

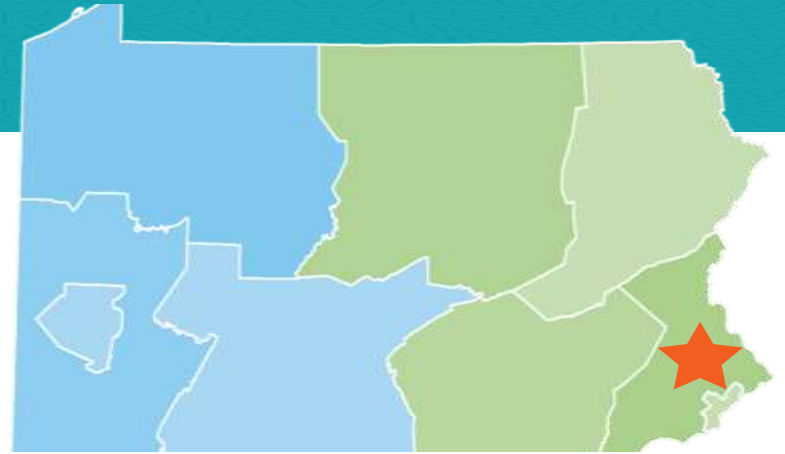
LET'S MAKE
CENTS



OF PAYING FOR COLLEGE

Financial Aid 101

Your Presenter



Fran C. McKeown

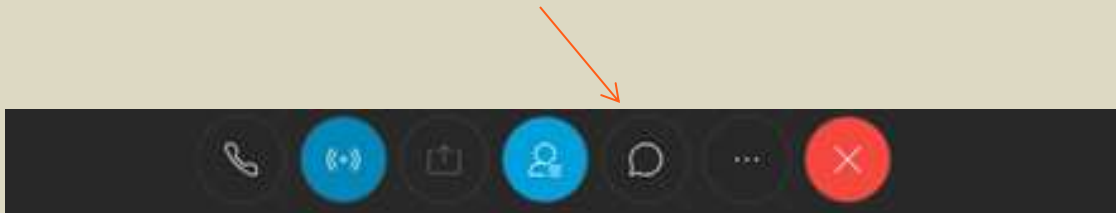
Higher Education Access Partner

PA Higher Education Assistance Agency (PHEAA)

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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 or All Participants.”

Meet the Team

Eastern Pennsylvania



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Manager



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Topics



- What is Financial Aid
- How do I apply
- Aid sources available
- What happens next
- Making smart decisions

Financial Aid 101

What Is Financial Aid?



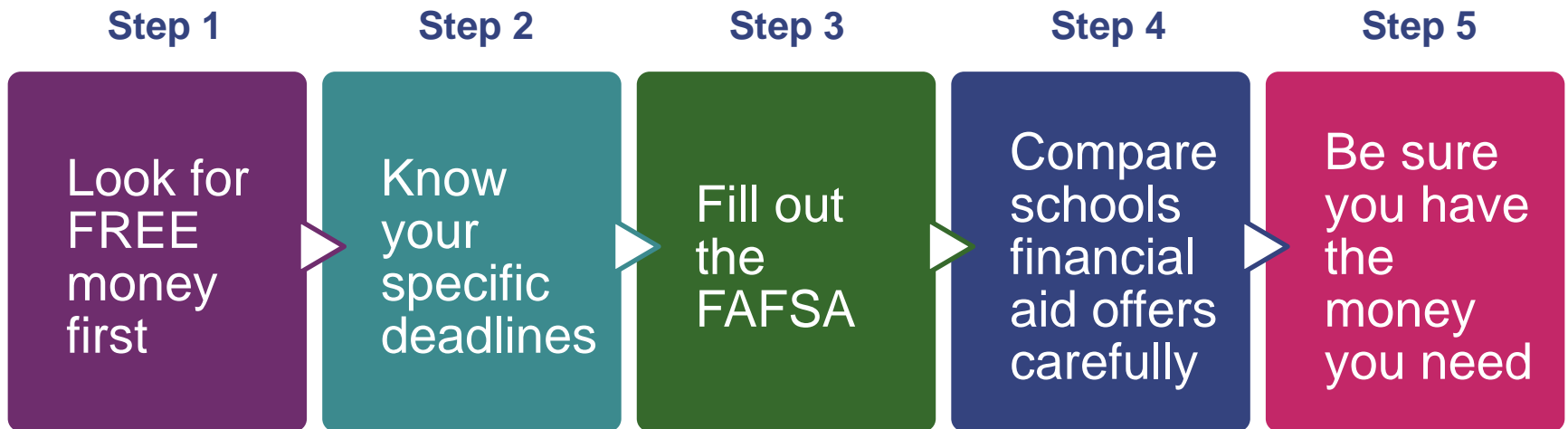
Financial aid consists of funds provided to students and families to help pay for postsecondary educational expenses.

