

LET'S MAKE  
**CENTS**  
OF PAYING FOR COLLEGE



**Financial Aid 101**

# Presenters



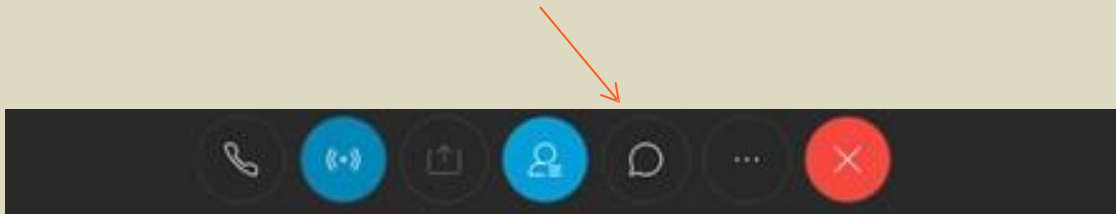
Diona Brown  
PHEAA Higher Education Access Partner  
Adams, Cumberland, Franklin, Fulton and  
York Counties



Sonya Mann-McFarlane  
PHEAA Higher Education Access Partner  
Berks, Chester, Lancaster, and Lebanon  
Counties

# Welcome

- We will be taking questions using the chat feature at the end of our presentation.



- Click the chat symbol to see the chat box on the right of your screen. Choose to chat with “All Panelists”.

# Topics



- What is financial aid
- How do I apply
- Aid sources available
- Financial fit

# Financial Aid 101

# What Is Financial Aid?



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

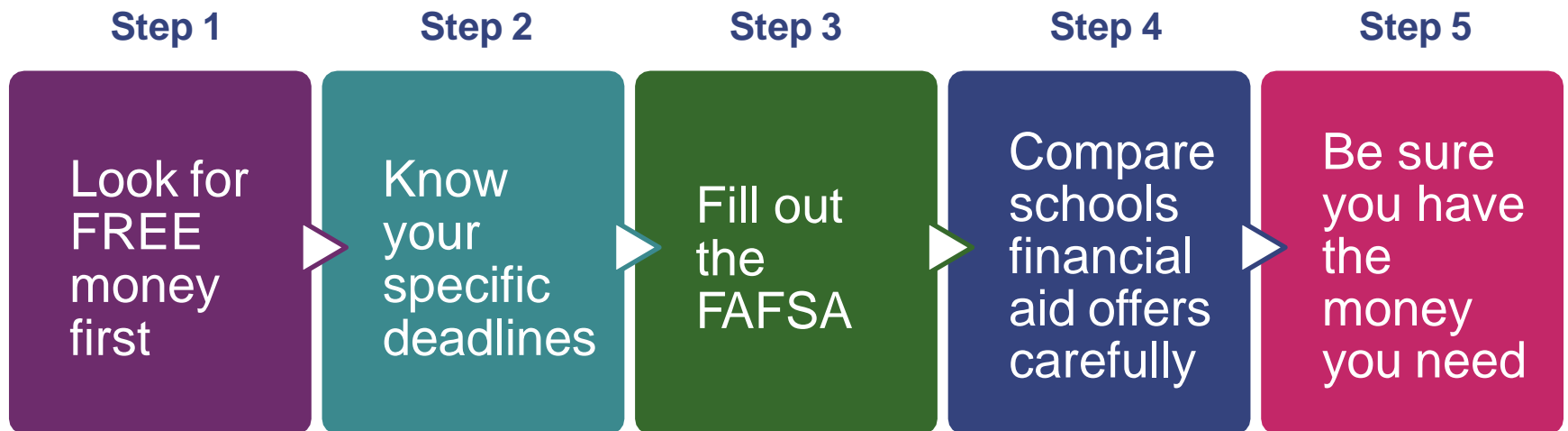
## **Types of Aid:**

- Merit scholarships (free money)
- Grants/scholarships (need-based free money)
- Self-help (loans, work, savings, etc.)



# Financial Aid Made Simple

## 5 Steps to Financial Aid



# Funding Sources



**Federal Government**



**State Government**



**School or College**



**Scholarships**



# **Financial Aid 101**

**APPLYING**

When will you apply for  
financial aid?

# Start with the **FORMS**

**FAFSA** – Free Application for Federal StudentAid

- 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***

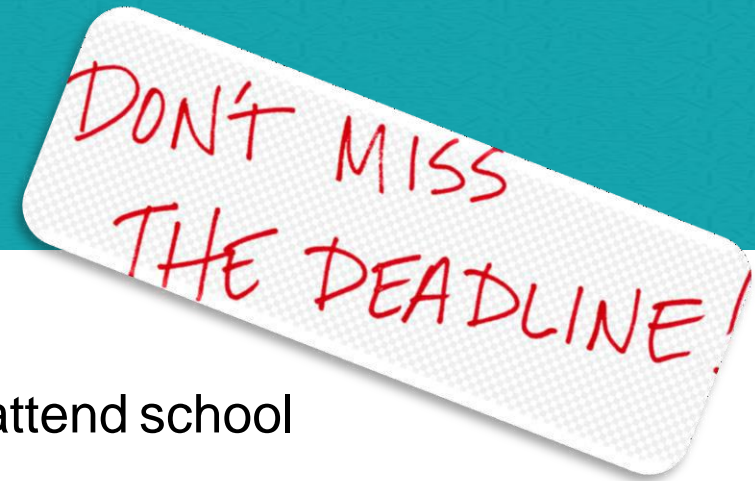
# Free Application for Federal Student Aid:FAFSA

