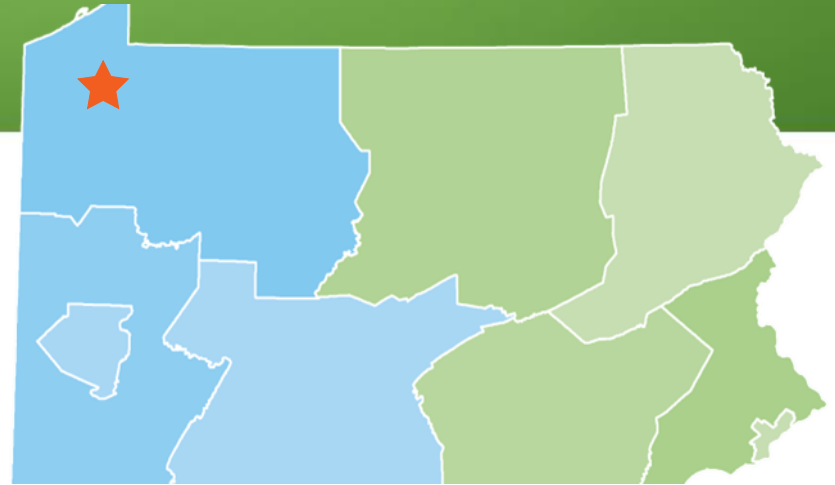


# **Welcome to the PHEAA Financial Aid Presentation**



**We will begin promptly at 6:00!**

# Your Presenter



**Amy Sloan**

**Higher Education Access Partner**

**Northwest Region**

**PA Higher Education Assistance Agency  
(PHEAA)**

**724-977-3662**

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



# QUESTIONS



**I will be taking questions using the Q and A feature.  
Click the ? symbol to see the feature box on the  
right of your screen**

# Financial Aid 101



Be a Smart Consumer

# Topics



- **BE A SMART CONSUMER**
- **Financial Aid Made Simple – 5 Steps**
  - » Free Money (scholarships & Federal & PA grants)
  - » Deadlines
  - » Filing the FAFSA
  - » Comparing Financial Aid Offers
  - » Be sure you have the funds
- **Student and Parent Federal Loans**
- **Alternative Loans**
- **Tips and Strategies**
- **Web Resources**

# Be a Smart Consumer



## DO YOUR RESEARCH

What is the net price you will pay?

What is the graduation rate?

What is the average debt of graduates?

What is the employment outcome?

# Net Price Calculators



- **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**

# Necessary Things to Consider

## Students – Return On Investment

- Your Academic Major, Employment Demands – Realistic?
- What is your Expected Salary?
  - » Versus the Cost of Your Education Choice



## Parents – Affordability

- College Costs – Tuition, Housing, Food, Books, Fees
- Cost of Transportation – Logistics between semesters, breaks
- Are you willing to commit to loans for your student?



