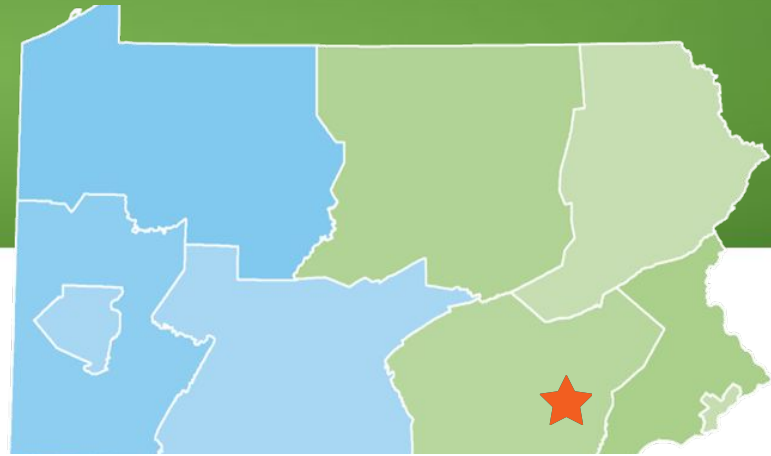


Financial Aid 101



Your Presenter



Sonya Mann-McFarlane

Higher Education Access Partner

Cumberland Valley Region - Berks, Chester,
Lancaster & Lebanon Counties

PA Higher Education Assistance Agency (PHEAA)

717-514-6043

sonya.mann-mcfarlane@pheaa.org



5 Steps to Financial Aid

1. Look for FREE money first
2. Know your deadlines
3. Complete the FAFSA
4. Compare your financial aid notices
5. Make sure you have the **money** you need

Topics



Links to
electronic
resources

Tips & Strategies Resources

[PA Student Aid Guide 2021-2022](#)

FINANCIAL AID - ROI

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



ROI - gain or loss generated on an investment is relative to the amount of money invested



5 STEPS TO FINANCIAL AID

Step 1

Look for
FREE
money
first

Step 2

Know
your
specific
deadlines

Step 3

Fill out
the
FAFSA

Step 4

Compare
schools
financial
aid offers
carefully

Step 5

Be sure
you have
the
money
you need

Financial Aid 101



Step 1: Look for FREE Money First



This Photo by Unknown Author is licensed under [CC BY-SA](https://creativecommons.org/licenses/by-sa/4.0/)



Step 1:
Look For
Free
Money
First

Scholarship Search

Don't miss out on FREE money!

Scholarship Tipsheet

- 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



- ✓ FastWeb.com
- ✓ EducationPlanner.org
- ✓ Chegg.com
- ✓ FinAid.org
- ✓ ScholarshipExperts.com
- ✓ Scholarships.com
- ✓ Scholarship-Page.com
- ✓ DoSomething.org/Scholarships
- ✓ Colleges.Niche.com
- ✓ StudentScholarships.org
- ✓ BigFuture.Collegeboard.org
- ✓ CollegeAnswer.com
- ✓ CollegeNet.com
- ✓ MeritAid.com
- ✓ **MORE....**

Financial Aid 101



Federal and State Programs

Federal Programs

MUST
SUBMIT
FAFSA

- Pell Grant - max award \$6,495
 - >> As of 9/26 a Federal Student Aid Estimator will be available at: <https://studentaid.gov>
- 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*

MUST
SUBMIT
FAFSA

- In-state (PA) - Full-time: up to \$5,000
  >> 2 / 4 year degree programs
- 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.

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

2021-22 PA State Grant Awards

Must be at least half-time to be eligible

COST TIER	MINIMUM AWARD	MAXIMUM AWARD
\$0 - \$12,000	\$500	\$2,660
\$12,001 - \$19,000	\$500	\$4,254
\$19,001 - \$29,000	\$500	\$4,574
\$29,001 - \$32,000	\$500	\$5,000

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
- Postsecondary Educational Gratuity 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).

Financial Aid 101



Step 2: Know Your SPECIFIC Deadlines

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

DON'T MISS THE DEADLINE!

