

# Financial Aid 101

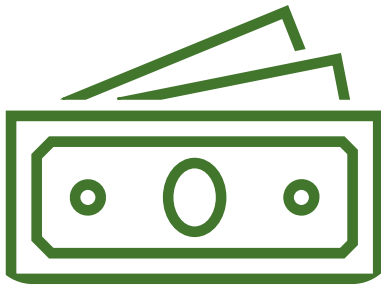


**Welcome to tonight's presentation,  
we will begin shortly!**

***Thank you for silencing your cell phone!***

# What Is Financial Aid?

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



## Gift Aid

Grants/Scholarships



## Self-Help

Work-Study



## Loans

Federal Student Loans,  
PLUS, Private Loans

# Funding Sources



**Federal Government**



**State Government**



**School or College**



**Scholarships**

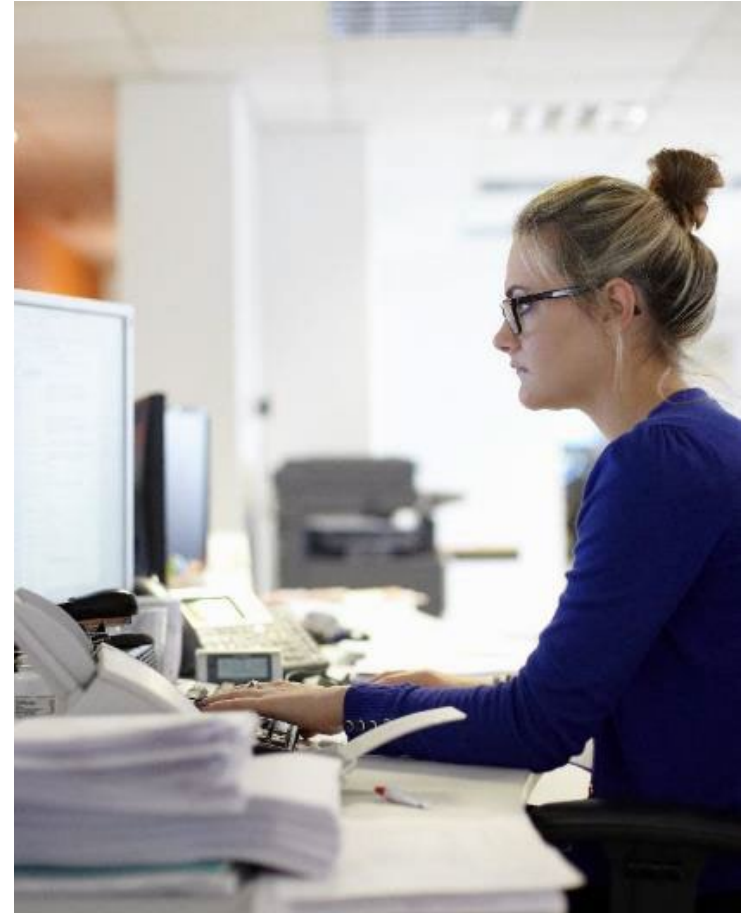
# Financial Aid Made Simple

## 5 Steps to Financial Aid



# Step 1: Look For Free Money First

- Start searching early
- Use **FREE** scholarship search sites
- Don't ignore scholarships with smaller award amounts
- Search for scholarships every year