# 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 over borrowing**



# How it Works

**MySmartBorrowing guides students and families through four easy sections:**

**1** Select a  
Career

**3** Factor in  
Savings

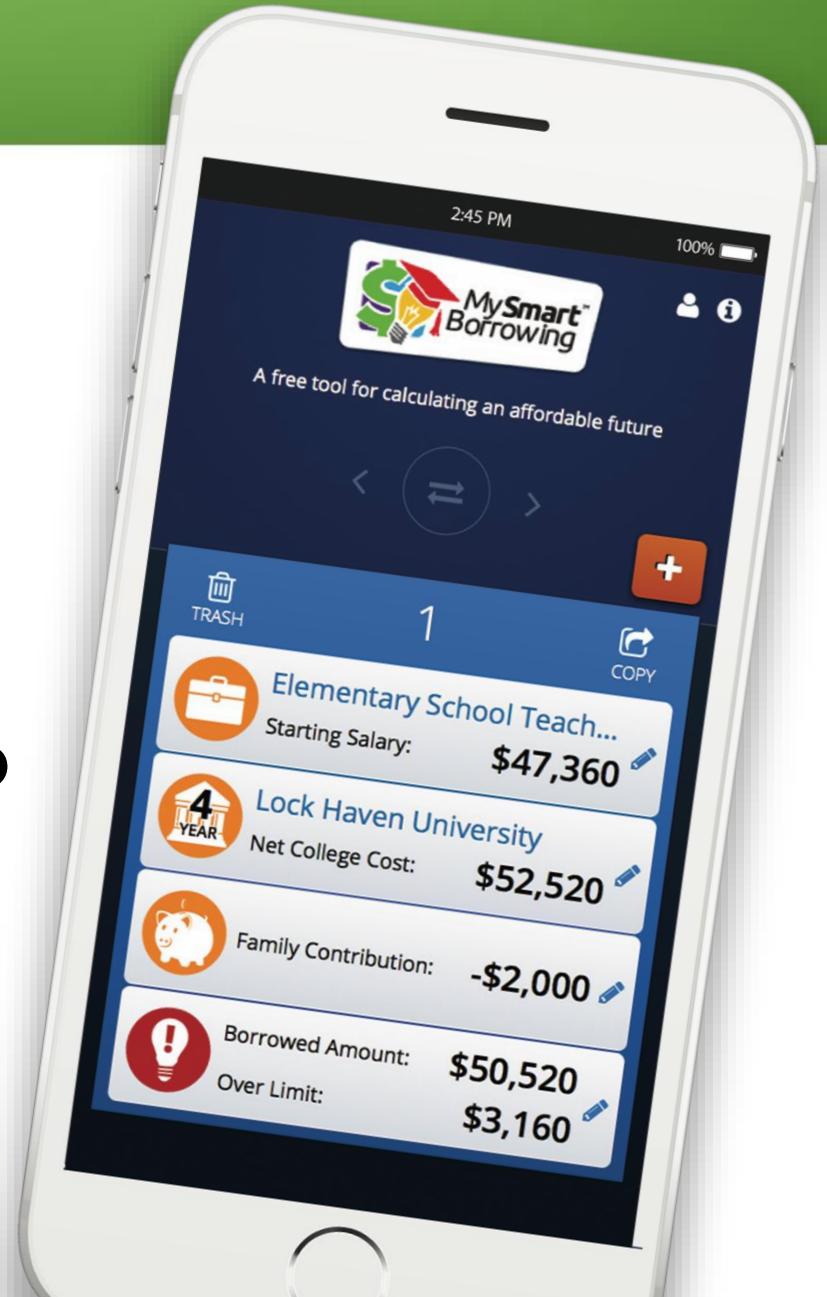
**2** Select a  
School

**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



# The Rule



**Don't borrow more to get your education than you can reasonably expect to make during your very first year in the workforce.**

- **This keeps your loan payment <12% of your gross earnings**

(Recommendation from the National Endowment for Financial Education – [NEFE.org](https://www.nefe.org))

# Financial Aid 101



# 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 free money**
- **Self-Help: work, savings, Tuition Account Programs – 529s,etc.**
- **Loans**