Financial Aid 101



**Step 3: Complete The Free Application for
Federal Student Aid (FAFSA)**

The FAFSA is Your Connection to Funding



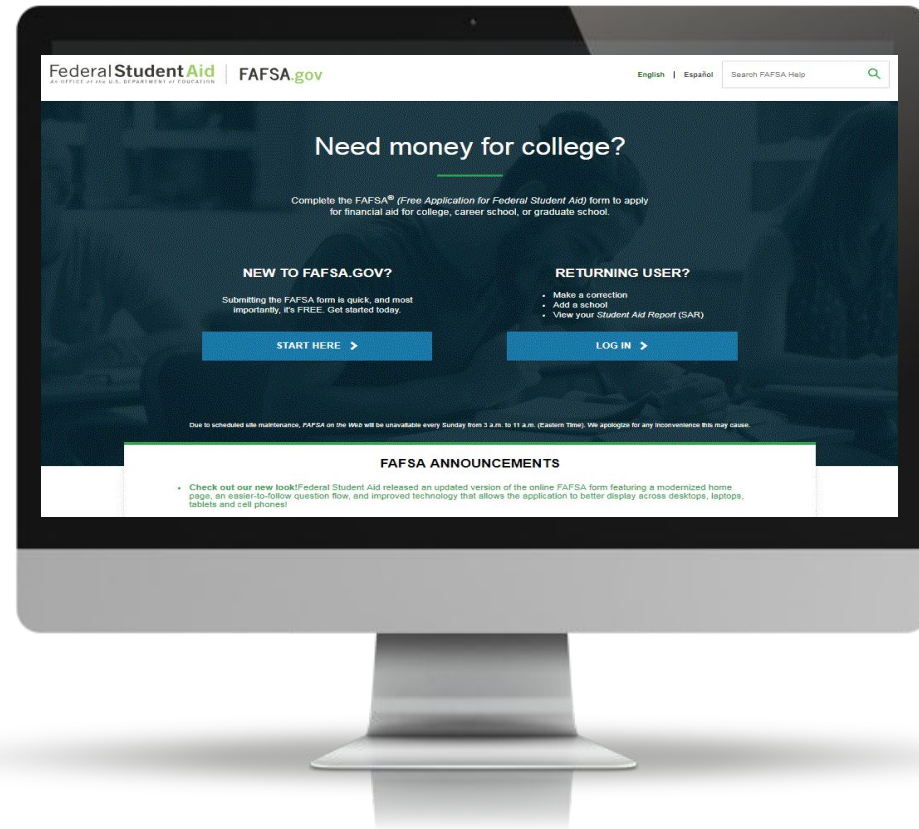
• The FAFSA is a federal form used to determine student eligibility for the following:

