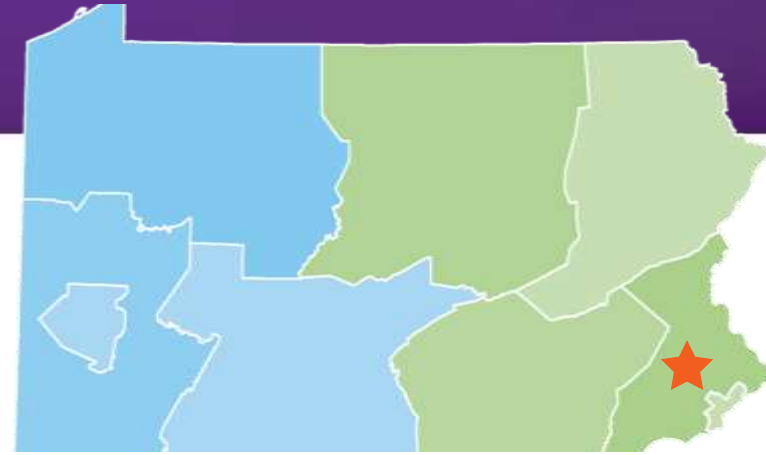


Financial Aid 101



Your Presenter

2



Fran C. McKeown

Higher Education Access Partner

Southeastern Region

PA Higher Education Assistance Agency (PHEAA)

215-801-7097

Frances.mckeown@pheaa.org

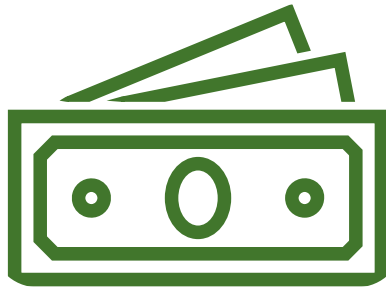
Topics

- What is financial aid
- Funding sources available
- How do I apply
- What happens next
- Federal and State aid
- Loans
- Scholarships Search Engines



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

5



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*



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

- 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.
- While filing the FAFSA online is preferred, a printable PDF version is available at [StudentAid.gov](https://studentaid.gov/fafsa).
- Students do not have to be accepted for admission to list a school on the FAFSA



Accessibility to the FAFSA has been expanded to the top 11 languages spoken by English learners in the U.S. - Spanish, Chinese, Tagalog, Vietnamese, French, Arabic, Korean, Russian, German, Haitian and Hindi

Know Your Deadlines

Federal Deadlines - The FAFSA normally is available October 1st each year but, **for the 2024-2025 FAFSA, the application will not be available until December 2023.**

Normally apply anytime after October 1 in the year prior to when you will attend school

(AY 2024-25: 12/??/23 to 6/30/25)

School Deadlines - vary, check websites!

PA State Grant Deadlines for FAFSA

May 1, 2024 - First-time and renewal students attending colleges, universities & college transferrable programs (excluding community colleges)

August 1, 2024 – 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



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

YES

- Married parents living together
- Biological parents living together
- Divorced or separated parents:
 - The parent that provided the most financial support to student over the past 12 months
 - If equal, then the parent with greater income and assets
- 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”?