# Funding Sources



**Federal Government**



**State Government**



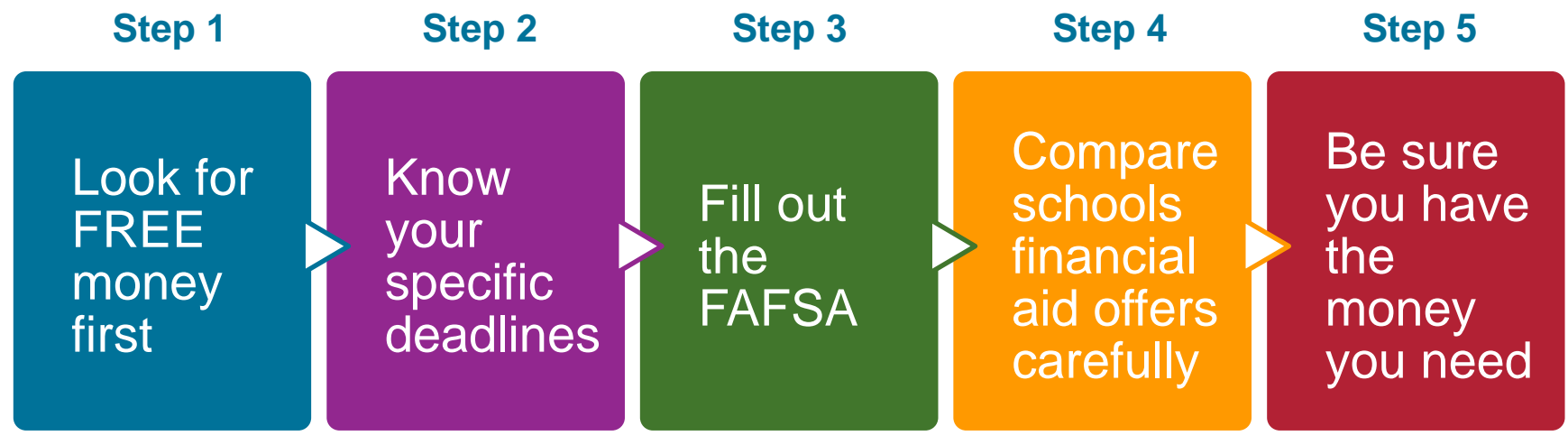
**School or College**



**Scholarships**

# Financial Aid Made Simple

## 5 Steps to Financial Aid





# Step 1: Look For Free Money First

- Scholarships **are** obtainable – Effort pays off!
- **Available** beyond the first year
- **Wide variety** of criteria –
  - » Community Service, Unique Achievements, Grades, Sports, Ethnicity, Religion, Heritage, Parent Occupations, High School Location, Students Major Selection
- **Will** reduce your debt and need to borrow with loans
- **Be cautious of scholarship scams!**

# Fastweb.com

- The largest most accurate and frequently updated scholarship database
- Matches scholarships to specific student criteria
- Sends email message when students qualify for a scholarship



# Federal Programs

- **Pell Grant - max award \$6,495**
- **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 \$5,000**
- **In-state (PA) – Full-time Distance Education: up to \$5,000**
- **In-state (PA) – Part-time: 1/2 of the FT award**
- **Out-of-state - Up to \$600 in DC, DE, MA, OH, VT, WV. \$800 for veterans.**
- **Amount determined in part by the cost of the school.**
- **Check out our 2021-22 Student Guide**  
<http://www.pheaa.org/college-planning/student-aid-guide/>

## Step 2: Know Your Deadlines

- **Applications for Admission**
- **Deadlines for Scholarships**
  - » Institutions, Outside Sources
- **Free Application for Financial Aid (FAFSA)**
  - » Available October 1 of Senior Year
  - » Schools have Priority Deadlines
    - Find out what the Deadlines are

**DON'T MISS THE DEADLINE!**

# 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

# 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, such as Pell Grants, work-study, and student loans**
- **State programs, such as Pennsylvania State Grant, and other special programs**
- **School programs, such as need-based grants and scholarships**



# FAFSA (Free Application for Federal Student Aid) – [www.studentaid.gov](http://www.studentaid.gov)

The FAFSA is the primary federal form

You Must file a FAFSA form each year a student plans to attend

File online – Fast, Secure, SKIP LOGIC and Built-in Edits.

The screenshot shows the homepage of the Federal Student Aid website. At the top, there is a navigation bar with the text "An official website of the United States government." on the left, and "Help Center" and "English | Español" on the right. Below this is the "Federal Student Aid" logo, with "AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION" underneath. The main navigation menu includes "UNDERSTAND AID", "APPLY FOR AID", "COMPLETE AID PROCESS", and "MANAGE LOANS", each with a dropdown arrow. On the right side of the navigation bar, there are links for "Log In" and "Create Account" next to a search icon.

The main content area features a large heading: "You Are America's Smartest Investment". Below this heading is a paragraph: "The U.S. Department of Education's office of Federal Student Aid provides more than \$120 billion in financial aid to help pay for college or career school each year." To the right of this text is a prominent white "Log In" button, and below it is a "Create Account" link.

At the bottom of the page, there are four dark teal boxes with white text, each representing a different user role:

- Considering School**: *I'm thinking about going to college or a career school.*
- In School**: *I'm in the process of earning a degree or certificate.*
- Parent**: *I want to help my child pay for college.*
- In Repayment**: *I have loans I need to repay.*



# Free Application for Federal Student Aid (FAFSA)

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[Studentaid.gov](https://studentaid.gov)

myStudentAid app  
(Mobile App)

PDF at [studentaid.gov](https://studentaid.gov)  
or 1-800-433-3243.