- **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

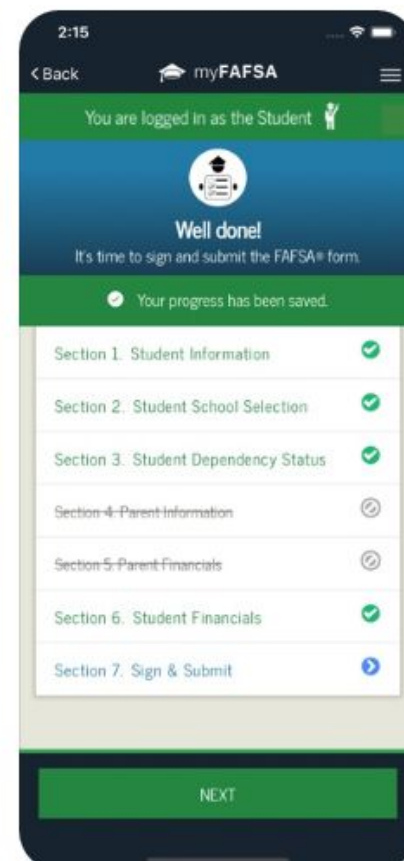
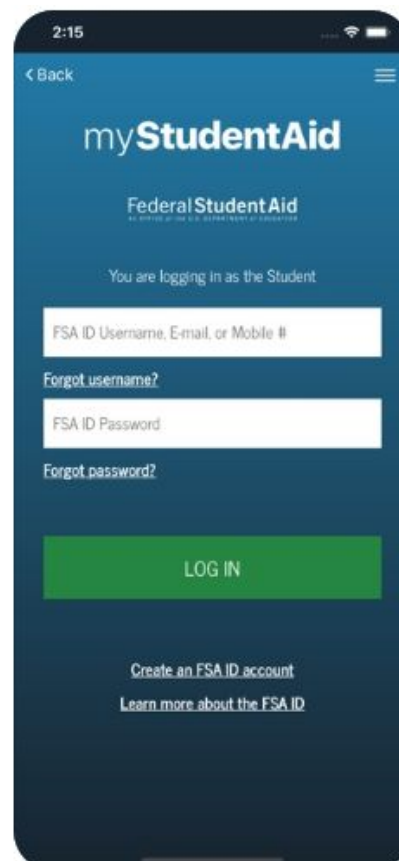
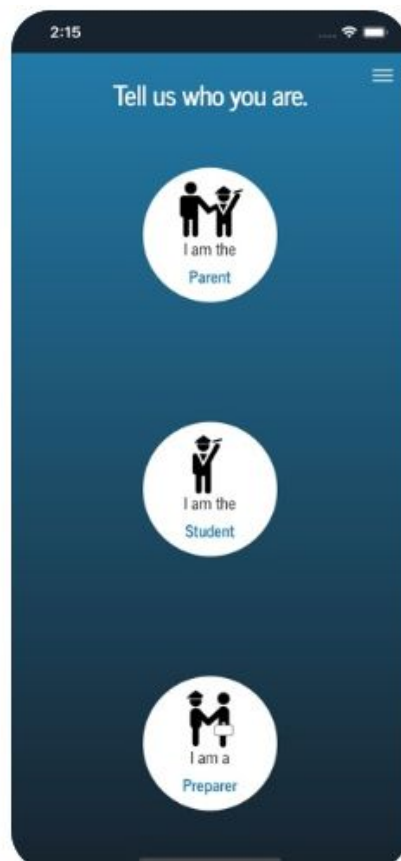
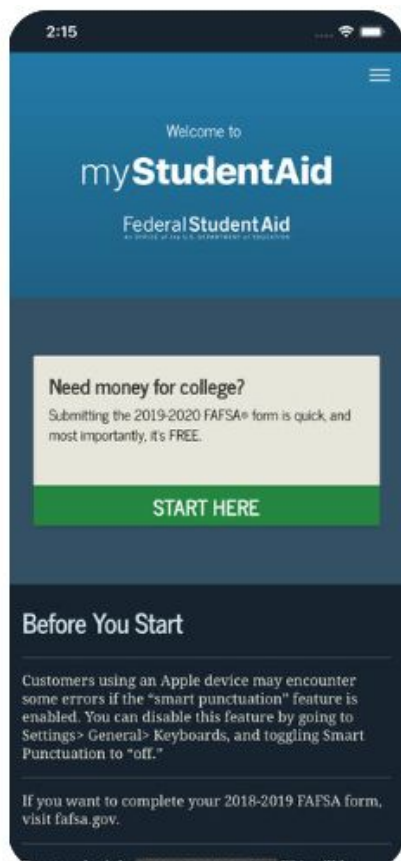
[FAFSA Tipsheet](#)

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.

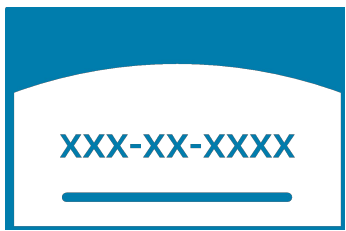


MyStudentAid



2022-2023 FAFSA Prep

Information Needed for FAFSA



Social Security Numbers



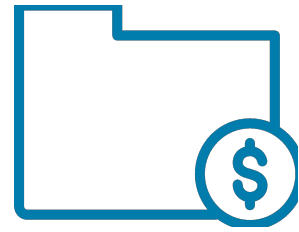
Federal Tax Returns and W-2's (2020)



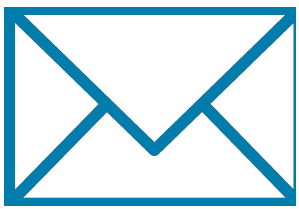
2020 Untaxed Income



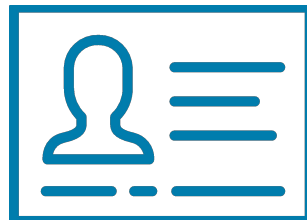
Checking and Savings Account Statement Balances as of FAFSA Filing Date



Investment Records



Email Addresses



Student & Parent Federal Student Aid Account (FSA ID)

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.
- 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.