# Types of Scholarships



Postsecondary  
Scholarships

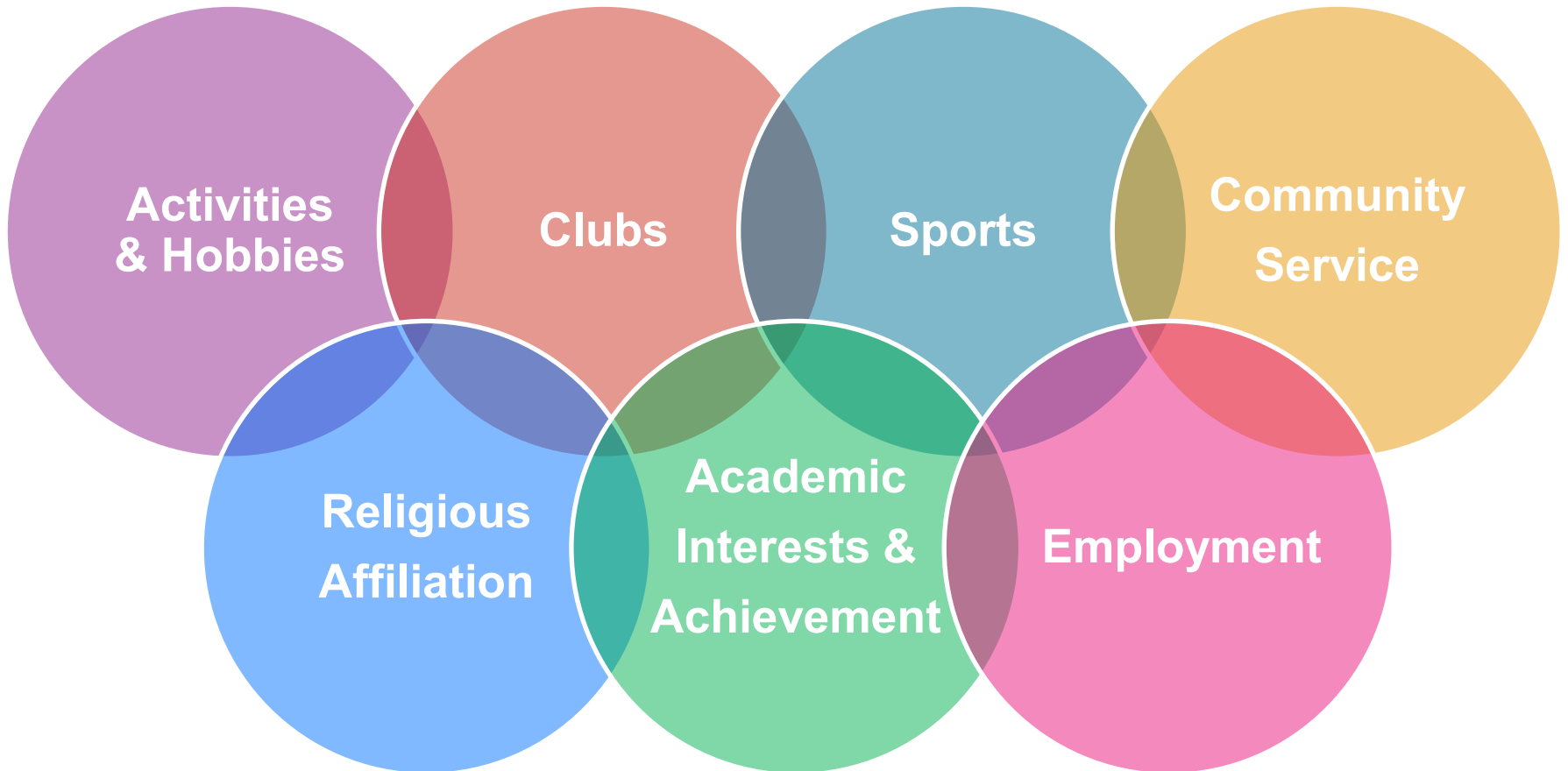


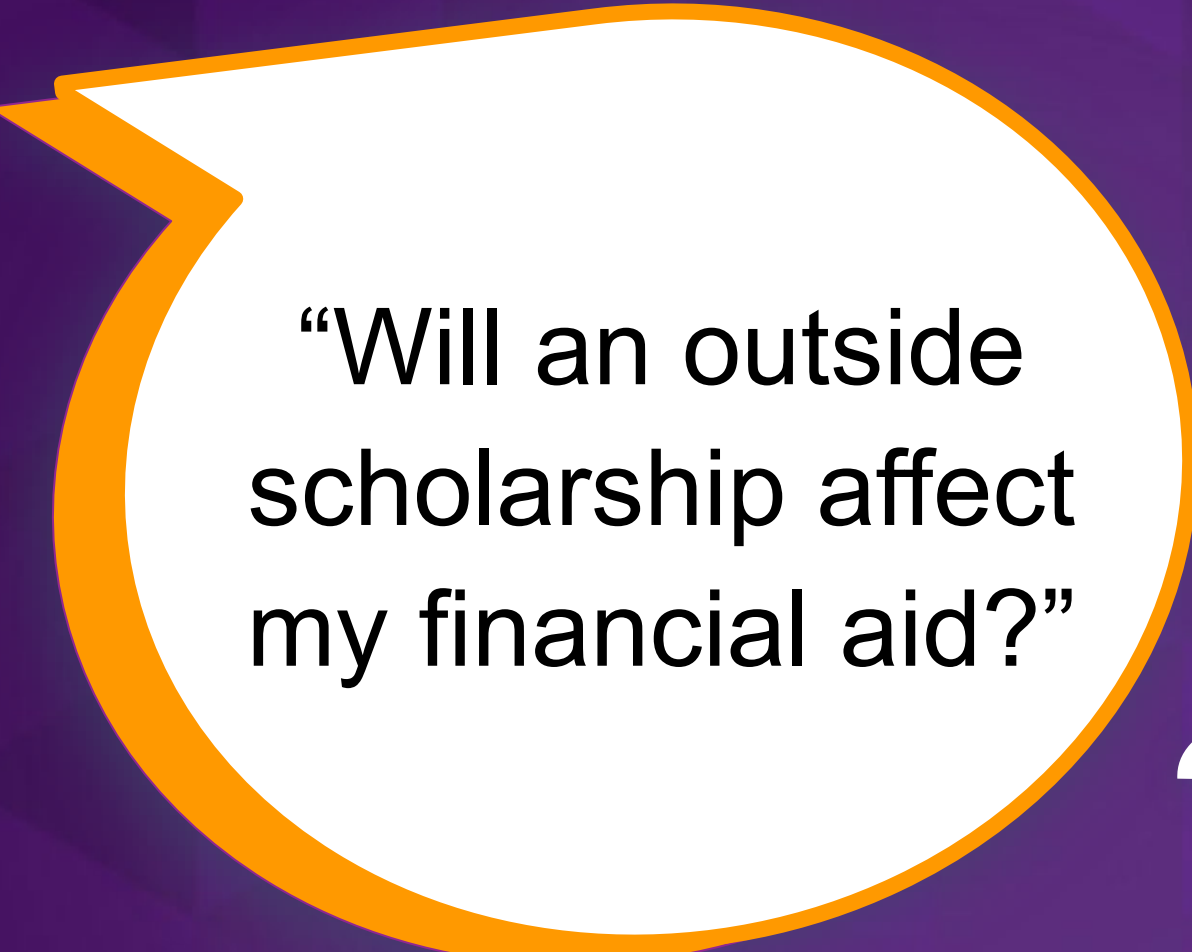
Local and  
Regional  
Scholarships



National  
Scholarships

# Your Scholarship Resume





“Will an outside scholarship affect my financial aid?”