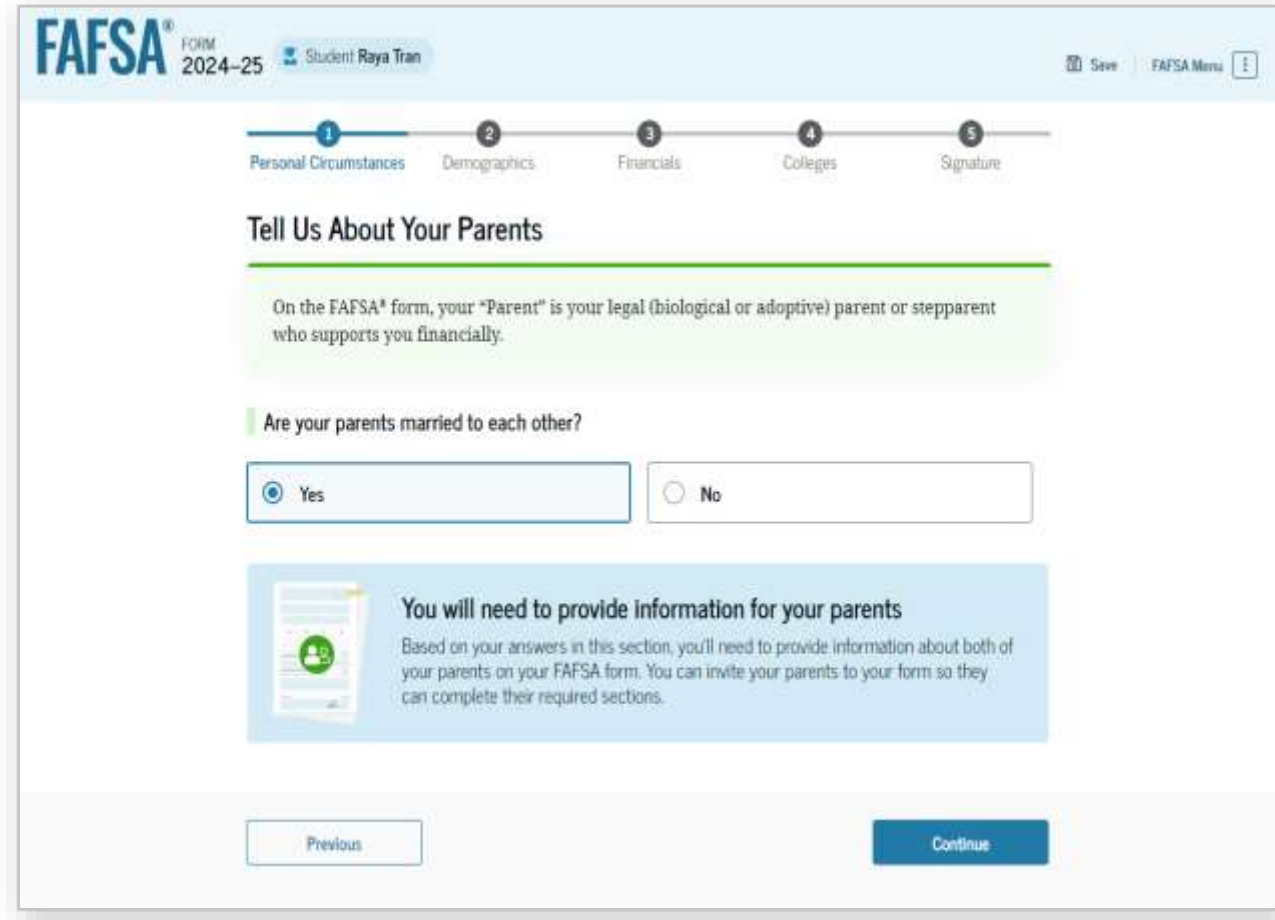
- Born prior to the year 2001
- Married (not separated)
- Veteran (includes active-duty personnel)
- Working on graduate level degree
- Legally emancipated minor or in a legal guardianship with someone other than their parent or stepparent, as determined by a court in state of residence
- Orphan, in foster care or ward of the court at anytime since the student turned 13
- Have legal dependents other than spouse
- Student deemed homeless by proper authority

(PA State Grant status can be different)



FAFSA Parent Wizard

- Student is asked a number of questions in order to determine which parent's information is to be used on the FAFSA.
- The parent used on the FAFSA **may not** always be the parent the student lives with.
- If divorced or separated, it will be the parent who provided the most financial support for the student over the past 12 months.
- Use of the Parent Wizard will determine which parent is used on the FAFSA.



The screenshot shows the FAFSA Parent Wizard interface for the 2024-25 form year. The user is logged in as Student Raya Tran. The progress bar at the top indicates five steps: 1. Personal Circumstances (current), 2. Demographics, 3. Financials, 4. Colleges, and 5. Signature. The main heading is "Tell Us About Your Parents". A green box explains that the "Parent" is the legal (biological or adoptive) parent or stepparent who supports the student financially. Below this, a question asks "Are your parents married to each other?" with radio button options for "Yes" (selected) and "No". A blue box at the bottom states "You will need to provide information for your parents" and explains that based on the answers, the student will need to provide information about both parents. It also mentions that the student can invite their parents to complete their required sections. Navigation buttons for "Previous" and "Continue" are at the bottom.

FAFSA[®] FORM 2024-25 Student Raya Tran Save FAFSA Menu


1 Personal Circumstances 2 Demographics 3 Financials 4 Colleges 5 Signature

Tell Us About Your Parents

On the FAFSA[®] form, your "Parent" is your legal (biological or adoptive) parent or stepparent who supports you financially.

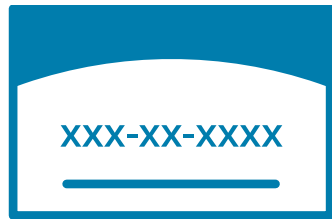
Are your parents married to each other?

☒ Yes ☐ No

 **You will need to provide information for your parents**
Based on your answers in this section, you'll need to provide information about both of your parents on your FAFSA form. You can invite your parents to your form so they can complete their required sections.