**Important!**

- All students who wish to be considered for financial aid and plan to attend an approved post-secondary school must complete the form.
- Federal, state & school deadlines exist: File BEFORE the earliest deadline

Enrollment Dates (year student will attend college)	When can students submit the FAFSA	Tax Return Information
July 1, 2020-June 30, 2021 (sr.)	October 1, 2019 – June 30, 2021	2018
July 1, 2021-June 30,2022 (jr.)	October 1, 2020 – June 30, 2022	2019
July 1, 2022-June 30, 2023 (so)	October 1, 2021 – June 30, 2023	2020

# Know Your Deadlines



**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

# Create Your FSA ID's

- 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
- Provides access to FAFSA and Federal Student Aid online systems
- Legal signature for student and parent

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

Username

Password

Email Address

Mobile Phone

Security Questions

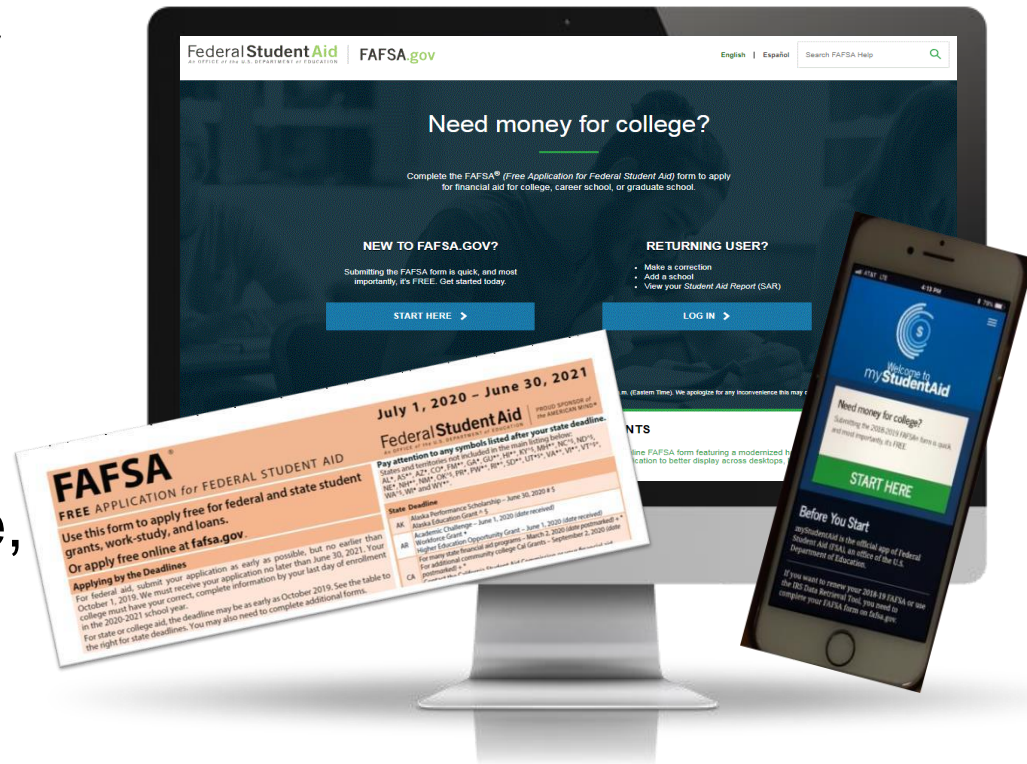
Social Security Number



# FAFSA – StudentAid.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
- Want practice?

**FAFSA4caster** gives you a free early estimate of your eligibility for **federal student aid**



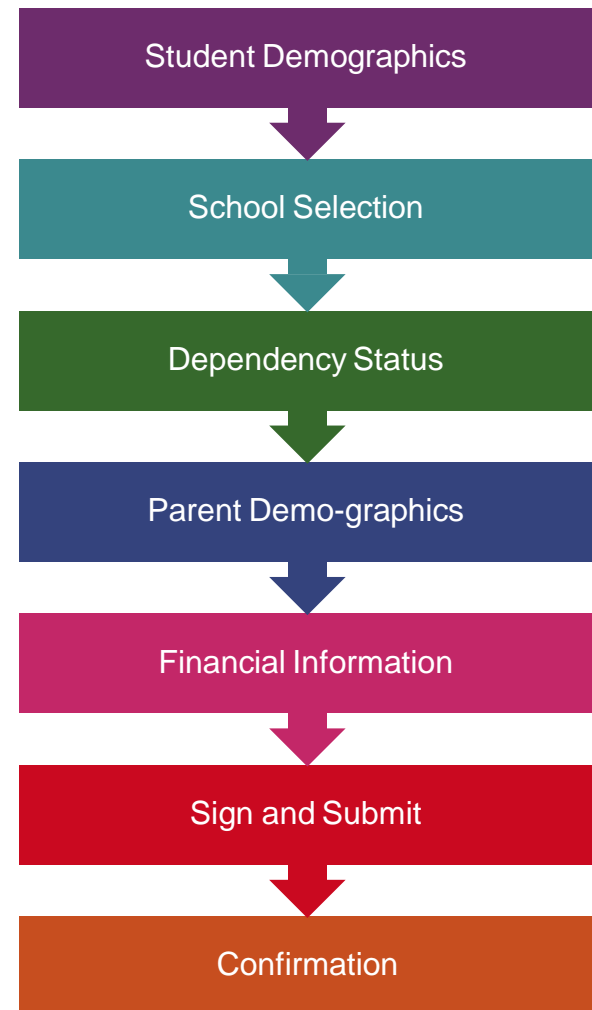
StudentAid.gov

myStudentAid  
app

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

# FAFSA Steps

- ✓ Login – student or parent
- ✓ Disclaimer – select accept
- ✓ Application Year
- ✓ Save Key
- ✓ Introduction



# 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**

# 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

# FAFSA - School Selection

- Look at more than one!
- Schools will only be allowed to see your financial information when you list them on the FAFSA
- **You can add up to 10 colleges at a time**
- **NOTE:** Once your final decision is made, update your PA Grant information with the school you **WILL** attend.

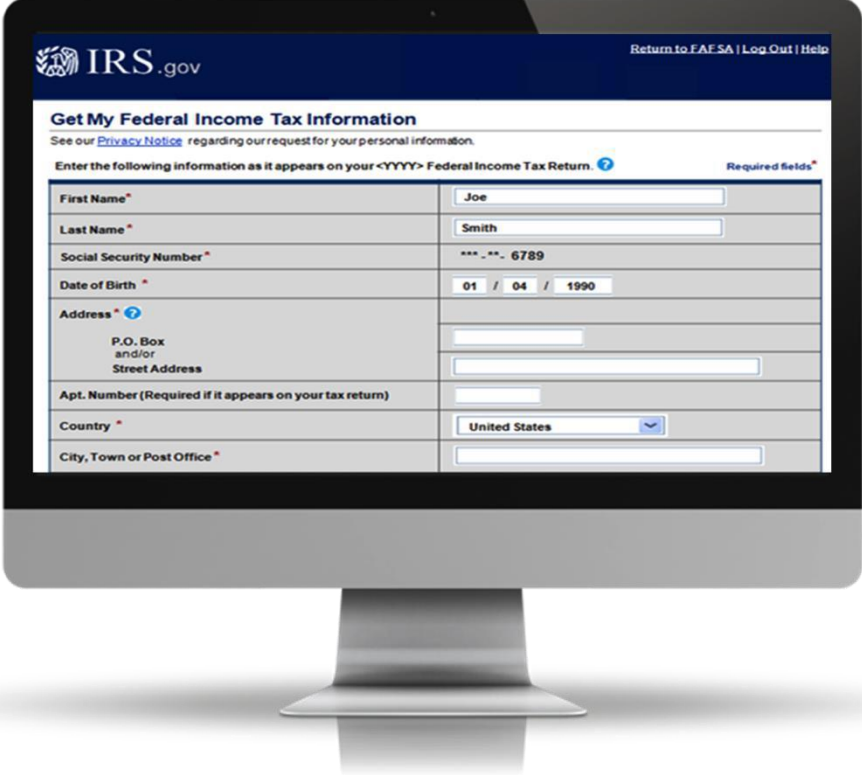