**Ask your college representatives!**



## Step 2: Know Your Deadlines

- Applications for admission
- Deadlines for scholarships
  - Institutions, Outside Sources
- Free Application for Financial Aid (FAFSA)
  - Schools have priority 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!**

# Step 3: The FAFSA is Your Connection to Funding

The FAFSA is a federal form used to determine student eligibility for the following:

- Federal programs
- State programs
- School programs

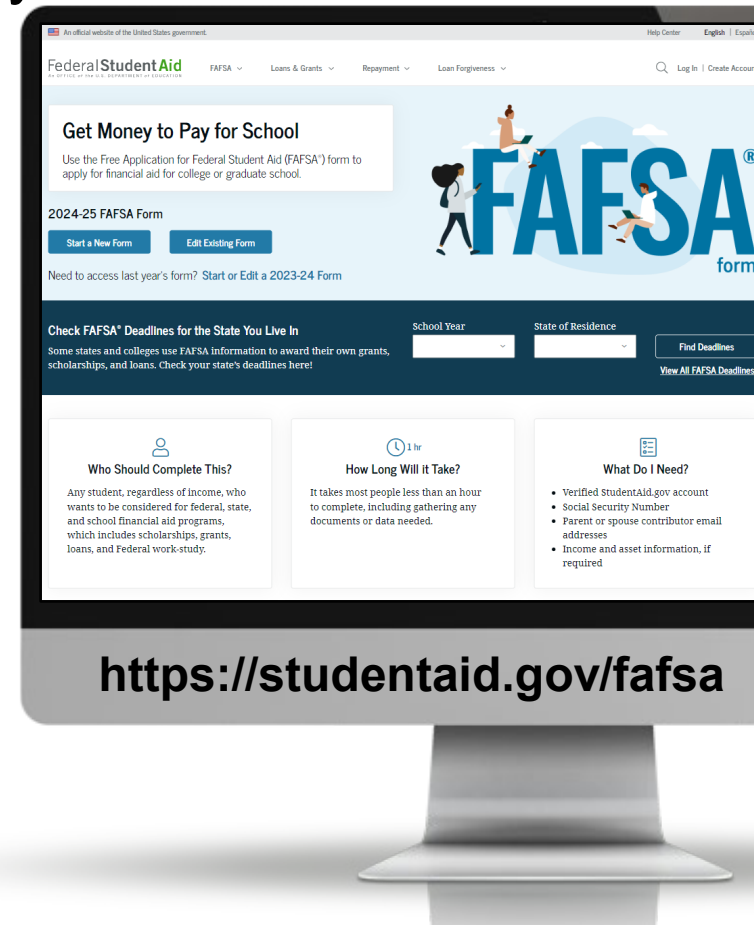


# FAFSA (Free Application for Federal Student Aid) – StudentAid.gov/fafsa

12

- 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.
- The FAFSA is available as early as October 1 of a student's senior year of high school

**The 2024-25 FAFSA will NOT be available until December 2023!**



# Create Your FSA ID Accounts

- The student applying for aid and all contributors providing information on the FAFSA need to create an FSA ID at [studentaid.gov/fsa-id](https://studentaid.gov/fsa-id).
- Create at least 4 days prior to completing the FAFSA.
- Legal signature for student and contributors.
- Users without an SSN will be able to acquire an FSA ID.

Social Security Number

Username

Email Address

Password

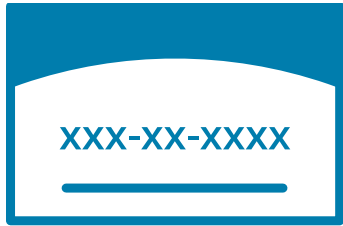
Mobile Phone

Security Questions

Enable Two-Step Verification

# 2024-2025 FAFSA Prep

## Information Needed for FAFSA



Social Security Numbers



Email Addresses (Not high school email address)



2022 Federal Tax Returns and W-2's



Current bank statements and records of other investment accounts (as of the FAFSA filing date including farm value and value of small business)



Student & Contributor(s) Federal Student Aid Account FSA ID



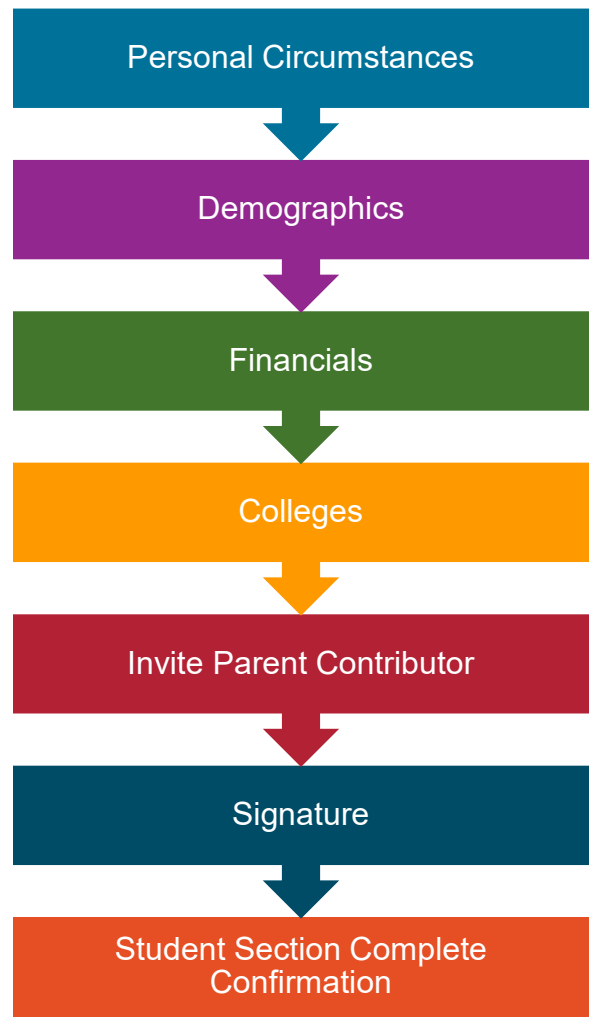
Current Records of any stocks, bonds and other investments, including 529 for student for whom the FAFSA is being completed