Previous Continue

Documents Needed to Complete the 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 529 savings plans for student whom the FAFSA is being completed, stocks, stock options, bonds, mutual funds, CDs, real estate (not your home), rental property, farm value, value of business, etc.



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



Total child support from
the most recently
complete calendar year

Roles Within the 2024-25 FAFSA



Student



Parent and
Parent Spouse



Student
Spouse



Preparer

- Contributors will need an FSA ID to access the FAFSA application.
- No more ability to start a FAFSA form with just student identifiers.
- Parent and student contributors must log in separately to complete their respective sections.

Who is a Contributor Starting with the 2024-25 FAFSA?

- Students will need to "invite" their contributors to complete their portion of the FAFSA.
- To invite contributors, students will need contributors First Name, Last Name, Security Numbers, Dates of Birth, and E-mail addresses.



FSA ID - Screenshot of Account Creation Page

Create an Account

Step 1 of 7

Personal Information

I understand that I'll be required to certify that the information I provide to create an account is true and correct and that I'm the individual who I claim to be.

If I'm not the person I claim to be, I understand that I'm not authorized to proceed and that I should exit this form now. If I provide false or misleading information, I understand that I may be subject to a fine, prison time, or both.

First Name
Jesse

Middle Initial
C

Last Name
Faden

Date of Birth
Month: 09 Day: 07 Year: 1991

Social Security Number

☒ I don't have a Social Security number.

Cancel Continue

- Knowledge-based identity verification process
- Identity match required for each contributor to verify FSA ID
- The student's spouse, parent, or other parent are sent through the knowledge-based ID verification process when they do not have an SSN

Who is a Contributor?



- The student's dependency, marital, and tax filing statuses will determine if additional contributors are required on the FAFSA form.
- If married and filed jointly with current spouse, then minimal information about current spouse is required and the spouse doesn't have to log in.
- If married or unmarried/living together but did not file taxes jointly, then both will need to log in and sign the FAFSA form.
- Beginning in 2024-2025, independent students will no longer be able to provide parental data on their FAFSA.

Consent

- Applicant and any required contributor on the FAFSA must provide consent. They are consenting to:
 - IRS Direct Data Exchange to import applicant, parent, parent spouse, and/or student spouse Federal Tax Information (FTI).
 - Redisclose FTI to state entities, institutions, and scholarship organizations.



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.
- Create 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