[How To Create an FSA ID Account](#)

Username

Password

Email Address

Mobile Phone

Security Questions

Social Security
Number



**Just say
“YES”**

Inside Higher Ed reports:
Students who participate in the **federal work-study** program are more likely to graduate and be employed 6 years after college than their similar counterparts who don't participate in the program, according to a new study.

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.

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. A message box with an information icon states: 'Larry, based on the information you provided, we have determined that you may qualify for federal student aid. Continue through the application for us to determine how much aid you can receive.' Below that, a green message box with a checkmark icon says: 'Application was successfully saved.' A paragraph of text reads: 'You can add up to 10 colleges to your FAFSA. If you know your college's school code, use the option to the right to search. If you need help finding your college, use the state (required), city (optional), and school name (optional) fields to begin your search.' At the bottom, there are search fields: 'State' with a dropdown menu showing 'Select', 'City' with a text input field and '(optional)' label, and 'Federal School Code' with a text input field. A red arrow points from the text 'Schools can be added or deleted at any time' in the list to the search fields.

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

When Is A Student Automatically Considered “Independent”?



- 24 or older on Jan 1st of 2022
- 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
- (PA State Grant status can be different)

IRS Data Retrieval Tool (DRT)

- Is a component of the FAFSA.
- Automatically imports IRS tax info from parents and students, if applicable, and adds it to the FAFSA.
- There are some exceptions – not everyone can use the IRS DRT.
- Not everyone is required to file taxes, filing is not required to complete the FAFSA.

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
01/01/1990

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

Details here must match your 2020 tax document

An official website of the United States Government

Return to FAFSA | Help | Logout | Español

2018 Federal Income Tax Information

Jane Austin

Based on the information you provided, the Internal Revenue Service (IRS) located your income tax return. With your permission below, the IRS will securely transfer your tax information to the U.S. Department of Education (ED) to populate any applicable FAFSA® questions.

For your protection, the IRS will not display your tax information and will further encrypt any tax information transferred using the IRS DRT. Therefore, ED is unable to display your tax information on your FAFSA form.

The data retrieved from your tax return is limited to the items listed below as you reported to the IRS:

Tax Year	Type of Return Filed	Untaxed Portion of IRA Distributions & Pensions/Annuities
Name(s)	Adjusted Gross Income	Tax-exempt Interest Income
Social Security Number	Income Earned from Work	IRA Deductions and Payments
Filing Status	Income Tax	Status of Amended Returns Received
IRS Exemptions	Education Credits	

Refer to your tax records if you have a question about the values you reported.

Transfer My Tax Information into the FAFSA Form

The tax information provided to fafsa.gov will populate the answers to the appropriate FAFSA questions. After the FAFSA questions are populated, your IRS session will end, and you will return to your FAFSA form. Check this box if you are choosing to transfer your information.

TRANSFER NOW

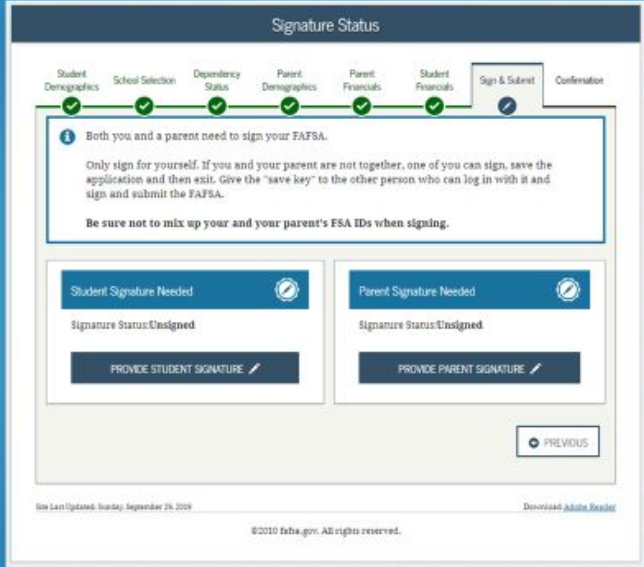
Do Not Transfer My Tax Information and Return to the FAFSA Form

By clicking the "Do Not Transfer" button, you are choosing not to transfer your tax information electronically. Your IRS session will end, and you will return to your FAFSA form.