Total child support from the most recently complete calendar year

# FAFSA Steps – Dependent Student

1. Login – dependent student
2. Dependent Onboarding Steps
3. Verify Student Identity Information
4. Student Provides Consent



# 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 20 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.

FAFSA<sup>®</sup> FORM 2024-25 Student Raya Tran Save FAFSA Menu

### Your Colleges

In this section, you'll search for and select schools you're considering so they will automatically receive an electronic copy of your FAFSA form. You don't need to worry if you don't end up applying to them - there is nothing else you need to do.

Previous Continue

FAFSA<sup>®</sup> FORM 2024-25 Student Raya Tran Save FAFSA Menu

Personal Circumstances Demographics Financials **Colleges** Signature

### Where should we send your FAFSA?

Search for the colleges to which you'd like to send your FAFSA<sup>®</sup> information.  
You can add up to 20 colleges to your FAFSA form.

0 of 20 Schools Selected View Selected Schools

Search by School Name Search by School Code

State  
Calif x ⓘ  
California (CA) ⓘ  
ⓘ

School Name - optional ⓘ

Search

Previous Continue



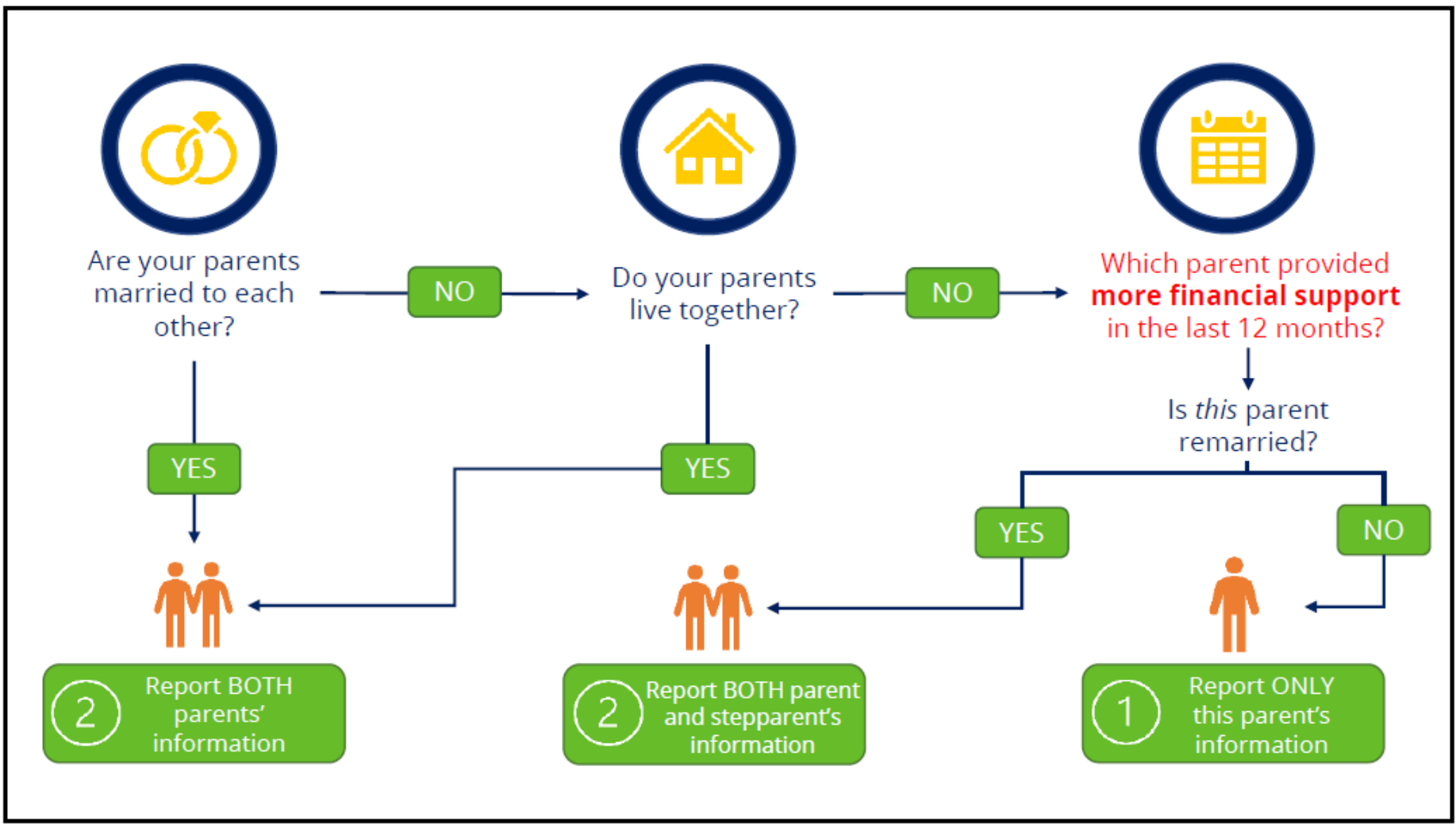
# When Is A Student Automatically Considered “Independent”?