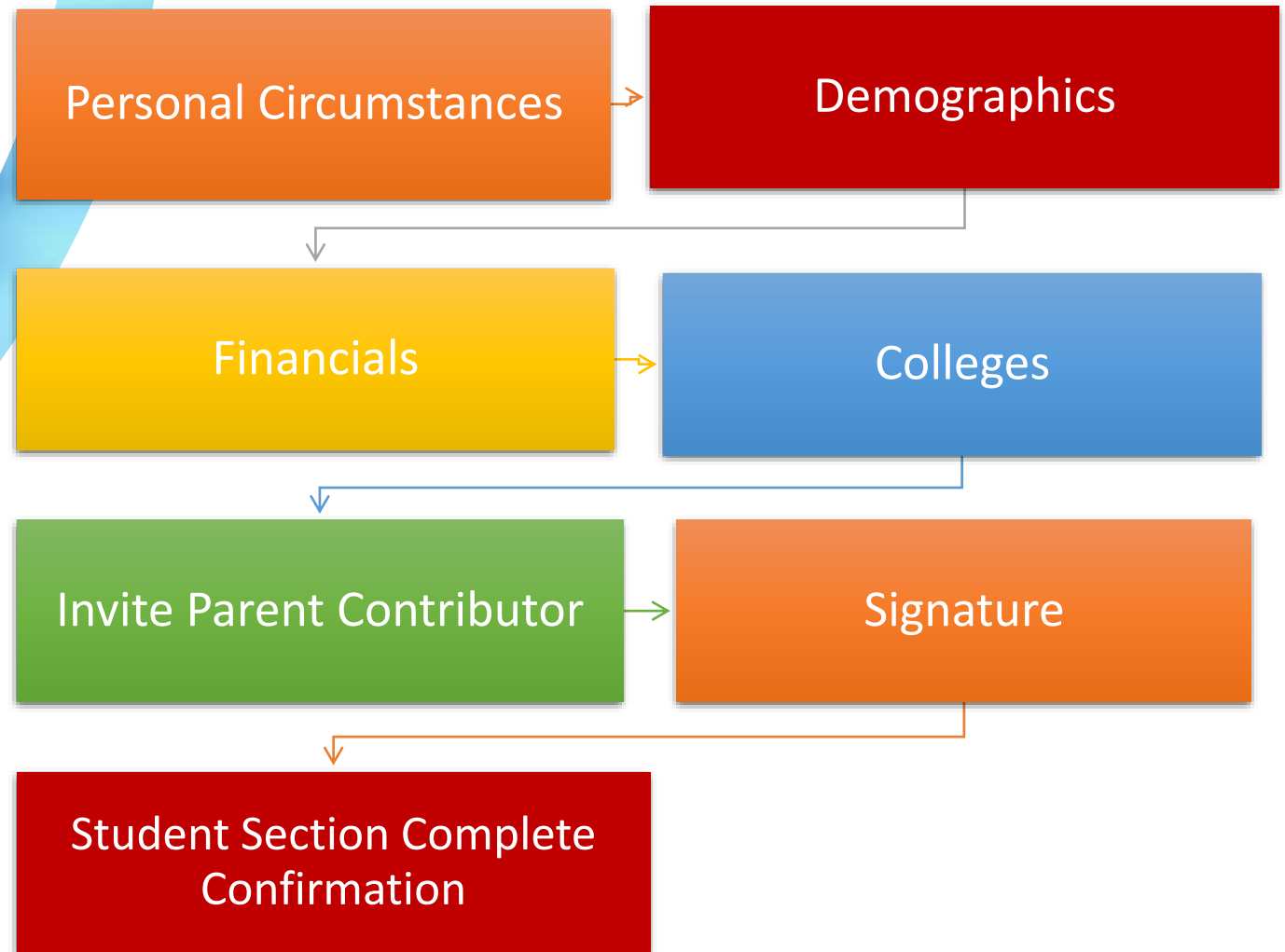
Mobile Phone

Security Questions

Enable Two-Step
Verification

FAFSA Steps – Dependent Student

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



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.

FAFSA® 2024-25 Student Request

Personal Circumstances | Demographics | Financial | College | Signature

Invite Parents to your FAFSA® Form

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.

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.

Parent	Parent Spouse
<p>First Name Alcina</p> <p>Last Name Tran</p> <p>Date of Birth Month: 01 Day: 01 Year: 1972</p>	<p>First Name [Field]</p> <p>Last Name [Field]</p> <p>Date of Birth Month: [Field] Day: [Field] Year: [Field]</p>

Social Security Number (SSN)

[Field] SHOW

☐ My parent doesn't have a SSN

Email Address

alcintran@school.edu

Confirm Email Address

alcintran@school.edu

Invite Parent

Social Security Number (SSN)

[Field] HIDE

☐ My parent doesn't have a SSN

Email Address

[Field]

Confirm Email Address

[Field]

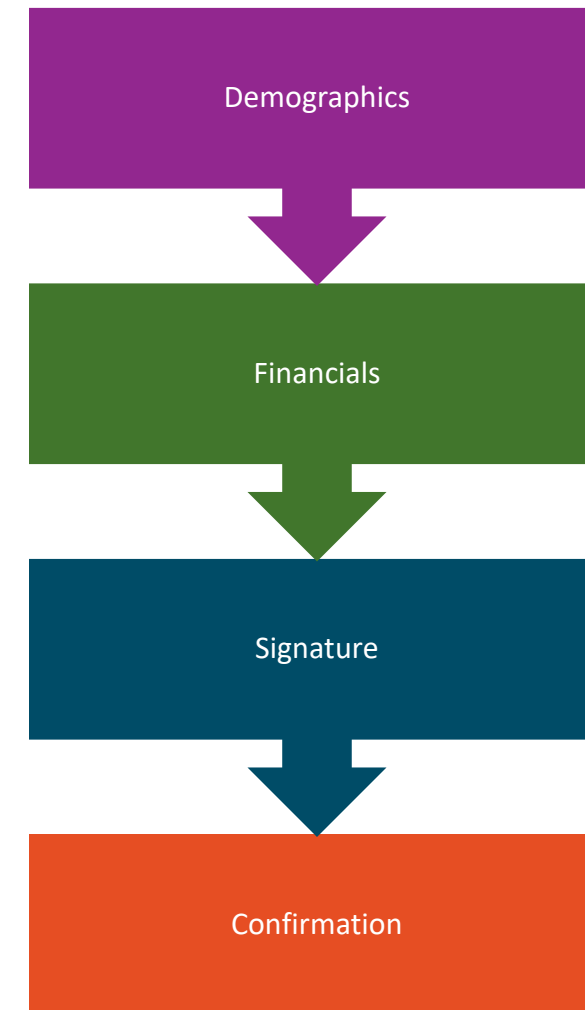
Invite Parent

Previous **Continue**

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



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[®] 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[®] 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[®] 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
Cal [x] ⓘ
California (CA) ⓘ
[] ⓘ