DO NOT TRANSFER

Signing the FAFSA Electronically

- Student and filing-Parent sign electronically with an FSA ID Account.
- Apply for an FSA ID Account **individually** at studentaid.gov.
- Do not lose it. Write it down and store in a safe place.
- Can use for future FAFSA filing and parent can use for other children's FAFSAs.
- Use to sign Federal Direct Student Loan application and Parent PLUS Loan application.
- The usernames and/or passwords, can be retrieved if forgotten.



The screenshot displays the 'Signature Status' page on the FAFSA website. At the top, a progress bar shows the following steps: Student Demographics, School Selection, Dependency Status, Parent Demographics, Parent Financials, Student Financials, Sign & Submit, and Confirmation. The first six steps are marked with green checkmarks, while 'Sign & Submit' is marked with a blue checkmark and 'Confirmation' is marked with a red X. Below the progress bar, a message box states: 'Both you and a parent need to sign your FAFSA. Only sign for yourself. If you and your parent are not together, one of you can sign, save the application and then exit. Give the "save key" to the other person who can log in with it and sign and submit the FAFSA. Be sure not to mix up your and your parent's FSA IDs when signing.' Below this message, there are two columns. The left column is titled 'Student Signature Needed' and shows 'Signature Status: Unsigned' with a 'PROVIDE STUDENT SIGNATURE' button. The right column is titled 'Parent Signature Needed' and shows 'Signature Status: Unsigned' with a 'PROVIDE PARENT SIGNATURE' button. At the bottom right, there is a 'PREVIOUS' button. The footer includes the text 'Site Last Updated: Sunday, September 25, 2016' and '©2016 fafsa.gov. All rights reserved.'

Financial Aid 101




Completing the PA State Grant Form



Pennsylvania State Grant Form

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




 **Congratulations, Sample!**
Your FAFSA was successfully submitted to Federal Student Aid.


Confirmation Number: F 11200004104 03/27/2018 11:00:32/2018 11:31:55 AM:3/27/2018 11:31:55 AM
Data Release Number (DRN): 9970

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:
samplestudent@sample.com

[PRINT THIS PAGE](#) 

Start your state application to apply for Pennsylvania state-based financial aid. 

Online State Grant Application

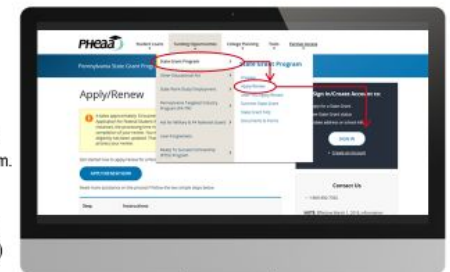
- Link off the FAFSAApplication Confirmation Page
 - » Missed the link or it wasn't available?

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

OR

◦ Go to PHEAA.org; State Grant Program; and complete the form.

- Additional 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

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.

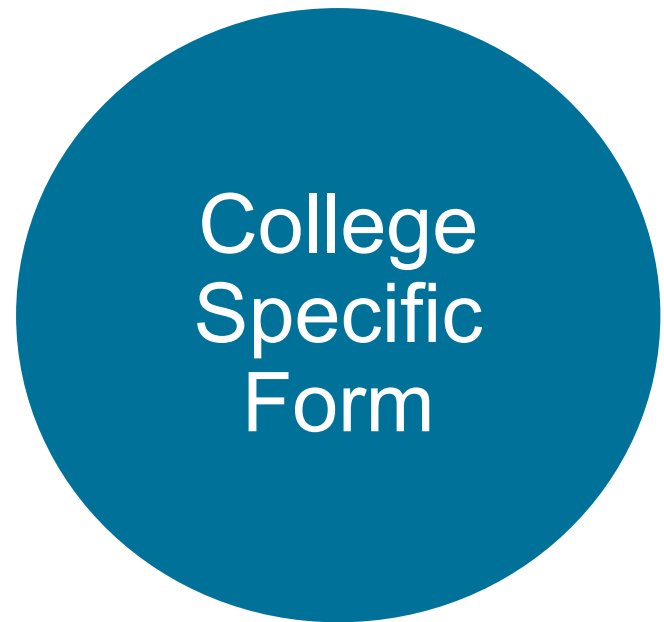
[Exit Application](#)

[Submit My Info >>](#)

Other Forms You May Need to Complete



✓ Check with your school



Financial Aid 101



What Happens NEXT?