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

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

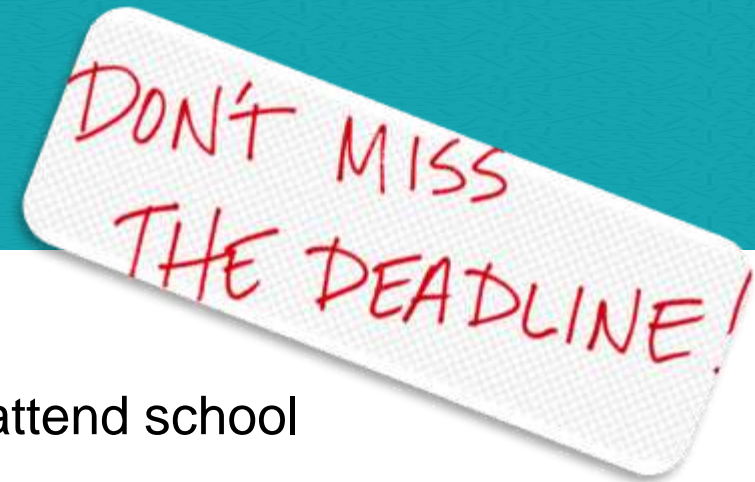
Some schools require additional forms:

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



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 fsaid.ed.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

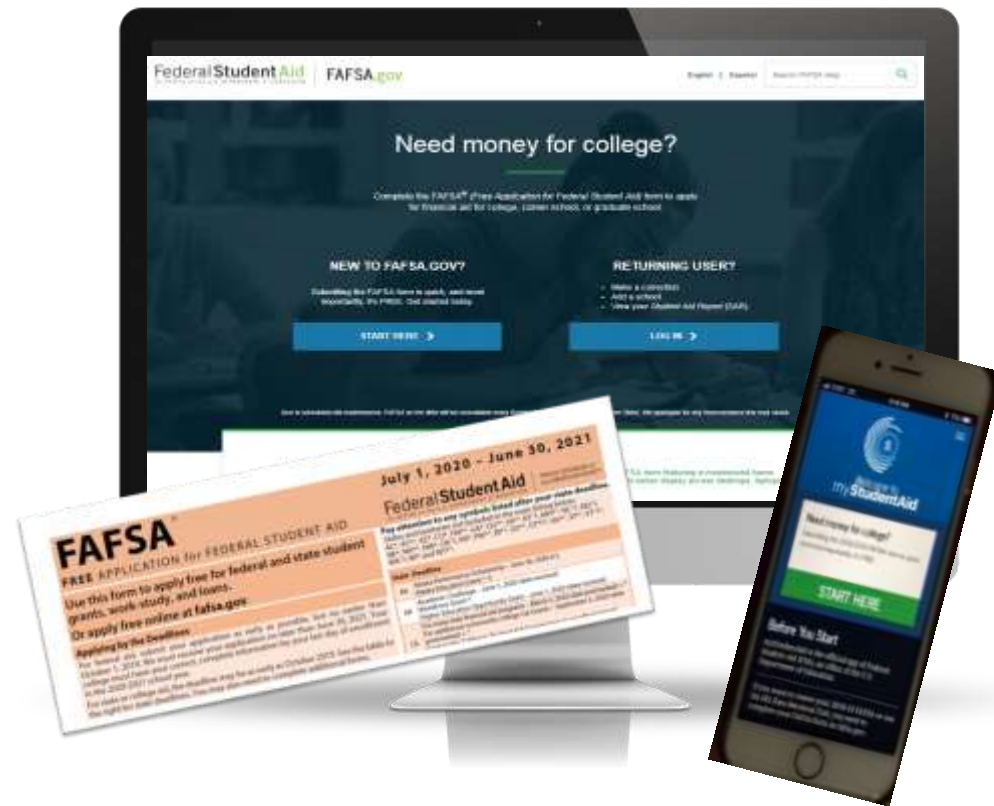
Security Questions

Social Security Number

FAFSA - 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
- Want practice?