The screenshot shows the FAFSA 'School Selection' page. The top navigation bar includes tabs for Student Demographics, School Selection (highlighted), Dependency Status, Parent Demographics, Financial Information, Sign & Submit, and Confirmation. The main content area is titled 'School Selection' and contains a message from Larry stating that the user may qualify for federal student aid. Below this, a green box highlights the message 'Application was successfully saved.' with a green checkmark. A red arrow points from the text 'You can add up to 10 colleges at a time' to the search fields. The search fields include a 'State' dropdown menu, a 'City' text input field (optional), and a 'Federal School Code' text input field. The word 'OR' is placed between the city and federal school code fields.



# IRS Data Retrieval Tool

After taxes are filed:

- Automatically pulls in IRS Tax info for parents and students and places data into the FAFSA
- ALSO in Student Section, if student is filing taxes
- If estimated income is used to complete the FAFSA, go back later and use IRS Data Retrieval Tool



The image shows a computer monitor displaying the IRS Data Retrieval Tool interface. The header features the IRS logo and the text "IRS.gov". In the top right corner, there are links for "Return to FAFSA", "Log Out", and "Help". The main heading is "Get My Federal Income Tax Information", followed by a link to the "Privacy Notice". Below this, a prompt asks the user to "Enter the following information as it appears on your <YYYY> Federal Income Tax Return." and notes that certain fields are "Required fields". The form contains several input fields: "First Name" (filled with "Joe"), "Last Name" (filled with "Smith"), "Social Security Number" (filled with "\*\*\* - \*\* - 6789"), "Date of Birth" (filled with "01 / 04 / 1990"), "Address" (with sub-fields for "P.O. Box and/or Street Address" and "Apt. Number (Required if it appears on your tax return)"), "Country" (a dropdown menu set to "United States"), and "City, Town or Post Office".