Calculating Financial NEED

- **S**tudent **Aid R**eport or Acknowledgment sent to student (review and make necessary corrections).
- FAFSA information is sent to PHEAA. Student must complete State Grant Form (SGF). Link to this directly from the FAFSA or at PHEAA.org.
- ★ **Account Access (PHEAA) – Create an account at [PHEAA.org](https://www.pheaa.org) to view PA State Grant**
- Information is sent to schools/colleges. Sent to all schools listed on FAFSA at any time.

Calculating Financial Need

Schools/colleges receive financial aid information and calculate financial need

- Financial Aid Office (FAO) “packages” student based on financial need and available funding (varies from school to school)
- Financial aid award letter sent to student



School cost		\$26,000
EFC	–	\$3,000
<hr/>		
Financial Need		\$23,000

How is the 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.
- EFC formula considers a family's taxed & untaxed income, assets, size, how many will be attending college, and age of oldest parent
 - >> Includes allowances for taxes and focuses mainly on income
 - >> Parent + student contribution = EFC
- **NOT AN ASSET:** Home, personal property, qualified retirement funds, and value of life insurance is excluded from assets
- Asset Protection Allowance is applied against parent's reported assets
 - >> EFC calculation roughly uses 6% of parent asset contribution and 20% of student contribution
 - >> Student income contribution used in the calculation: 50% of amounts over \$6,660
 - >> Parent contribution divided by number of children in college at the same time



$$\begin{array}{r} \text{COA (Cost)} \\ - \text{EFC} \\ \hline = \text{NEED} \end{array}$$

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

Financial Aid 101



Step 4: Compare Schools' Financial Aid Notices Carefully

Step 4:

Compare Schools' Financial Aid Notices Carefully

- There is no required standard format for Financial Aid Notices from schools.

>> Some include Federal loans, some do not.

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

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

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?

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Step 5: Be Sure You Have The Money You Need

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?



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Federal Loans

Federal Direct Loan Program

- Available to **ALL** students **REGARDLESS** of need
- Additional unsubsidized funds available for Independent & Parent PLUS denials
 - » 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
- 150% RULE applies – New borrowers as of 7/1/13

**StudentLoans.gov
& school's website!**

Based on FAFSA, students are offered a combination of:

- Subsidized loans: govt pays interest in school and grace status
- Unsubsidized loans: interest accrues in school and grace

Federal Direct PLUS Loan

- 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
- 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 - student is eligible for an additional \$4,000 unsubsidized loan
- **Student must file a FAFSA**

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

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Private/Alternative Loans

Private/Alternative Education Loans

- In student's name/co-signers usually required
 - Can borrow up to the Cost of Attendance
 - Approval based on credit scores and debt-to-income
- New from PHEAA beginning April 2019
- **PA Forward Student & Parent Loan:**
 - **NO FEES**, rate discounts at graduation, and ACH payment
 - Lowest capped interest rates
 - Refinance loan
 - Multiple repayment options
 - Online application
 - Find more at PHEAA.org/PAForward
 - **Compare to find the right fit**



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



Financial Aid 101

Be a Smart Consumer



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))

Net Price Calculators



- Enables current and prospective students, families and consumers to determine an estimate of an individual net price at a particular institution.
- **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)