[FAFSA4caster](#) gives you a free early estimate of your eligibility for [federal student aid](#).



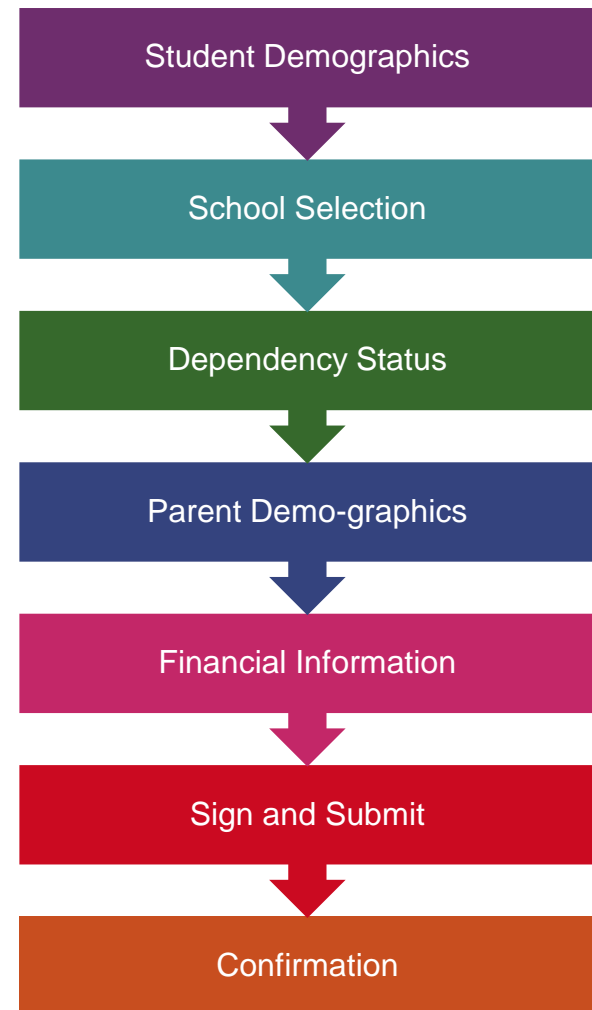
FAFSA.gov

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

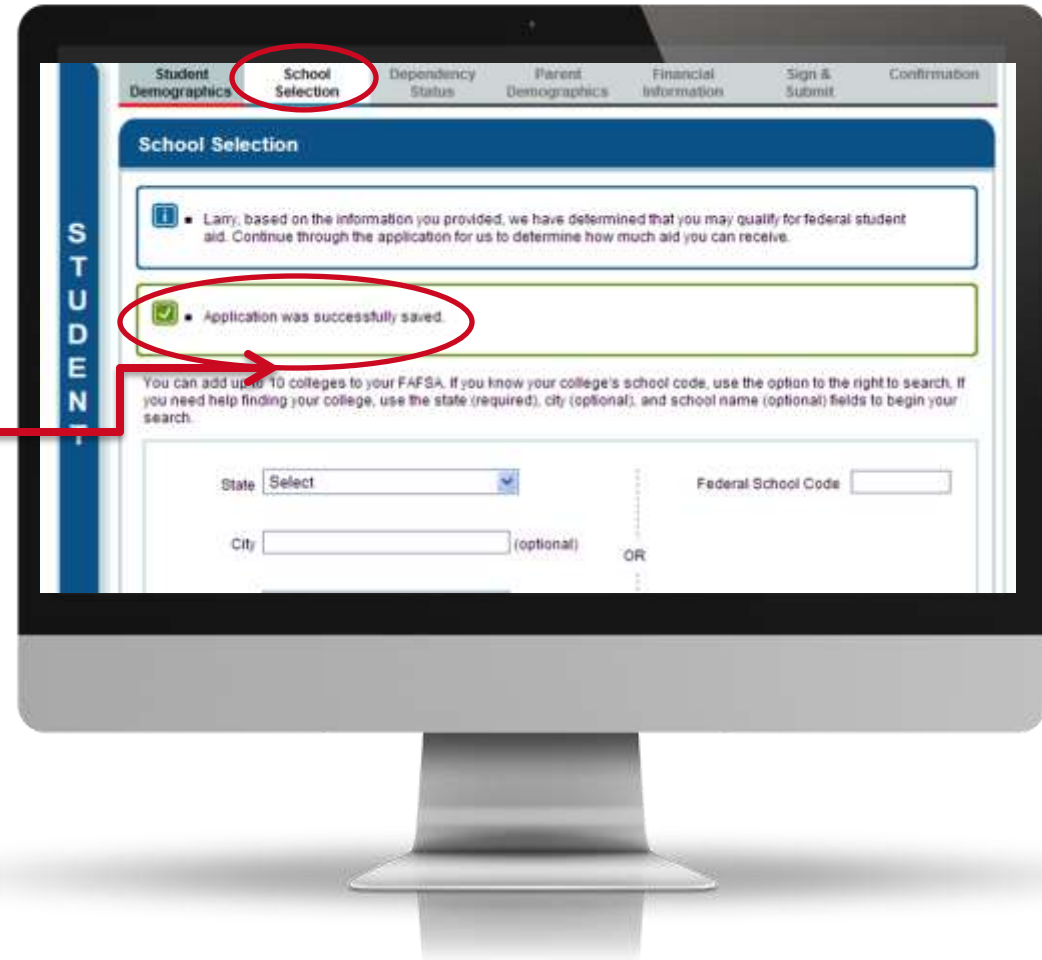
- Married parents living together
- Biological parents living together
- Divorced or separated parents
 - The parent the student lived with the most over the past 12 months. If equal, then the parent who provided more than 50% of student's support
- Stepparents – If part of student's household
- Adoptive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