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

**i** 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**

# Confirmation Page

## 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@fafsademocom**

**PRINT THIS PAGE**

[Expand All](#)

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

**> IRS Information**

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

**EFC:** Expected Family Contribution is a measurement of student's and family's ability to pay postsecondary educational expenses

Student contribution plus parent contribution equals EFC

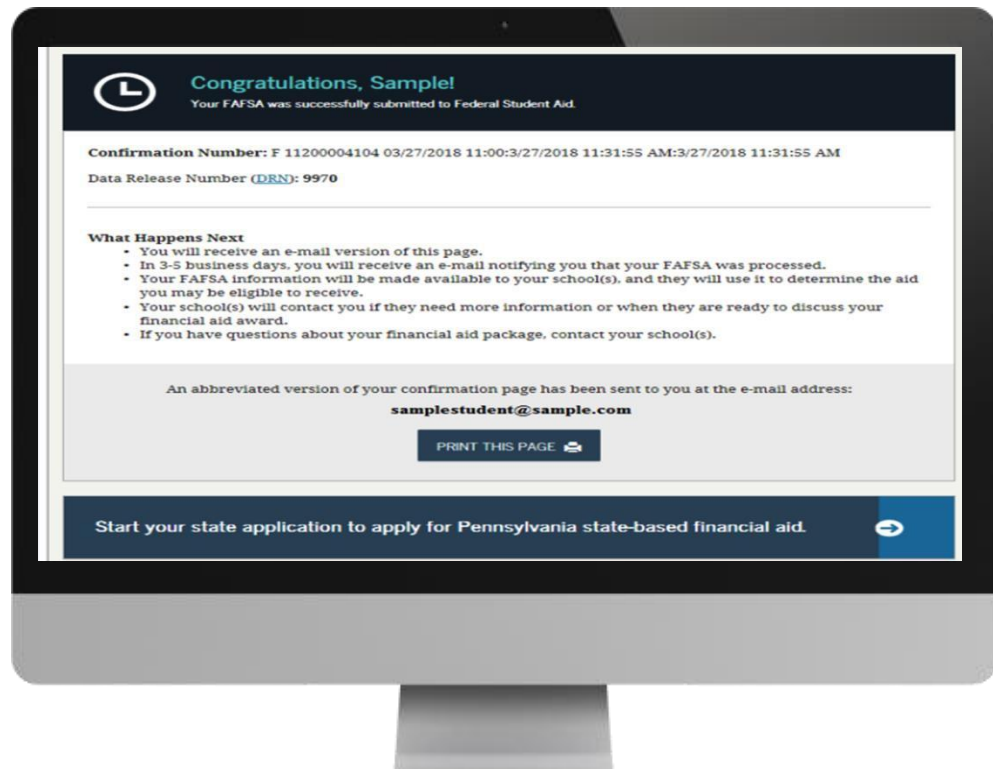
**EFC stays the same for ALL schools**

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

# Pennsylvania State Grant Form



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



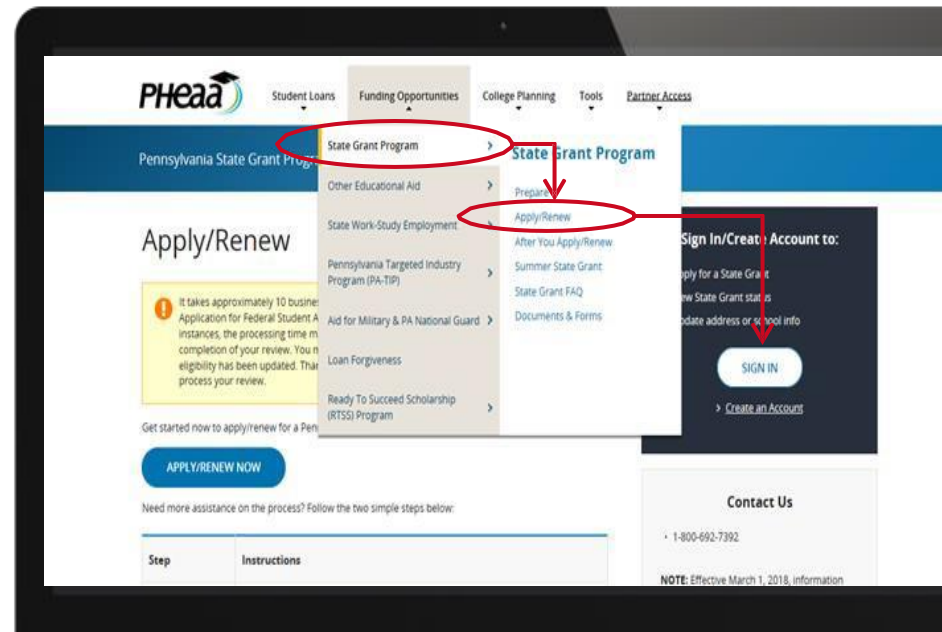
# Online State Grant Application

- 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://PHEAA.org); State Grant Program; and complete the form
- Additional questions 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**

# PA State Grant Form (SGF)

✓ Check Rights and Responsibilities Box to electronically sign SGF

## Rights and Responsibilities

After reviewing your Rights and Responsibilities you must check the box at the bottom to confirm that you have read and agree to the Rights and Responsibilities.