- **The FAFSA is available October 1 of student's senior year of high school and every year thereafter!**
- **Senior families will complete the 2022-23 FAFSA form.**

# 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 [fsaid.ed.gov](https://fsaid.ed.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

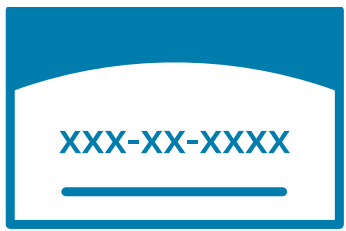
Mobile Phone

Security Questions

Social Security  
Number

# 2022-2023 FAFSA Prep

## Information Needed for FAFSA



Social Security Numbers



Federal Tax Returns and W-2's (2020)



2020 Untaxed Income



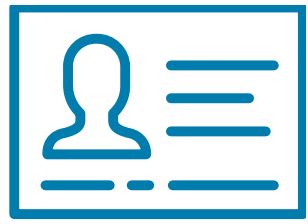
Checking and Savings Account Statement Balances as of FAFSA Filing Date



Investment Records



Email Addresses



Student & Parent Federal Student Aid Account (FSA ID)

# 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**

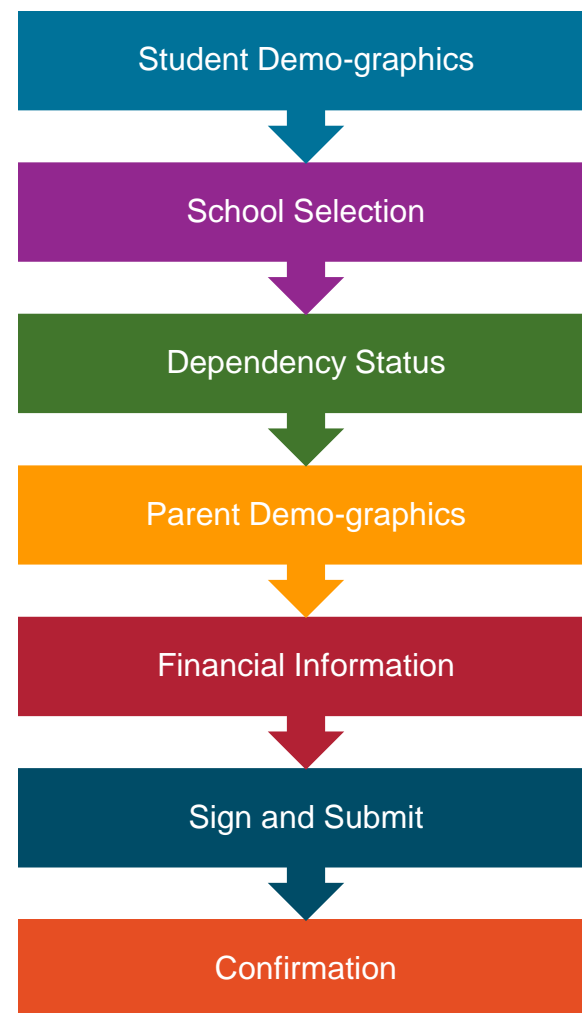


# Parent & Student Income and Assets

- Income is based on prior-prior year
- Tax filers report AGI from tax return and income from work from W-2
- Allowances are made for taxes, working households, and living allowances based on family size
- For students – income allowance up to \$7,020
- An asset protection allowance is applied for parents
- Students' assets are assessed at 20%
- 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