IRS Data Retrieval Tool

After taxes are filed:

- Automatically pulls in 2019 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



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](#)

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@fafsademo.com

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?

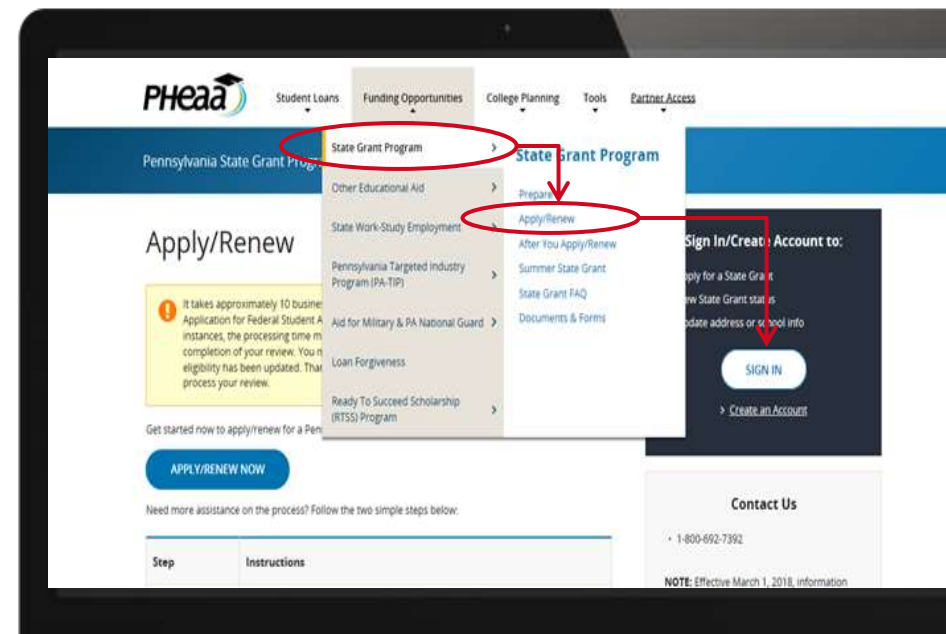
- Link in an email sent to student/parent from PHEAA,

OR

- Go to PHEAA.org; 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?

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 Financial Aid Offer (Aid Notification) based on Need and any Internal Aid ($\text{Cost} - \text{EFC} = \text{Need}$)

You compare Financial Aid Offers

Determine true costs of school and make affordable choices



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
-EFC	<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 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 eligibility change from year to year?

Will loans be needed?