[View Rights and Responsibilities](#)

[? Can't open document?](#)

By submitting this electronic Pennsylvania State Grant Form, I/we hereby affirm acceptance of the Statement of Certification and Authorization found in the Applicant's Rights, Responsibilities, Use of Social Security Number, and Certification for the Pennsylvania State Grant Program, which is incorporated herein by reference and which I/we have read, agree to, and certify. I/we further understand that if I/we provide an email address, communications regarding the State Grant Program may be sent to me/us through electronic communications methods. Additional certification and verification may be required following review of this application.

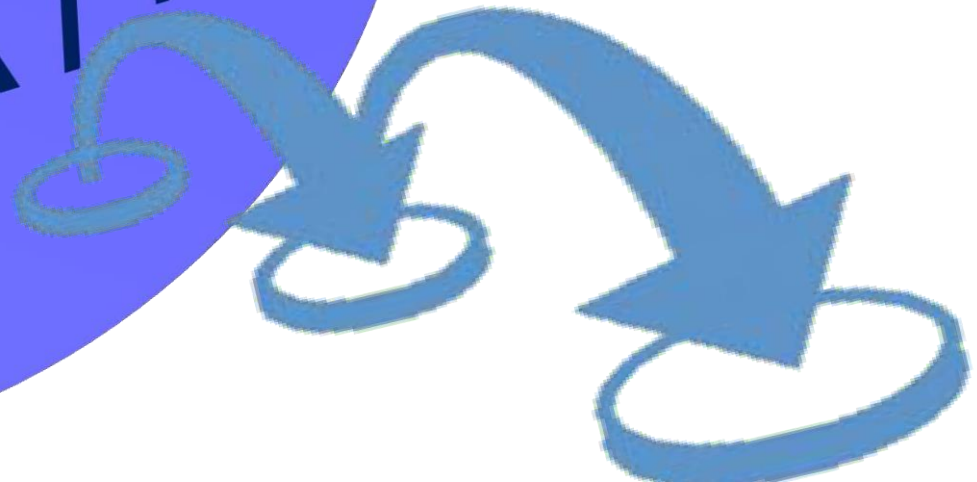
\* ☐ I have read and agree to the Rights and Responsibilities of this application.

[Exit Application](#)

[Submit My Info >>](#)

# Forms Are Filed – Now What?

What's  
**NEXT?**





# What Happens Next?



## FAFSA

- EFC calculated
- Student Aid Report for student



## Schools PHEAA

- Receive FAFSA results and check for eligibility for financial aid



## Financial Aid Notifications

- Schools send to students offered admission
- Students compare costs vs aid



# 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!

# Calculating Financial **NEED**



## 1. Using FAFSA calculations:

School Cost .....	\$29,000
<b>-EFC</b> .....	<u>-\$ 4,000</u>
FINANCIAL NEED .....	\$25,000

2.FAO “**packages**” students based on financial need and available funding (varies by school)

3. Financial Aid Notification is sent to the Student

**NOTE: EFC Stays the same, costs vary**

# Special Circumstances

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

- Divorced or separated parents
- Recent death or disability
- Unemployment
- Reduced income



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

# Financial Aid Notification

- Official notification from school about financial aid, terms and conditions
- Lists each 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 Notifications

# 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 financial aid increase as tuition increases?

Will eligibility change from year to year?

Will loans be needed?

# Financial Aid Programs



# Types of Financial Aid Programs

1



Free  
money.

2



Borrowed  
money.

3



Earned  
money.

# Scholarships

# Types of Scholarships

- **Scholarships offered by schools**
  - » Qualify based on academics, athletics, or other talents
- **Scholarships offered by organizations, foundations, businesses, clubs and others**
  - » Qualify based on talents, membership, community service, and other factors.

# 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



# Begin Searching Early

- [Fastweb.com](http://Fastweb.com)
- [Collegeboard.org](http://Collegeboard.org)
- [Scholarshipamerica.org](http://Scholarshipamerica.org)
- [Peerlift.org](http://Peerlift.org)



# Federal Aid Programs

**Pell Grant** (2020-21 max award \$6,345)

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

**FSEOG**.....up to \$4,000

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



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

➤ **Must complete the FAFSA**

Visit [StudentAid.ed.gov](https://studentaid.ed.gov) to see all federal aid sources.



# Pennsylvania State Grant\*



- In-state (PA) - Full-time: up to \$4,123
- In-state (PA) – Full-time Distance Education: up to \$3,092
- In-state (PA) – Part-time: 1/2 of the FT award
- Out-of-state - Up to \$526 in DC, DE, MA, OH, VT, WV. \$702 for veterans.
- 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
- Chafee Education and Training Grant – co-administered with the PA Department of Human Services
- Fostering Independence Tuition Education Waiver
- Pennsylvania National Guard Military Family Education Program (MFEP)
- Postsecondary Educational Gratuities Program (PEGP)
- Partnerships for Access to Higher Education (PATH)
- Pennsylvania Targeted Industry Program (PA –TIP)
- Ready to Succeed Scholarship
- For details, visit [PHEAA.org](https://www.pheaa.org).

# Federal Loans

# Federal Direct Student Loan

- No credit check
- No co-signer required
- Fixed interest rate – 2.75% for 2020-21
- Rate for new loans reset every July
- 6 month grace period
- 10 year standard repayment plan but other options available.

# Subsidized vs. Unsubsidized

**Subsidized Direct Loans** offered to students with financial need and the benefit is that the federal government pays the interest while the student is in school and during grace period.