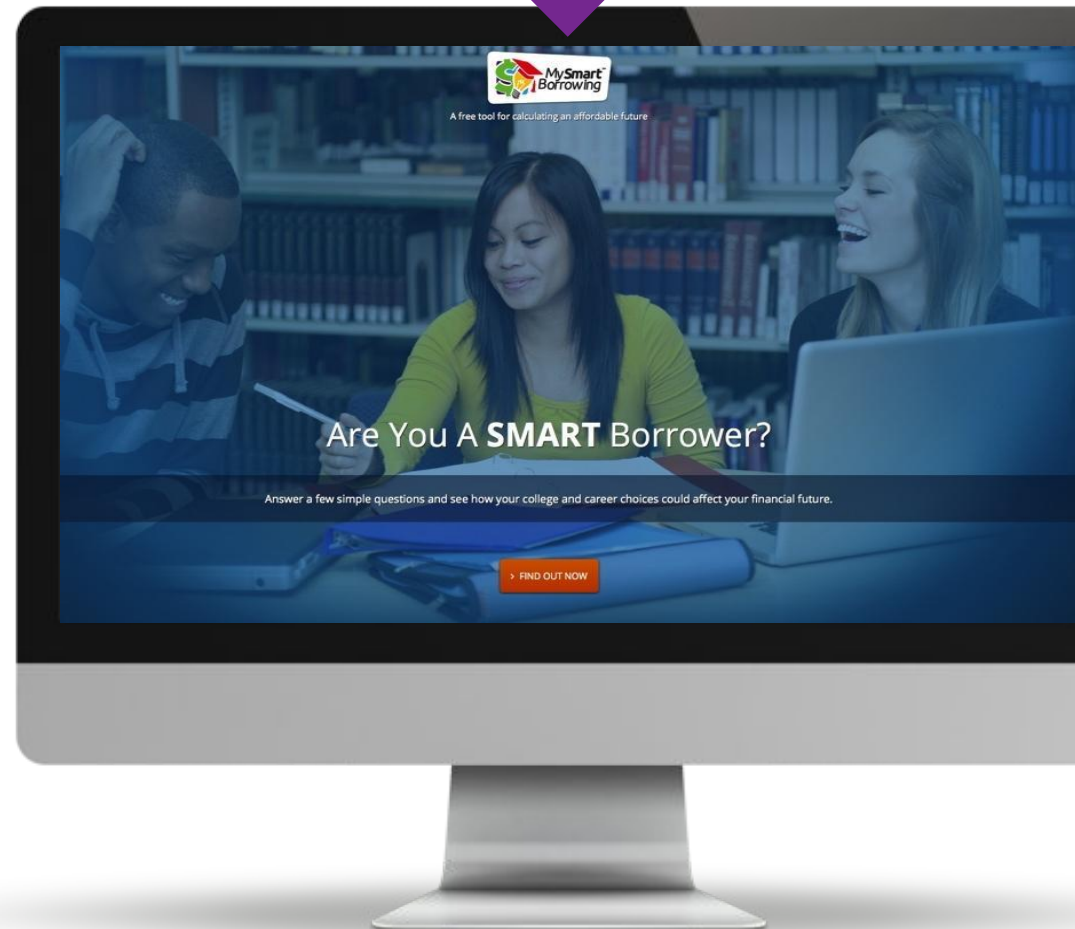
[Net Price Calculator Center - Collegecost.ed.gov](http://Collegecost.ed.gov)