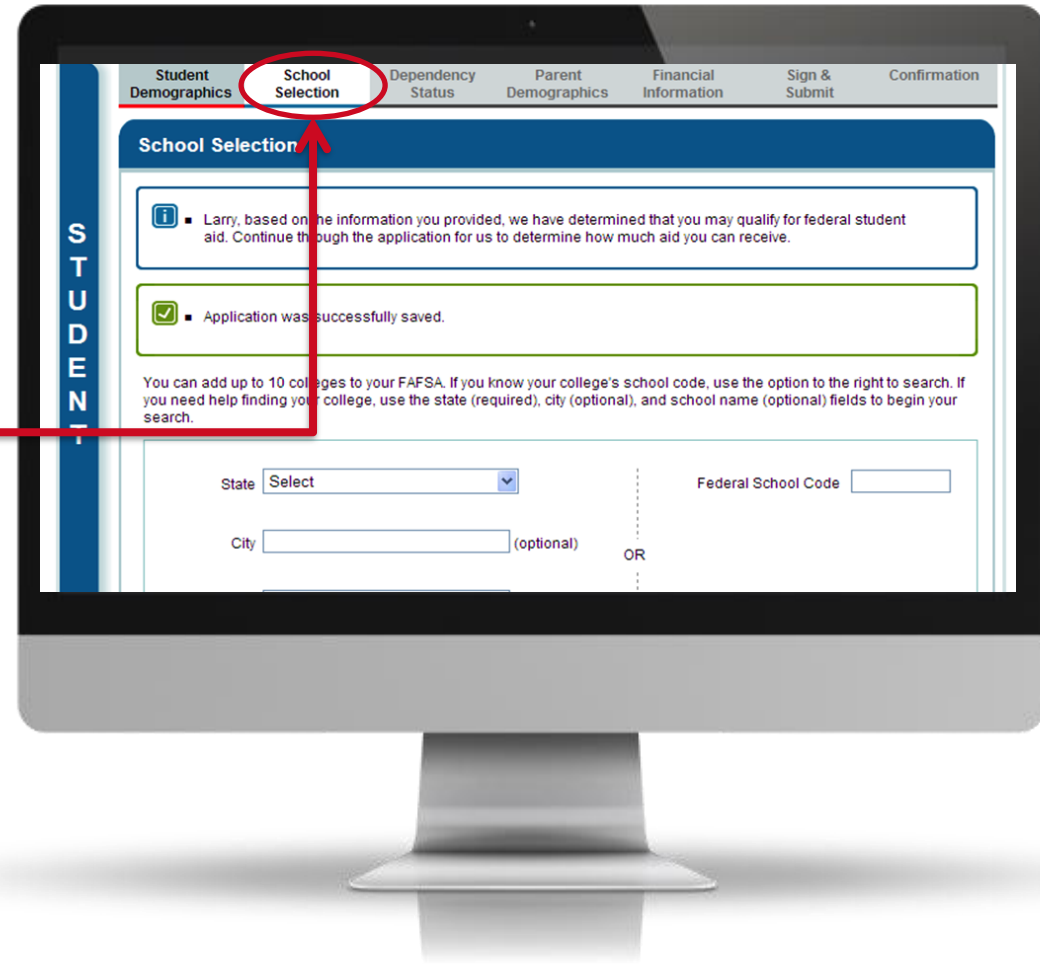
# FAFSA Steps

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



# 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 (DRT)

## After taxes are filed:

- **Automatically pulls in IRS Tax info for parents and students and places data into the FAFSA**
- **REQUIRED!**
- **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**

An official website of the United States Government

Return to FAFSA | Help | Logout | Español

### Get My Federal Income Tax Information

See our [Privacy Notice](#) regarding our request for your personal information.

Enter the following information from your 2018 Federal Income Tax Return. ?

All fields are required unless marked otherwise.

**First Name**  
Jane

**Last Name**  
Austin

**Social Security Number**  
No input required  
\*\*\* - \*\* - 8019

**Date of Birth**  
MM/DD/YYYY  
01/01/1950

**Filing Status** ?  
Married-Filed Joint Return

**Street Address** ?  
Must match your 2018 Federal Income Tax Return

**P.O. Box** ?  
Required if entered on your tax return




# Signing with the FSA ID

- **A FAFSA IS NOT COMPLETE UNTIL IT IS SIGNED!**
- **The FSA ID Account is also used for:**
  - » **Renewal FAFSA**
  - » **FAFSA status and corrections**
  - » **Signing a Direct Loan Master Promissory Note (MPN)**
  - » **Complete required entrance and exit loan counseling**

# Confirmation Page & Link to the PA State Grant Form

## 2020-2021 Confirmation Page



### Congratulations, first!

Your FAFSA was successfully submitted to Federal Student Aid.

