Foster Ed Tuition Waiver

Other State Programs



- Postsecondary Educational Gratuities Program (PEGP)
- Partnerships for Access to Higher Education (PATH)
- Pennsylvania Targeted Industry Program (PA –TIP)
- Ready to Succeed Scholarship (RTSS)
- For details, see the PA Student Aid Guide, or visit [PHEAA.org](https://www.pheaa.org).

Federal Programs

- Pell Grant - max award \$6,345*
- 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**

Types of Federal Student Loans

- Undergraduate Students
 - » Subsidized & Unsubsidized - 2.75% interest
 - 1.057% deducted from each disbursement
- Graduate Students
 - » Unsubsidized 4.30% interest
 - » GradPLUS Loan 5.30% interest
 - 1.057% deducted from each disbursement
- Parents
 - » PLUS Loan 5.30%
 - 4.228% deducted from each disbursement

Subsidized

No interest charged to student while enrolled or in grace

- Based on financial need
- There is a 1.057% fee deducted from loan amount at disbursement
- Interest will not be charged during the grace period, if the loan was first disbursed after June 30, 2014

Unsubsidized

Interest accrues in school and grace

- Any interest not paid during grace will be capitalized at repayment
- There is a 1.057% fee deducted from loan amount at disbursement

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

- 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 21/22)
- Can borrow up to the cost of attendance
- MUST apply each year
- No Debt-to-Income test, only lenient credit check
- Principal can be deferred while student is in school; Interest will continue to accrue

Federal Direct PLUS (Parent)

Repayment begins immediately – can defer repayment until 6 months after student graduates or drops below half-time enrollment

- If defer payment – encouraged to make interest payments
- Standard repayment is 10 years



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
 - » Repayment may be deferred until education completed
 - » Terms vary by lender – compare before making choices

- **READ THE FINE PRINT**

PHEAA.org/PAForward

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



Qualifications for Scholarships

- Athletics
- Community and volunteer service
- Academics
- After-school or summer jobs
- Special interests (hobbies, club membership, activities, church, etc.)

Student Resumes and Recommendations

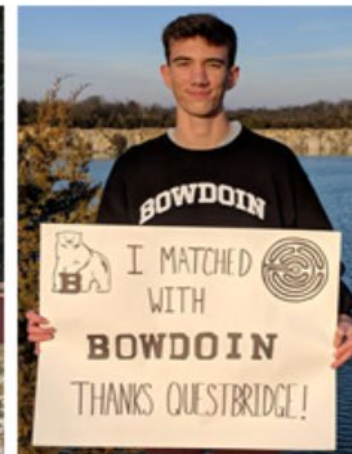
- **What makes you stand out?**
 - Besides grades, class rank, test scores
- **Document your information**
 - Academics - courses, grades, GPA, class rank, test scores
 - Personal/Performance – sports, music, art, achievements
 - Extra Curricular Activities – jobs, hobbies
 - Volunteerism, Community Activities, Employment
- **Recommendations**
 - Faculty, coaches, employers, community leaders...

Begin Searching Early

- Fastweb.com
- Collegeboard.org
- Scholarshipamerica.org
- Peerlift.org

QuestBridge.org

Your students *can* afford a
TOP COLLEGE.



September 29th – deadline for seniors

Recognize Scholarship Scams

- Application Fees
 - » Even if the fee is minimal or “only to encourage serious students to apply”
- “Guaranteed” Scholarships
 - » No individual can honestly “guarantee” you’ll win free money
- Solicitations
 - » “You’ve been selected...”
 - » “You are a finalist...”
 - » Bona fide companies won’t ask for a check or credit card payment upfront
- Official-looking Companies
 - » The logo may look like the U.S. Dept. of Education’s logo
 - » The company may talk about “federal” or “national” awards
- Seminars
 - » Don’t get pressured into paying for services on the spot



Inquire About Installment Payment Plans

Find out how you
can use this as way
to manage your bill.

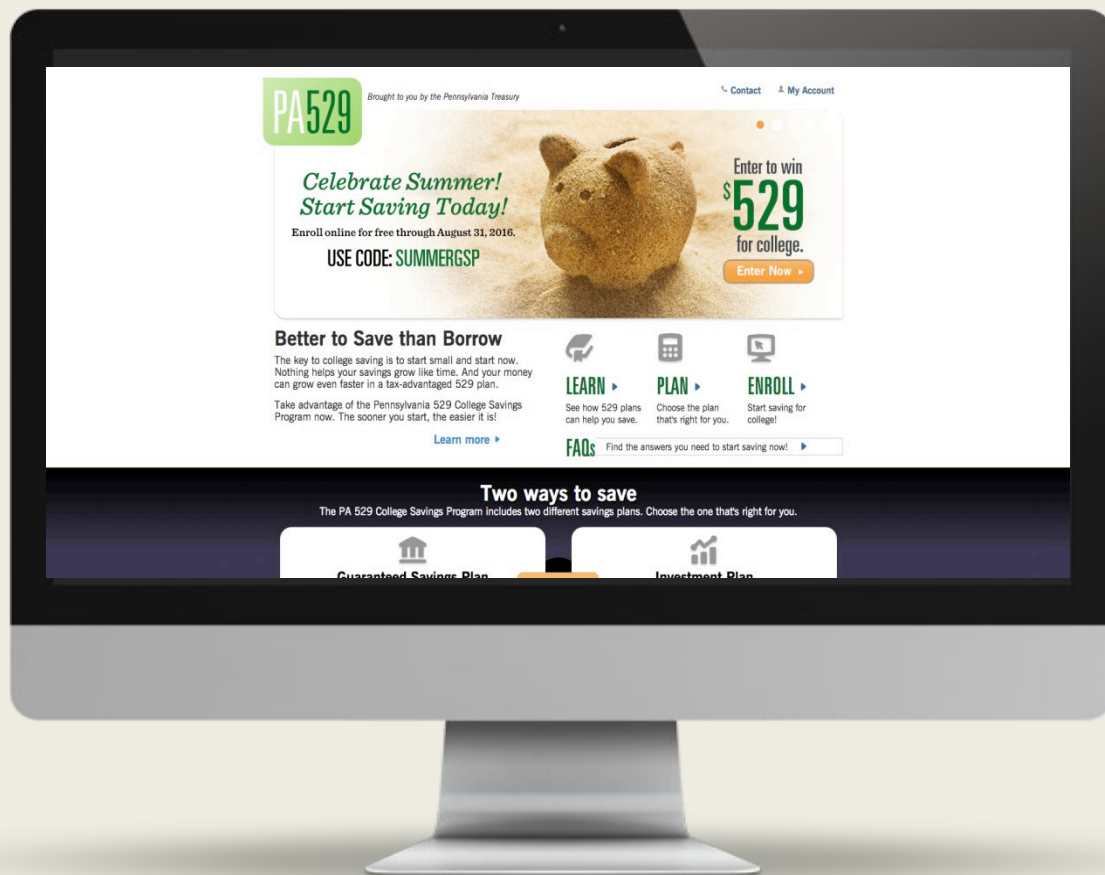
How soon can you
begin to make
payments?



PA529 College Savings Plan

- A tax free savings account for postsecondary education costs
- Easy, affordable and tax free

PA529.com



The Plan

- Research many schools
- Work hard on scholarship search
- Use Net Price Calculators
- Understand your costs
- Think of your future



QUESTIONS?

Social Media Outreach



PHEAA
American Education Services
FedLoan Servicing



@PHEAAaid
@FedLoan Servicing
@aesSuccessorg



PHEAA