- 24 or older on Jan 1st of 2024
- Married
- Have legal dependents other than spouse
- Veteran (includes active-duty personnel)
- Working on graduate level degree
- Legally emancipated minor or in a legal guardianship with someone other than their parent or stepparent, as determined by a court in state of residence
- Orphan, in foster care or ward of the court at anytime since the student turned 13
- Student was unaccompanied and either homeless or self-supporting and at risk of being homeless

(PA State Grant status can be different)

# For Dependent Students, Who Reports Info on the 2024-25 FAFSA?



# Dependent Student Invites Parent

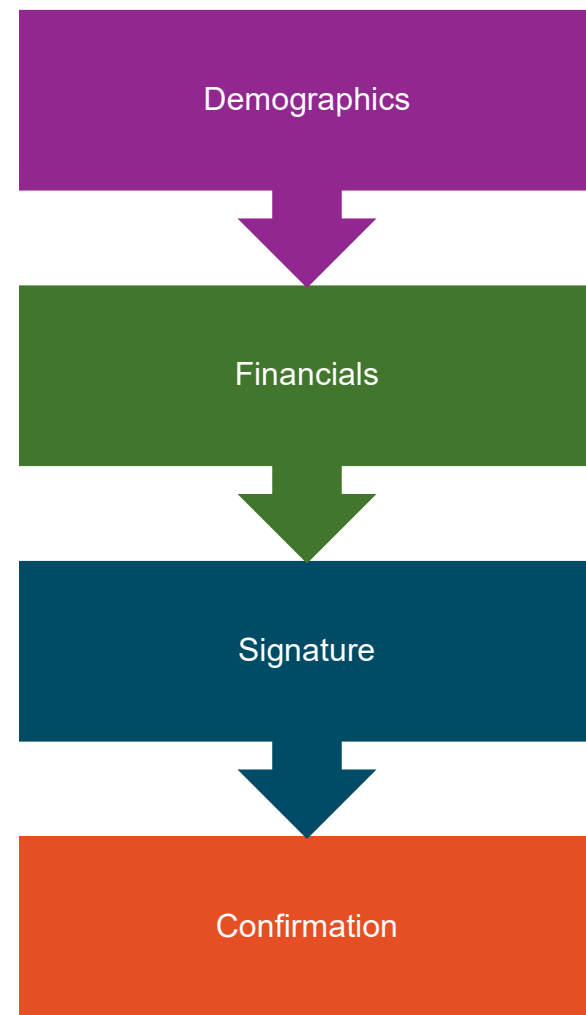
- The student is asked to enter personal information about their parents in order to send them an invite to their FAFSA® form. In this scenario, the student invites one parent.

The screenshot displays the FAFSA 2024-25 interface for a dependent student named Raya Tran. The interface is divided into two main panes. The left pane, titled 'Invite Parents to your FAFSA® Form', contains a progress bar with five steps: Personal Circumstances, Demographics, Financials, Colleges, and Signature. Below the progress bar, there is a section for entering parent information. It includes a blue box with instructions: 'You will need to provide information for your parents. Based on your answers in the previous section, you'll need to provide information about both of your parents on your FAFSA form. You can invite your family members to your form to help you complete all required sections.' Below this, there is a text prompt: 'Enter names of parents, identified on the prior page, and we'll send electronic requests on your behalf. Please make sure to provide information that your parents would use to login to StudentAid.gov.' The form has two columns: 'Parent' and 'Parent Spouse (optional)'. The 'Parent' column has fields for First Name (Alcina), Last Name (Tran), and Date of Birth (05/05/1973). The 'Parent Spouse' column has fields for First Name, Last Name, and Date of Birth. The right pane shows the 'Social Security Number (SSN)' field with a 'SHOW' button and an information icon. Below it are two checkboxes: 'My parent doesn't have a SSN'. The 'Email Address' field contains 'alcinatan@school.edu', and the 'Confirm Email Address' field also contains 'alcinatan@school.edu'. There is an 'Invite Parent' button at the bottom of this pane. At the very bottom of the entire form, there are 'Previous' and 'Continue' buttons.