**Unsubsidized Direct Loans** offered to students with unmet school costs and the interest accrues while student is in school.

# Student Loan Borrowing Limits

<b>Dependent Students (excluding students whose parents cannot borrow PLUS)</b>	<b>Base Stafford Loan Amount Subsidized/Unsubsidized</b>	<b>Additional Unsubsidized Stafford Loan Amount</b>
<b>Freshmen</b>	<b>\$3,500</b>	<b>\$2,000</b>
<b>Sophomores</b>	<b>\$4,500</b>	<b>\$2,000</b>
<b>Juniors, Seniors</b>	<b>\$5,500</b>	<b>\$2,000</b>
<b>Graduate or Professional</b>	<b>\$8,500</b>	<b>\$12,000</b>



# Federal Direct PLUS Loan

(parents & graduate students)

- 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
  - » 5.03 % variable/fixed interest rate; 4.236% 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)
- IF denied – dependent student is eligible for an additional \$4,000 unsubsidized loan
- Must file a FAFSA

# Private/Alternative Loans

# 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 form is titled "Private Education Loan Applicant Self-Certification". It includes a section for "Borrower Information" where the student's name, address, and contact information are provided. There is a section for "Lender Information" where the lender's name and address are provided. The form also includes a section for "Financial Information" where the student's income, expenses, and assets are reported. A table is provided for "Estimated Financial Assistance" with columns for "Type of Assistance", "Amount", and "Frequency". The form concludes with a section for the "Applicant's Signature" and a section for the "Lender's Signature".



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

# [PHEAA.org/PAF](https://PHEAA.org/PAF)

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



# PA Forward

Interested in PA Forward Student Loans?

**GET IMPORTANT PROGRAM  
INFO SENT RIGHT TO YOUR PHONE!**

Text the corresponding code below to **68858**.

Parents – **PAFP**

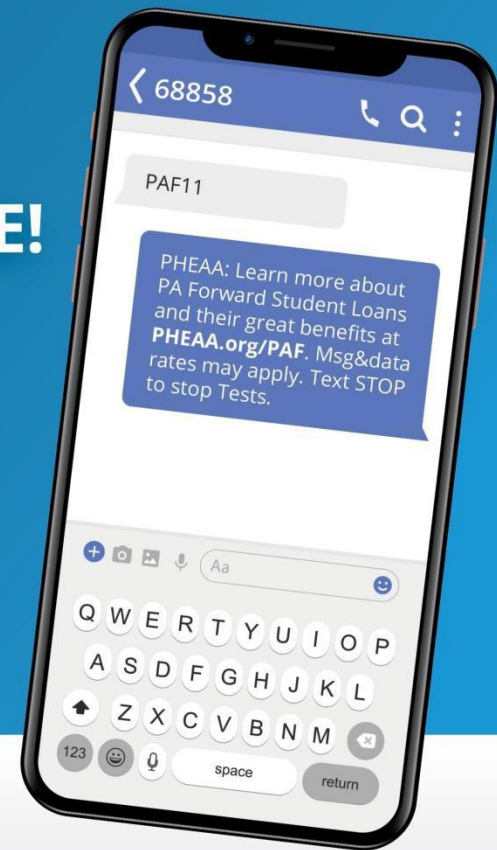
Juniors – **PAF11**

Sophomores – **PAF10**

Seniors – **PAF12**

College Student – **PAFC**

After the initial text, messages will be sent as new program information becomes available.



Message and data rates may apply.  
Reply "HELP" for help, and "STOP" to stop texts. See terms at [PHEAA.org/tc](http://PHEAA.org/tc).