Financial Aid Programs

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**

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**

Federal Direct Student Loan Program

- Available to ALL students REGARDLESS of need
- Additional unsubsidized funds available for Independent & Parent PLUS denials
 - » 4.53% interest rate (AY 19-20), 1.059% 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

[StudentLoans.gov](https://studentloans.gov)
& school's website!

Based on FAFSA, students have a combination of:

- **Subsidized:**
 - 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

(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
 - » 7.08 % variable/fixed interest rate; 4.236% fees (AY 19/20)
- 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 – dependent student is eligible for an additional \$4,000 unsubsidized loan
- Must file a FAFSA

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

A document titled "Private Education Loan Applicant Self-Certification" is shown. The document contains several sections with checkboxes and text. The visible sections include: "I am applying for a private education loan", "I am applying for a private education loan as a dependent student", "I am applying for a private education loan as an independent student", "I am applying for a private education loan as a graduate student", "I am applying for a private education loan as a postgraduate student", "I am applying for a private education loan as a returning student", "I am applying for a private education loan as a transfer student", "I am applying for a private education loan as a student with a disability", "I am applying for a private education loan as a student with a health condition", "I am applying for a private education loan as a student with a learning disability", "I am applying for a private education loan as a student with a mental health condition", "I am applying for a private education loan as a student with a physical health condition", "I am applying for a private education loan as a student with a social health condition", "I am applying for a private education loan as a student with a spiritual health condition", "I am applying for a private education loan as a student with a cultural health condition", "I am applying for a private education loan as a student with a linguistic health condition", "I am applying for a private education loan as a student with a racial health condition", "I am applying for a private education loan as a student with an ethnic health condition", "I am applying for a private education loan as a student with a national health condition", "I am applying for a private education loan as a student with a tribal health condition", "I am applying for a private education loan as a student with a territorial health condition", "I am applying for a private education loan as a student with an island health condition", "I am applying for a private education loan as a student with a state health condition", "I am applying for a private education loan as a student with a federal health condition", "I am applying for a private education loan as a student with a national health condition", "I am applying for a private education loan as a student with a tribal health condition", "I am applying for a private education loan as a student with a territorial health condition", "I am applying for a private education loan as a student with an island health condition", "I am applying for a private education loan as a student with a state health condition", "I am applying for a private education loan as a student with a federal health condition".

PHEAA.org/PAForward

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.

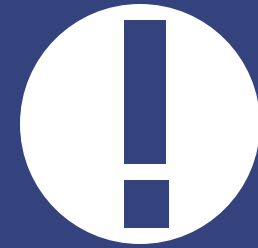
PA 11/17
182228

Scholarships

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](https://www.fastweb.com)
- ✓ [EducationPlanner.org](https://www.educationplanner.org)
- ✓ [Chegg.com](https://www.chegg.com)
- ✓ [FinAid.org](https://www.finaid.org)
- ✓ [ScholarshipExperts.com](https://www.scholarshipexperts.com)
- ✓ [Scholarships.com](https://www.scholarships.com)
- ✓ [Scholarship-Page.com](https://www.scholarship-page.com)
- ✓ [DoSomething.org/Scholarships](https://www.dosomething.org/scholarships)
- ✓ [Colleges.Niche.com](https://www.collegesniche.com)
- ✓ [StudentScholarships.org](https://www.student-scholarships.org)
- ✓ [BigFuture.Collegeboard.org](https://www.bigfuture.collegeboard.org)
- ✓ [CollegeAnswer.com](https://www.collegeanswer.com)
- ✓ [CollegeNet.com](https://www.collegenet.com)
- ✓ [MeritAid.com](https://www.meritaid.com)
- ✓ **MORE....**

Displacement vs. Stacking



Ask your college representatives:

- “If I receive an outside scholarship, will you reduce the scholarship money you gave me by that amount or will you stack my new scholarship on top of what you gave me?”
- “How will an outside scholarship affect my financial aid award offer?”