# FAFSA Steps – Parent Contributor

1. Following link in email invite – Parent Log In
2. Parent Onboarding Steps
3. Verify Parent Identity Information
4. Parent Provides Consent

Once all required data has been provided and all sections have been signed, any role can submit the FAFSA form



# Consent - IRS Direct Data Exchange

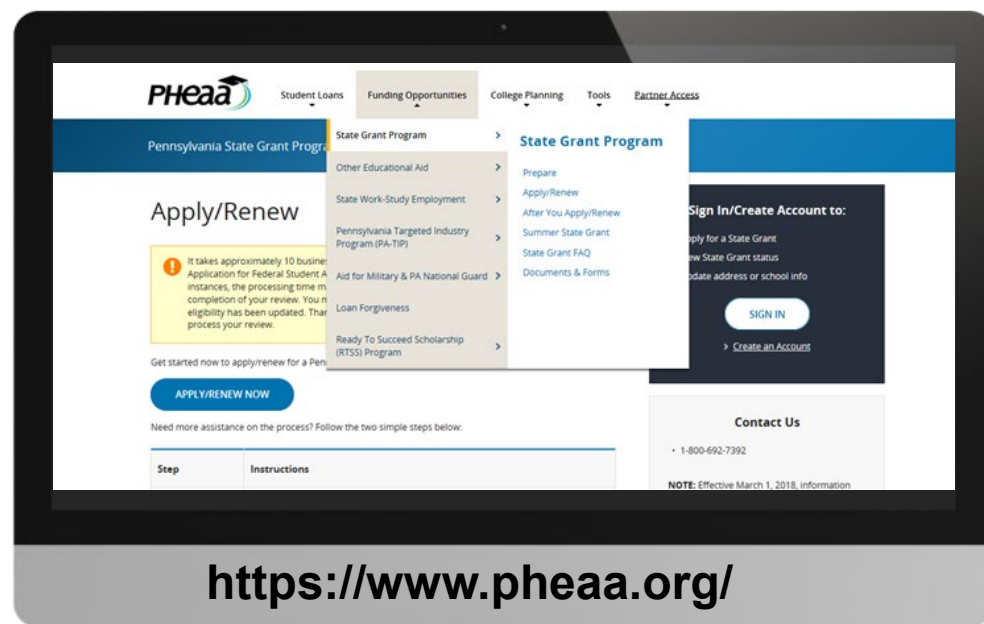
- Contributors must provide consent for the student to be eligible for federal student aid.
- Consent allows the IRS to use Direct Data Exchange to import applicant, parent, parent spouse, and/or student spouse Federal Tax Information (FTI)
- **The data exchange may not work if the contributor:**
  - had a change in marital status after the end of the tax year
  - filed a Puerto Rican or foreign tax return
  - was victim of identity theft, involving their federal tax return

# PA State Grant Form (SGF)

- In addition to the FAFSA, first-time applicants must also complete the PA State Grant Form (SGF).

Create an account to:

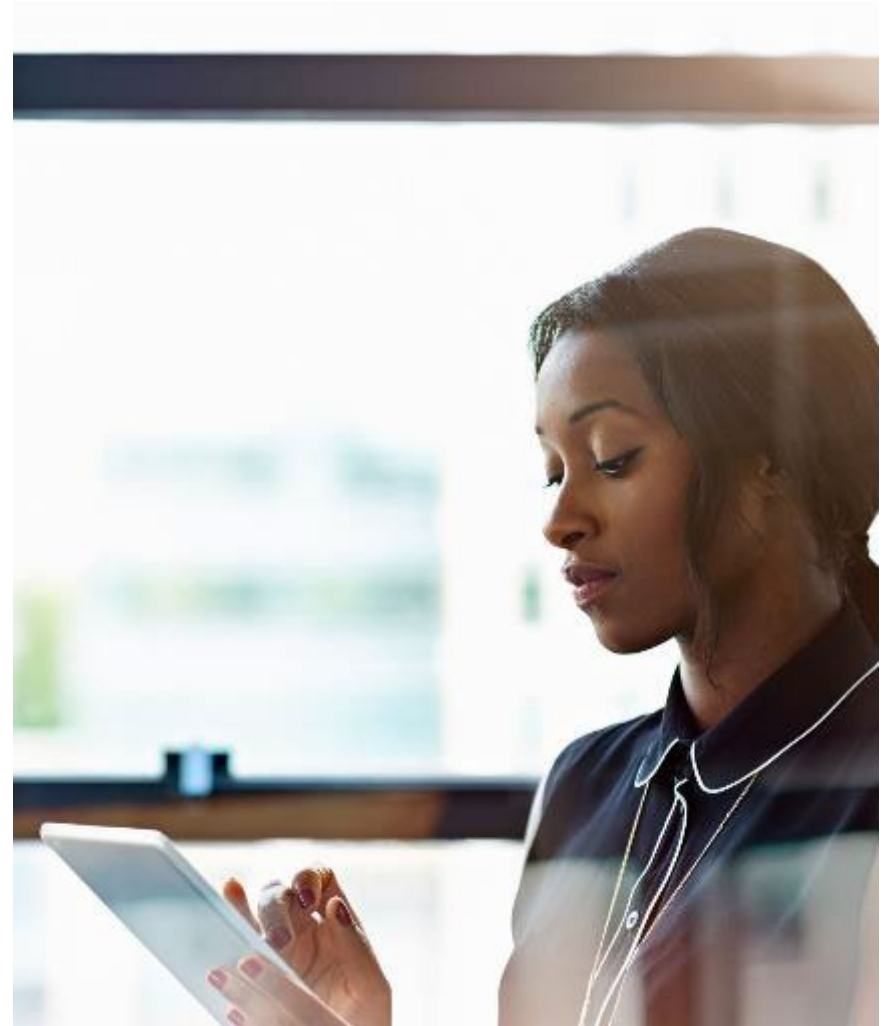
- Complete State Grant Form
- Check your PA State Grant eligibility
- Update your school of choice listed on the PA State Grant Form



# College Scholarship Service (CSS) Profile

- Used by some schools to award need based & institutional aid
- Does NOT replace the FAFSA
- There is a cost to complete

<https://www.collegeboard.org/>



# Special Circumstances

If things change.....