Confirmation Number: F 14500020309 08/01/2019 13:00:17

Data Release Number (DRN): 4440

**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: [test@gmail.com](mailto:test@gmail.com)

[PRINT THIS PAGE](#)

Start your state application to apply for Iowa 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) = 000000**

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

School Name	Graduation Rate	Retention Rate	Transfer Rate	Additional Information from <i>College Scorecard</i>
UNIVERSITY OF IOWA	73%	87%	21%	NA

If you have questions, visit [Studentaid.ed.gov/faqsahelp](http://Studentaid.ed.gov/faqsahelp)

[TAKE A SURVEY](#)

32K [Share](#) [Tweet](#)

[Show Application Data](#)

Site Last Updated: Sunday, September 29, 2019 [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?

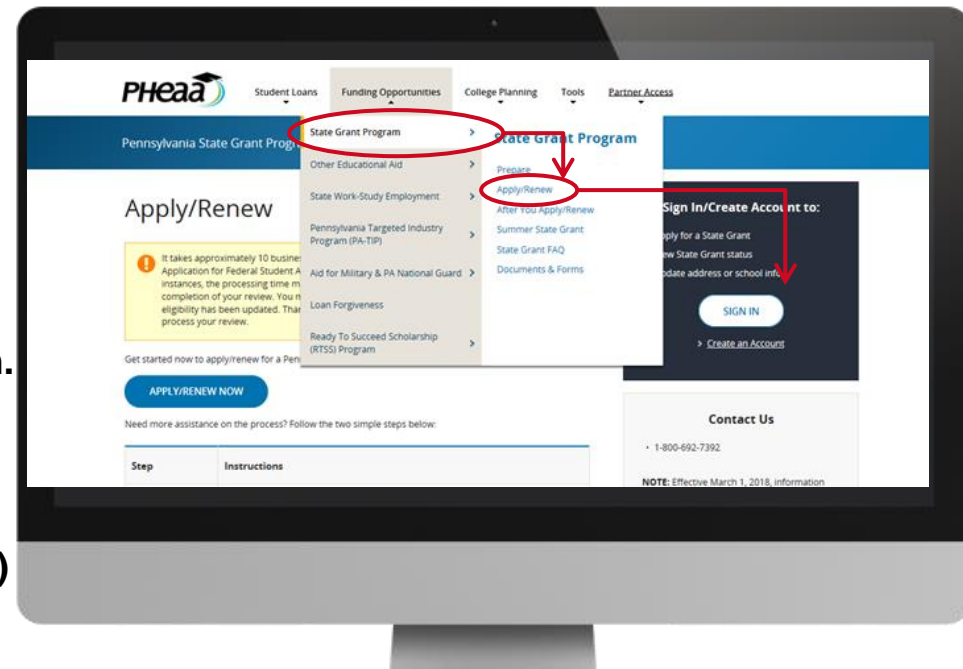
- Link in an email sent to student/parent from PHEAA,

**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**

# FAFSA Tips

Ensure SSN accuracy on FSA ID and FAFSA

Gender question is optional

Don't mix student and parent information – SSNs, Email addresses, phone numbers

Have federal tax and other related information to use as a reference – w-2's

It's OK to estimate if taxes aren't file yet – update later using IRS DRT

# What Happens After Filing Your FAFSA

Information will be shared with PHEAA and all college choices.

In a few days an email will be sent to the student regarding the processing of their FAFSA and their Student Aid Report.

Students should monitor the email account provided on the FAFSA and respond to requests from Federal Student Aid, PHEAA and the colleges.

# How is the EFC Calculated?



COA (Cost)

- EFC

= NEED

- 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.
- EFC formula considers a family's taxed & untaxed income, assets, size, how many will be attending college, and age of oldest parent

# 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**

# Step 4: Reviewing the Financial Aid Offers

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?