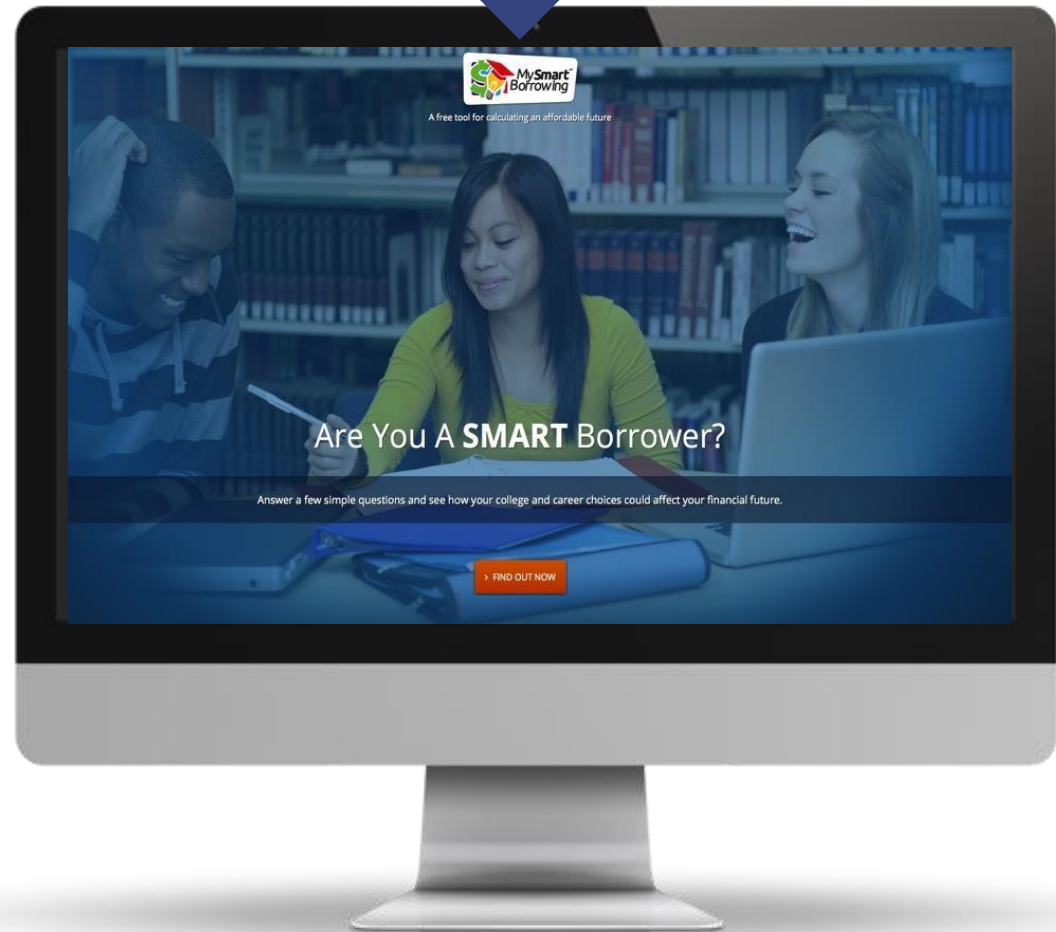
PA-TEXT  
042220



# 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 overborrowing

## MySmartBorrowing.org



# Paying the school bill



- Savings - Family

- 529 College Saving Plans - Family

- Scholarships - Various sources, including schools

- Grants - Federal/State programs

- Tuition Payment Plans - School

- Federal Student Loans

- Parent PLUS Loans

- Private Education Loans - Banks

- Institutional Loans - School

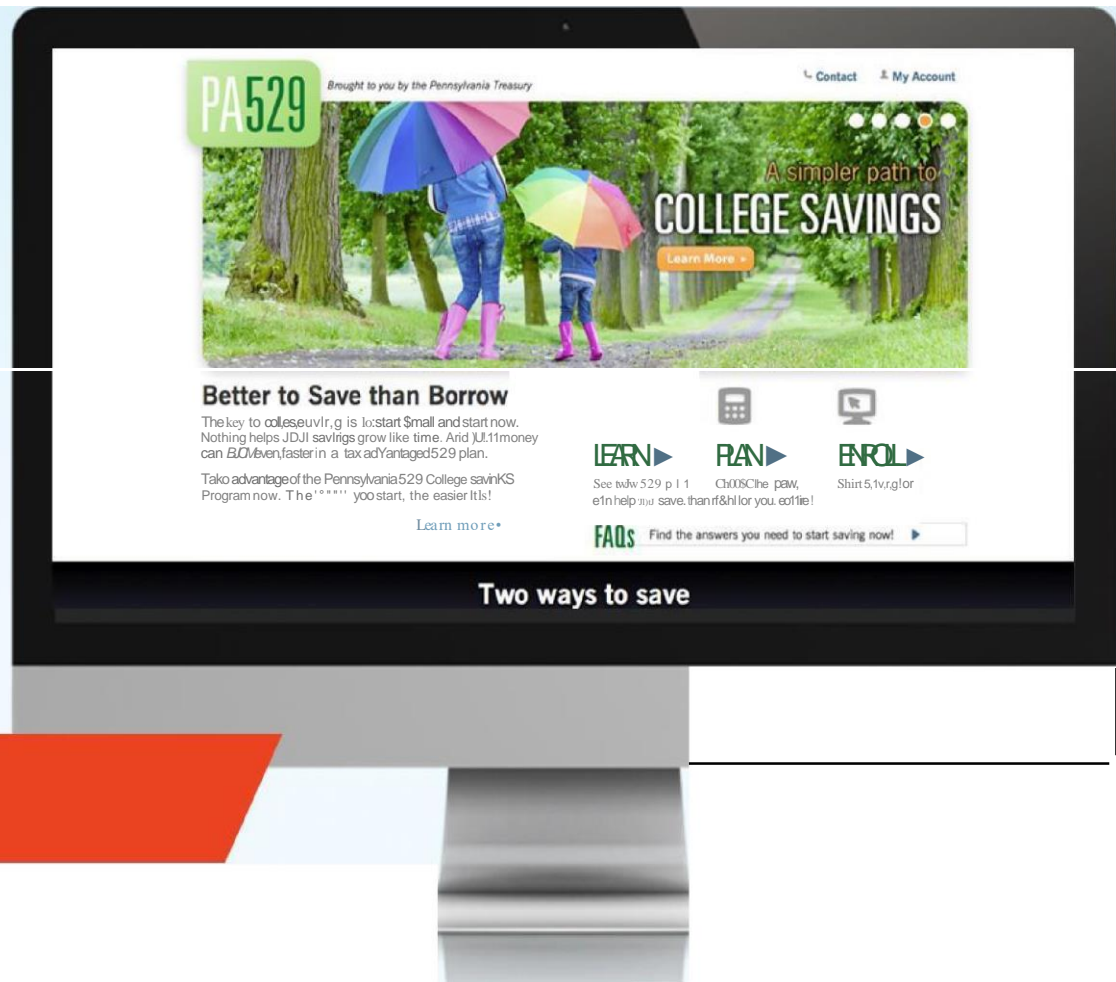
- Home Equity Loans - Banks

- Employers - reimbursement programs

- Student part-time job

# Pennsylvania 529 College Savings Plan

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



PA529.com

# Benefits of a 529 Plan

- State tax deduction
- Tax deferred growth
- Tax free withdrawals for education
- Gift and inheritance tax benefit