- Recent death or disability
- Reduced Income
- Divorced or separated parents
- Living with others





# FAFSA is Filed... Now What?



Student completes the FAFSA



Schools receive FAFSA and calculate financial aid



Schools send Financial Aid Notifications to student

# Step 4: Compare Schools' Financial Aid Notices Carefully

- There is no required standard format
- If you receive a scholarship, do you know if there are conditions for maintaining it?
- Do you understand what is free money vs money that has to be paid back?



**Bottom Line: What are your out-of-pocket costs?**

# Federal Programs



## Need-Based Aid:

- Pell Grant (max grant \$7,395)
  - Supplemental Educational Opportunity Grant (FSEOG)
- Work-Study
- Federal Subsidized Loan

## Non Need-Based Aid:

- Federal Unsubsidized Loan

# PA State Grant Program

- Award amount determined in part by the cost of the school
- **Reciprocal states:** Delaware, DC, Massachusetts, Ohio, Vermont, West Virginia
  - Up to \$600 for full-time students (\$800 for veterans)

2023-24 In-state maximum grant amount for eligible students based on cost of school

Cost Tier	Maximum Award
\$0 - \$12,000	\$3,058
\$12,001 - \$19,000	\$4,894
\$19,001 - \$29,000	\$5,260
\$29,001 - \$32,000	\$5,750

# Work-Study

- You must have financial need in order to qualify for work-study
- A work-study position is not guaranteed and may even require an interview
- Work-Study income removed from FAFSA eligibility calculation



# Federal Student Loans

- Available to **ALL** students (US citizens and eligible non-citizens) **REGARDLESS** of need
- In student's name, no collateral or credit check, must sign MPN
- No payments required while attending school & six-month grace period
- Flexible Repayment options



# 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>

# Step 5: Be Sure You Have The Money You Need



- Have you considered annual out of pocket costs **beyond the first year?**
- Do you understand your actual costs?
- Do you have a strategy for handling out of pocket costs?





# Federal Direct PLUS Loan



- For parents of dependent undergraduate or graduate level students
- In parent's name for student costs
- If denied - student is eligible for an additional \$4,000 unsubsidized loan
- Must file a FAFSA

# Private/Alternative Loans

- From private lenders or financial institutions
  - In student's name/co-signer usually required
  - Terms vary by lender – compare before making choices

**READ THE FINE PRINT**





# PA's Low-Cost Way to Pay for College!

Low, Fixed Rates

**3.82-7.69%**<sup>1,2</sup>  
APR

Effective as of 5/11/23

Learn more at [PHEAA.org/PAForward](https://PHEAA.org/PAForward)

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 and a repayment term of 60 months, monthly payments of \$183.49 a fixed periodic interest rate of 4.10%, and a total amount repaid of \$11,009.34. 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 \$64.17 for 46 months and \$93.84 for 180 months, a fixed periodic interest rate of 7.70%, and a total amount repaid of \$19,843.12. The borrower in this sample did not qualify for any interest rate discounts. These APRs are estimates and may differ from the actual rates received.

2) The provided rate range applies to Parent loans and may change based on loan type, loan term, repayment plan, and applicable discounts (not all discounts apply to all loan products). See individual loan programs for more specific information. PHEAA uses applicant credit scores to determine eligibility and interest rates. Higher credit scores may mean an applicant is offered a lower interest rate.

Applicants 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.