# Comparing Packages

<b>Cost</b>	<b>\$20,000</b>	<b>\$30,000</b>	<b>\$50,000</b>
<b>EFC</b>	\$ 3,000	\$ 3,000	\$ 3,000
<b>Need</b>	\$17,000	\$27,000	\$47,000
<b>Free Money</b>	\$ 6,000	\$ 8,000	\$18,000
<b>Loans</b>	\$ 5,500	\$ 7,000	\$ 8,000
<b>Work-Study</b>	\$ 0	\$ 2,000	\$ 3,000
<b>TOTAL AID</b>	<b>\$11,500</b>	<b>\$17,000</b>	<b>\$29,000</b>
<b>Gap = (Cost – Aid)</b>	<b>\$ 8,500</b>	<b>\$13,000</b>	<b>\$21,000</b>
<b>Actual Cont. = (Cost – Free \$)</b>	<b>\$14,000</b>	<b>\$22,000</b>	<b>\$32,000</b>

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

- **Have you made an affordable choice of school?**
  - » **Do you understand your actual costs?**
- **Have you considered annual out of pocket costs **beyond the first year?****
- **Do you have a strategy for handling out of pocket costs?**
- **Do you understand loan options and their limitations?**

# Financial Aid 101

## Federal Loans



# Types of Federal Student Loans

- **Undergraduate Students**
  - » **Subsidized (3.73% interest and 1.684% fee)**
  - » **Unsubsidized (3.73% interest and 1.684% fee)**
- **Graduate Students**
  - » **Unsubsidized (5.28% interest and 1.684% fee)**
  - » **GradPLUS Loan (5.28% interest and 1.684% fee)**
- **Parents**
  - » **PLUS Loan (6.28% and 4.222% fee)**

# 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

# 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
<b>1<sup>st</sup> Year</b>	<b>\$5,500</b> Total No more than \$3,500 may be subsidized	<b>\$9,500</b> Total No more than \$3,500 may be subsidized	<b>\$20,500</b> each academic year Graduate / Professional students are no longer eligible for subsidized loans
<b>2<sup>nd</sup> Year</b>	<b>\$6,500</b> Total No more than \$4,500 may be subsidized	<b>\$10,500</b> Total No more than \$4,500 may be subsidized	
<b>3<sup>rd</sup> Year and beyond</b>	<b>\$7,500</b> Total No more than \$5,500 may be subsidized	<b>\$12,500</b> Total No more than \$5,500 may be subsidized	
<b>Aggregate Limits</b>	<b>\$31,000</b> Total No more than \$23,000 may be subsidized	<b>\$57,500</b> Total No more than \$23,000 may be subsidized	<b>\$138,500</b> Total No more than \$65,000 may be subsidized

# Federal Direct PLUS Loan

- **For parents of dependent undergraduate or graduate level students**
- **Rates set every July 1st for the life of that year's loan; fees are deducted from disbursement**
  - **6.28% variable/fixed interest rate; 4.228% fees)**
- **Can borrow up to the Cost of Attendance**
- **No Debt-to-Income test, only lenient credit check**
- **IF denied - student is eligible for an additional \$4,000 unsubsidized loan**
- **Must file a FAFSA**



**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-signer usually required**
  - ❖ **Terms vary by lender – compare before making choices**
  - ❖ **Based on credit scores and debt-to-income**
  - ❖ **Repayment may be deferred until education completed**
- **READ THE FINE PRINT**





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

Low, Fixed Rates  
**3.73-6.69%**<sup>1,2</sup> APR

Effective as of 5/12/21

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 student borrower who selected an Immediate Repayment Plan and a repayment term of 120 months, monthly payments of \$100.87 and a final payment \$78.29, a fixed periodic interest rate of 4.17%, and a total amount financed of \$11,980.40. The student borrower in this sample qualified for a 0.25% Direct Debit benefit for the entirety of the repayment period and a 0.50% graduation benefit was applied 47 months into repayment. The highest APR is based on the following assumptions: a loan of \$10,000 made in a single disbursement, a student borrower who selected a Fully Deferred Repayment Plan and a repayment term of 180 months, monthly payments of \$117.93, a fixed periodic interest rate of 7.07%, and a total amount financed of \$21,227.72. The student borrower received an in-school deferment of 46 months and a grace period of 6 months. The student borrower in this sample did not qualify for any interest rate discounts. These APRs are estimates and may differ from the actual rates received.