# The Plan

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



# Resources

## Federal Student Aid Information Center

Email, call or chat with customer service agents

Phone: 800-433-3242 (800-4-FED AID)

Website: FAFSA.gov

FAFSA4caster: estimated EFC, PELL and Direct Loan Eligibility

## PHEAA

Email: [granthelp@pheaa.org](mailto:granthelp@pheaa.org)

Phone: 800-692.7392

Website: [PHEAA.org](http://PHEAA.org)

[MySmartBorrowing.org](http://MySmartBorrowing.org)

[Educationplanner.org](http://Educationplanner.org)

Financial Aid Offices



PHEAA

American Education Services

FedLoan Servicing



@PHEAAaid

@FedLoan Servicing

@aesSuccessorg



PHEAA

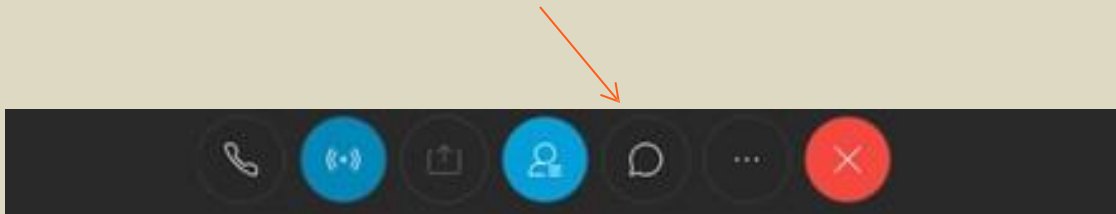


# FAFSA Help

- FAFSA help available by phone every **Wednesday in May from 9:00 AM – 4:00 PM.**
- This opportunity is available to **current 2020 high school graduates and others** who are planning to enroll at a postsecondary institution in the fall of 2020 or spring of 2021.
- Contact your Higher Education Access Partner.

# Questions

- We will be taking questions now using the chat feature.



- Click the chat symbol to see the chat box on the right of your screen. Choose to chat with “All Panelists”.

# Access Partner Contact

## Western Pennsylvania

Counties	Contact
Allegheny	William Lindsey (Interim) <a href="mailto:wlindsey@pheaa.org">wlindsey@pheaa.org</a> (717) 720-1529
Cameron, Centre, Clearfield, Clinton, Elk, Forest, Jefferson, Venango	Marian Hargrave <a href="mailto:mhargrav@pheaa.org">mhargrav@pheaa.org</a> (724) 614-3823
Crawford, Erie, McKean, Mercer, Potter, Warren	<a href="#">Amy Sloan</a> <a href="mailto:asloan@pheaa.org">asloan@pheaa.org</a> (724) 977-3662
Bedford, Blair, Cambria, Huntingdon, Indiana, Somerset	Julie Fontana <a href="mailto:jfontana@pheaa.org">jfontana@pheaa.org</a> (814) 322-2563
Armstrong, Beaver, Butler, Clarion, Lawrence	Wendy Dunlap <a href="mailto:wdunlap@pheaa.org">wdunlap@pheaa.org</a> (724) 831-7317
Fayette, Greene, Washington, Westmoreland	Jayeann Harr <a href="mailto:jharr@pheaa.org">jharr@pheaa.org</a>

# Access Partner Contact

## Eastern Pennsylvania

Counties	Contact
Adams, Cumberland, Franklin, Fulton, York	Diona Brown <a href="mailto:dbrown1@pheaa.org">dbrown1@pheaa.org</a> (717) 678-9681
Dauphin, Juniata, Mifflin, Northumberland, Perry, Schuylkill, Snyder, Union	Tiffanie DeVan <a href="mailto:tdevan@pheaa.org">tdevan@pheaa.org</a> (717) 884-2200
Berks, Chester, Lancaster, Lebanon	<a href="mailto:smannmcf@pheaa.org">Sonya Mann McFarlane</a> <a href="mailto:smannmcf@pheaa.org">smannmcf@pheaa.org</a> (717) 514-6043
Bradford, Columbia, Lackawanna, Luzerne, Lycoming, Montour, Sullivan, Susquehanna, Tioga, Wayne, Wyoming	Robin Walker <a href="mailto:rwalker@pheaa.org">rwalker@pheaa.org</a> (717) 956-8285
Philadelphia	Ron Felder <a href="mailto:rfelder@pheaa.org">rfelder@pheaa.org</a> (267) 294-8204
Carbon, Lehigh, Monroe, Montgomery, Northampton, Pike	Michael Burke <a href="mailto:mburke@pheaa.org">mburke@pheaa.org</a> (215) 205-5451
Bucks, Delaware, Montgomery	Frances McKeown <a href="mailto:fmckeown@pheaa.org">fmckeown@pheaa.org</a> (215) 801-7097