# Necessary Things to Consider

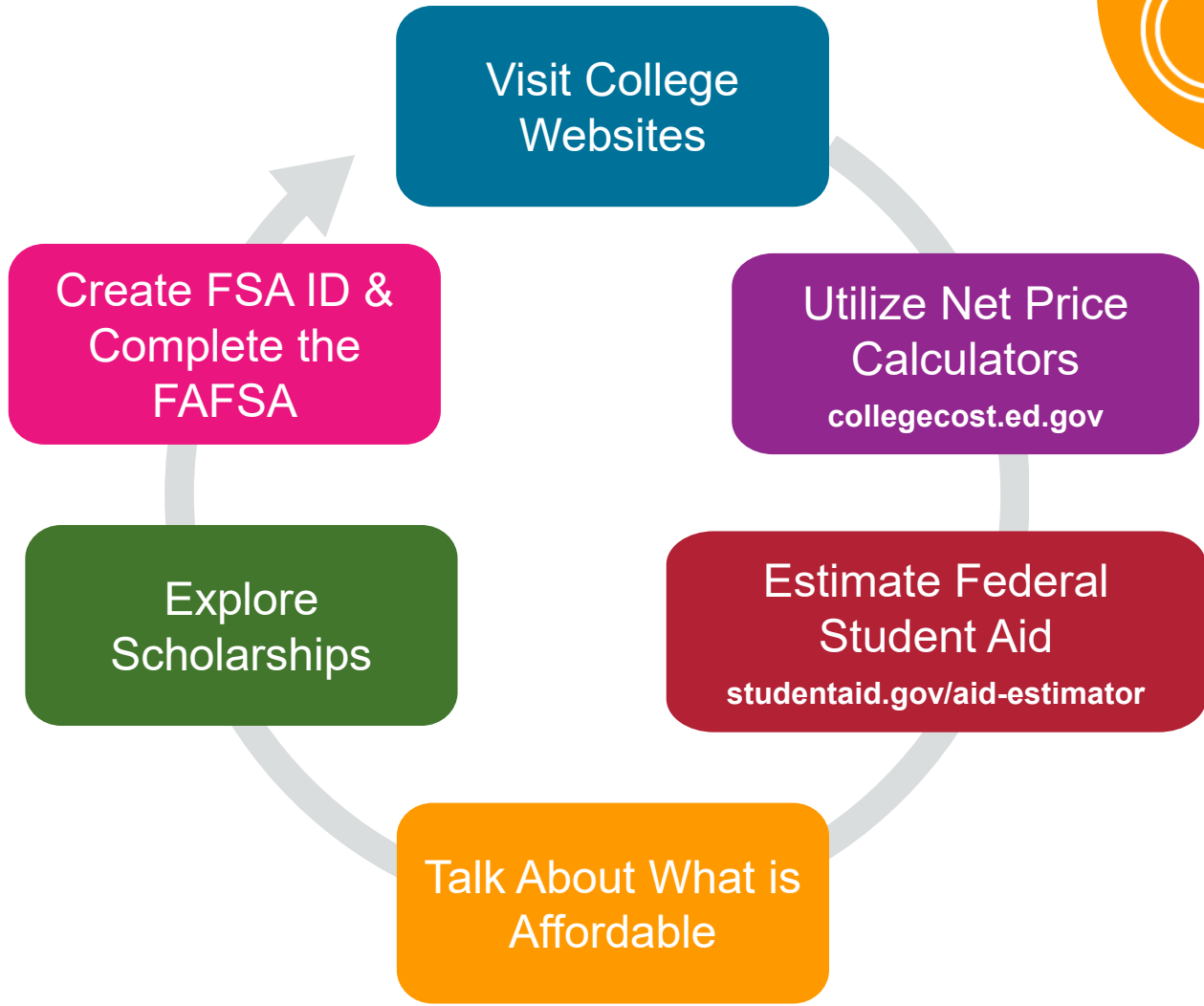
- Consider your academic major choice and academic demands
- What is your expected salary?
  - Versus the cost of your education choice
- What are the employment demands?  
Now/future?
- Where are your best employment options?
  - What is the cost of living where you may work?



# Necessary Things to Consider

- College costs
  - Tuition, housing, food, books, fees
- Out of pocket costs **beyond just the first year**
- Cost of transportation
  - Logistics between semesters, breaks
- Are you willing to commit to loans for your student's education?
- Do you know your best parent loan options?
  - Federal Parent (PLUS) Loans, Private Loans

# What Can You Do Now?



# Social Media Outreach



**PHEAA**  
**American Education Services**



**@PHEAAaid**  
**@aesSuccessorg**



**PHEAA**

# Additional Webinar Opportunities

## FAFSA Line by Line Overview Presentation

February 21, 2024  
6 – 7 PM



## Understanding and Comparing Financial Aid Offers

March 20, 2024  
6 – 7 PM



More opportunities found at [pheaa.org/virtual](https://pheaa.org/virtual)



***Important Resources***

PHEAA.org

StudentAid.gov

MySmartBorrowing.org

EducationPlanner.org

CollegeCost.ed.gov

***Scholarship Sites***

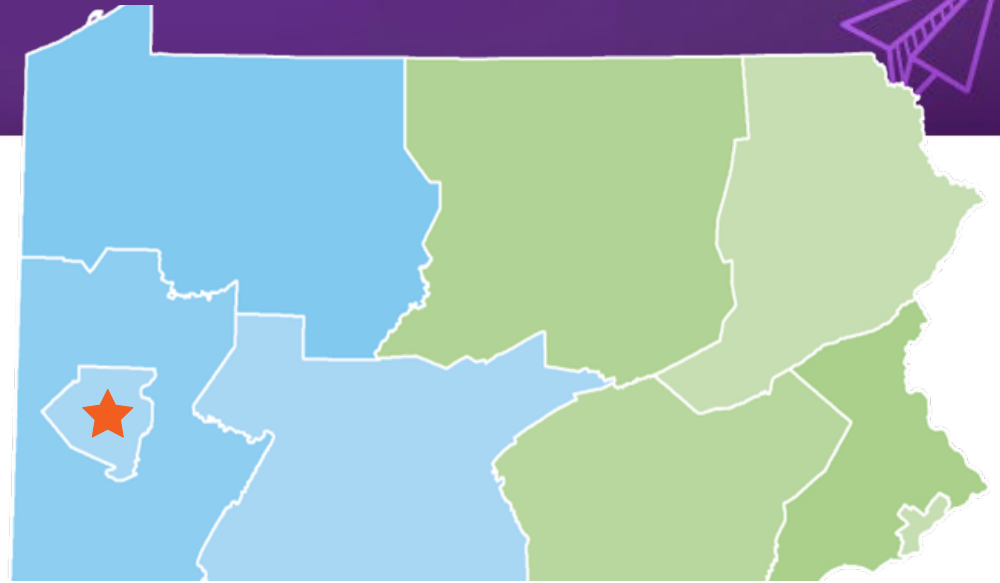
Collegeboard.org

Fastweb.com

Finaid.org

Scholarshipamerica.org

# Your Presenter



**Amy Sawdey**

PHEAA

Higher Education Access Partner

**[Amy.Sawdey@pheaa.org](mailto:Amy.Sawdey@pheaa.org)**