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



How it Works

MySmartBorrowing guides students and families through four easy sections:

1 Select a
Career

2 Select a
School

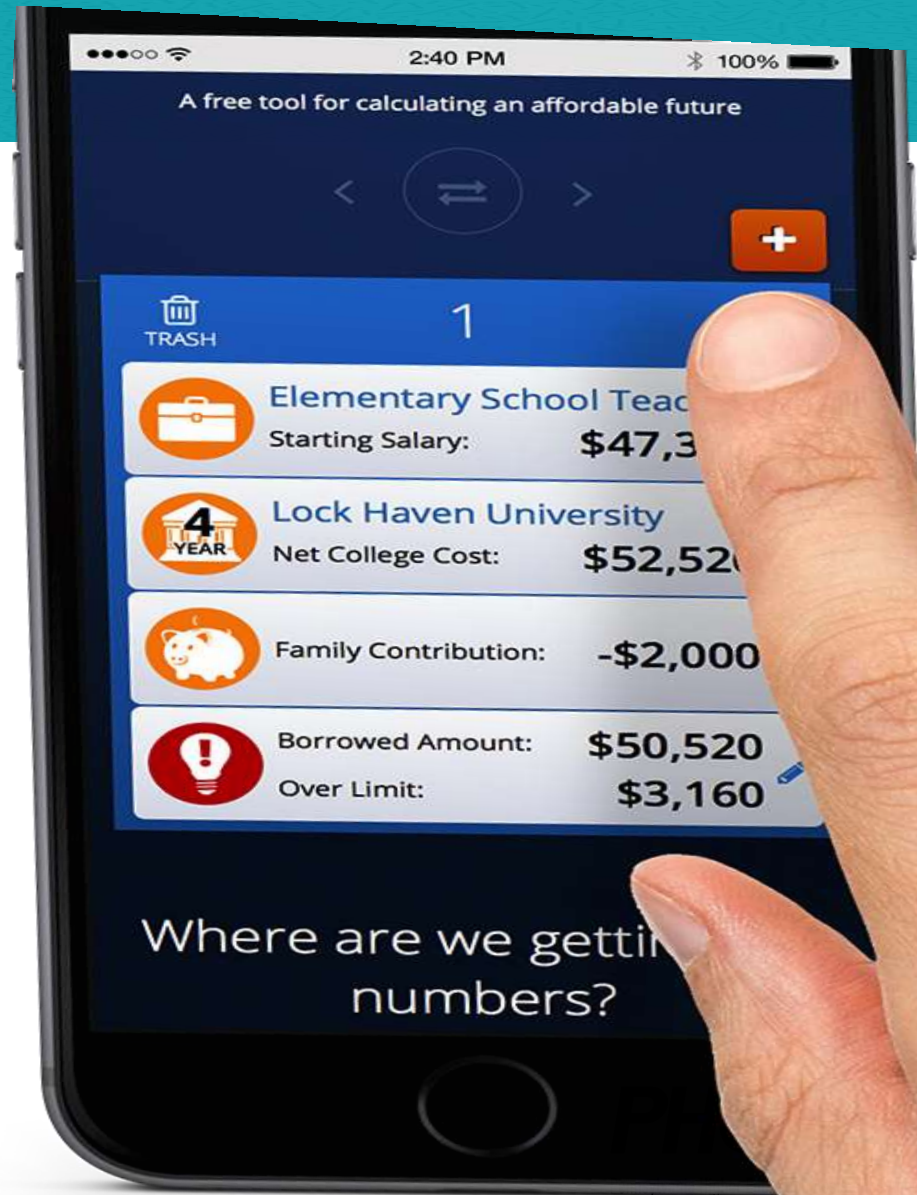
3 Factor in
Savings

4 Get Results

View the Results

Once you input your selections, you can:

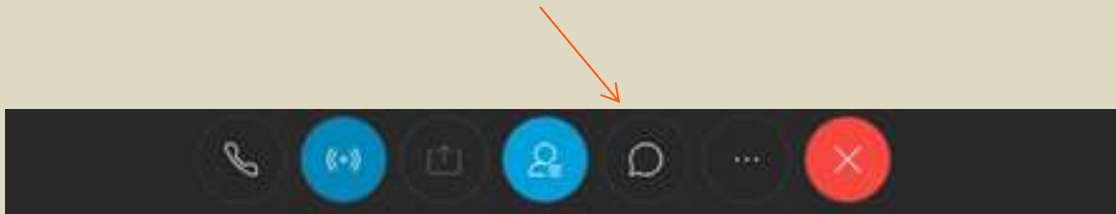
- View your potential salary in your new career
- Add & compare up to four colleges
- See if you're borrowing too much



QUESTIONS?

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 or All Participants”.

Presenter Contact Information

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Higher Education Access Partner

Southeast Region

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