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



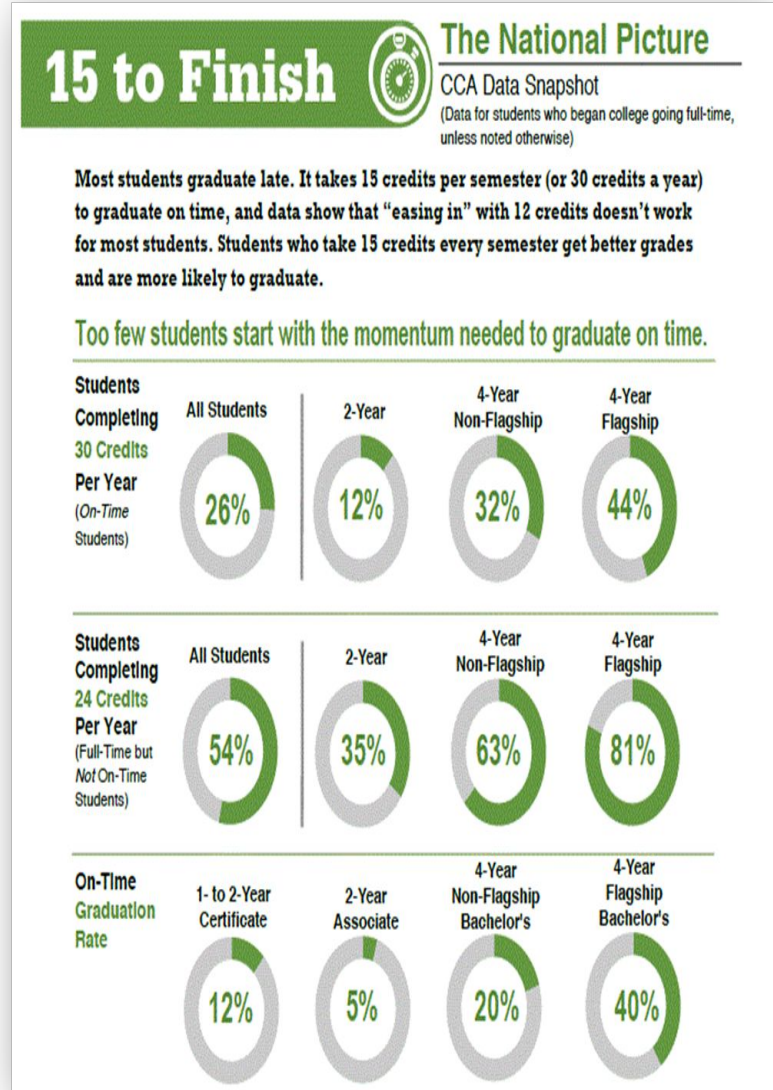
Financial Aid 101



Final Thoughts & Wrap-Up

Ways to Reduce the Need for Financial Aid

- Graduate on time!
- Research the right major
- Earn college credits in high school
- 2+2 or 3+2 Strategy
- Consider cost cutting options



What Can You Do Now?

Apply	Apply for FSA ID Account
Visit	Visit College Websites
Talk about	Talk about what is affordable
Use	Use Net Price Calculators
Explore	Explore Scholarships



Use Your Resources

Sonya Mann-McFarlane, D.Ed.

Higher Education Access Partner
(Berks, Chester, Lancaster, Lebanon Counties)
PA Higher Education Assistance Agency (PHEAA)
717/514-6043
sonya.mann-mcfarlane@pheaa.org



CollegeNavigator.gov

- College Scorecard
- Net Price Calculators
- College Affordability & Transparency List

- **PHEAA.org**
- **EducationPlanner.org & MySmartBorrowing.org**
- **YouCanDealWithIt.com**
- **MyFedLoan.org**
- PHEAA toll free: 800-692-7392
- Federal Student Aid Info Center: 800-433-3243
- **StudentAid.gov** – The one-stop shop site for all financial aid information.
- **StudentAid.gov/FAFSA** – Direct link to the FAFSA
- **StudentAid.gov** – information on federal loans

Social Media Outreach



PHEAA

American Education Services

FedLoan Servicing



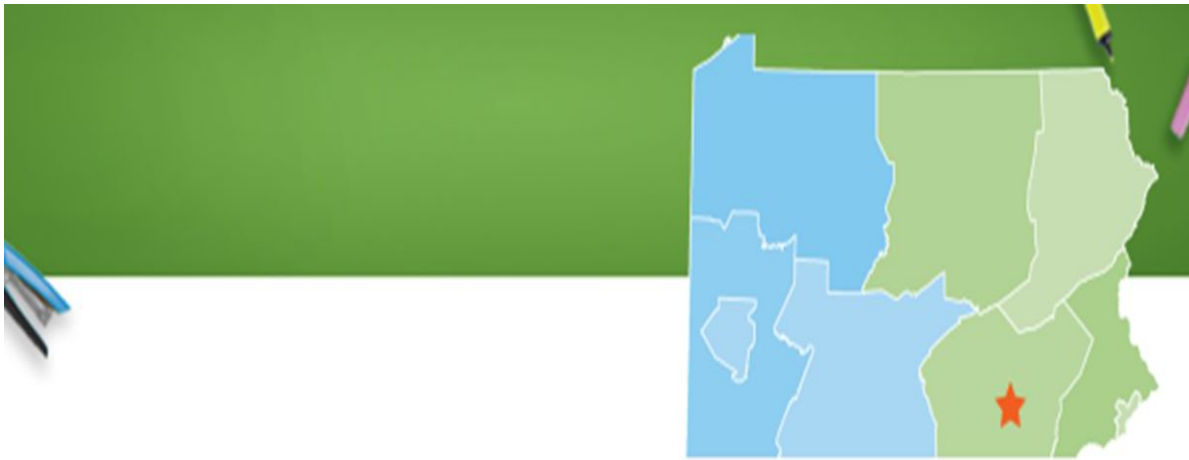
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