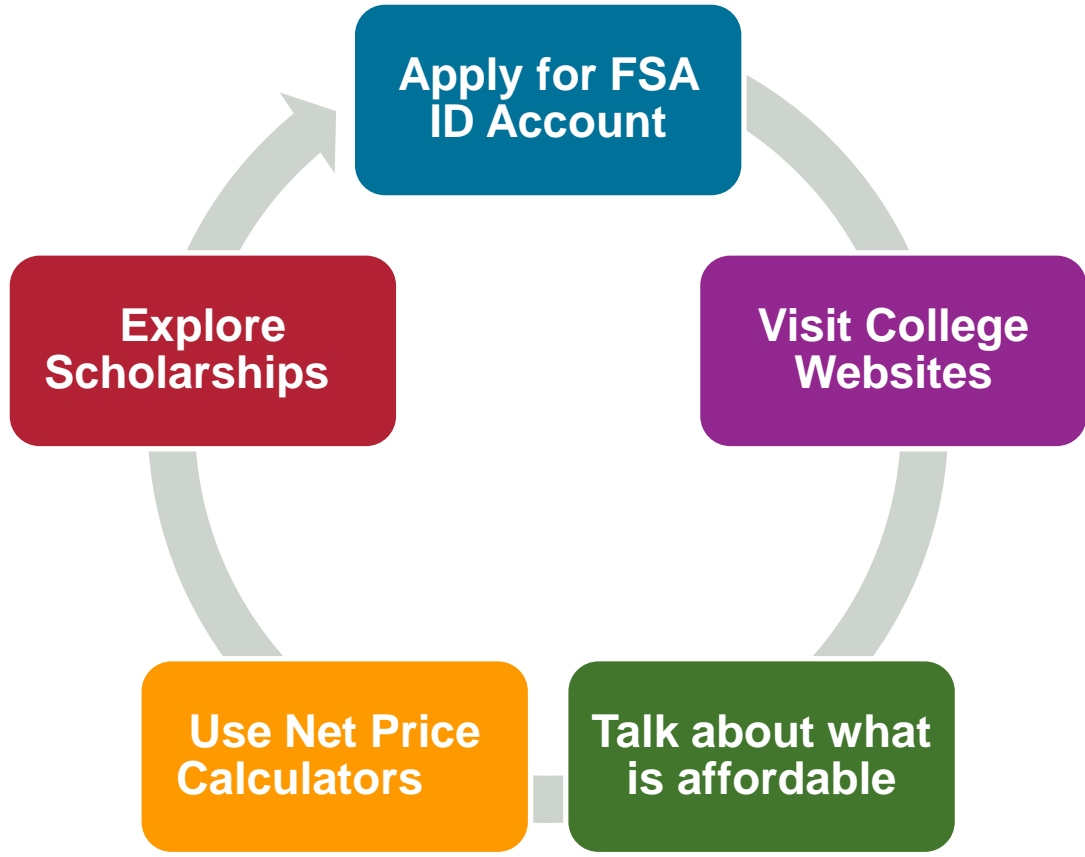
2) The provided rate range includes Undergraduate, Graduate, and Parent loans and may change based on loan type, loan term, repayment plan, and applicable discounts (not all discounts apply to all loan products). See individual loan programs for more specific information. Applicants, including co-signers, 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.

# Financial Aid 101



## Final Thoughts & Wrap-Up

# What Can You Do Now?



# Ways to Reduce the Need for Financial Aid

- Graduate on time!
- Take enough credits/semester = 15 credits per semester (usually 5 classes, 3 credits each)
- Research and find the right school and major
  - » Minimize transferring and change of major
- Earn college credits in high school
- 2+2 or 3+2 Strategy
- Consider cost cutting options (commute, buy used books on-line, make practical decisions!)
- **BE A SMART CONSUMER!**



# Use Your Resources

- [PHEAA.org](http://PHEAA.org)
- [EducationPlanner.org](http://EducationPlanner.org)
- [MySmartBorrowing.org](http://MySmartBorrowing.org)
- [Studentaid.gov/aid-estimator/](http://Studentaid.gov/aid-estimator/)
- **StudentAid.gov – The one-stop shop for all financial aid information.**
- [MyFedLoan.org](http://MyFedLoan.org)
- **PHEAA toll free: 800-692-7392**
- **Federal Student Aid Info Center: 800-433-3243**





**Thank you for attending!**

**Amy Sloan**

**[asloan@pheaa.org](mailto:asloan@pheaa.org)**

**724-977-3662**



**QUESTIONS?**