School Name - optional
[] ⓘ

Search

Previous Continue



IRS Direct Data Exchange



- System integration allows users' federal tax information to be retrieved and transferred directly into the FAFSA form via IRS direct data exchange, replacing the IRS Data Retrieval Tool
- Students and contributors must provide consent to retrieve and disclose federal tax information from the IRS for the student to be eligible for federal student aid.
- **The direct data exchange with the IRS may not work if the student or parent:**
 - has 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.

What is considered an asset?

Report the current value at time of filing the FAFSA:

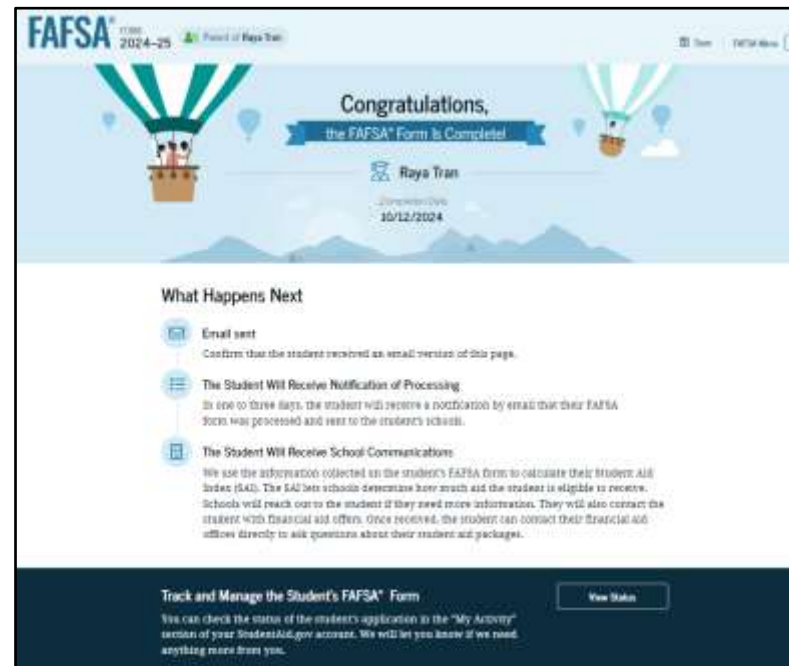
- | | | |
|------------|--------------------------------|----------------------------|
| ✓ Cash | ✓ Stocks | ✓ Bitcoin |
| ✓ Checking | ✓ Bonds | ✓ Mutual funds |
| ✓ Savings | ✓ Certificates of deposit (CD) | ✓ Net value of real estate |
- Value of 529 accounts for the student owned by the parent(s) of a dependent applicant or owned by the student applicant
 - Child support received for the most recently complete calendar year
 - Net Worth of your businesses or for-profit agricultural operations.

Not reported on FAFSA as an asset:

- Value of primary home
- Value of qualified retirement accounts
- Value of life insurance policies
- Value of personal property
- Value of 529 for any other family members (excluding applicant)

FAFSA Confirmation

Upon submitting the student's FAFSA[®] form, the parent is presented an abbreviated confirmation page. This page displays information about tracking the student's FAFSA form and next steps. The student will receive an email with the full, detailed confirmation. With the student and parent sections completed and signed, the FAFSA form is now considered complete and submitted for processing.





PA State Grant Form (SGF)



- In addition to the FAFSA, first-time applicants must also complete the **PA State Grant Form (SGF)**.
- How to access SGF:
 - The link from FAFSA confirmation page
 - The link will only be available after all contributors have completed their sections.
- If the student submits the completed FAFSA, the student will see the confirmation page and there will be a link to complete the PA State Form on the confirmation page.
 - If the contributor submits the completed FAFSA, the student will receive the confirmation page via email. However, there is no link in the confirmation email.
- If the student misses the link or the completed FAFSA is submitted by a contributor, the student can log into the [Studentaid.gov](https://studentaid.gov) account and access the link to complete the state grant from. **If the student's FAFSA is processed, they will click on "Apply for State Aid" on their My Activity page on StudentAid.gov.**



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
-
- ✓ Only the school can change a FAFSA related to circumstances
 - ✓ Decisions are final and can not be appeal to the U. S. Department of Education
 - ✓ Contact PHEAA for a PA State Grant re-consideration



Student Unusual Circumstances

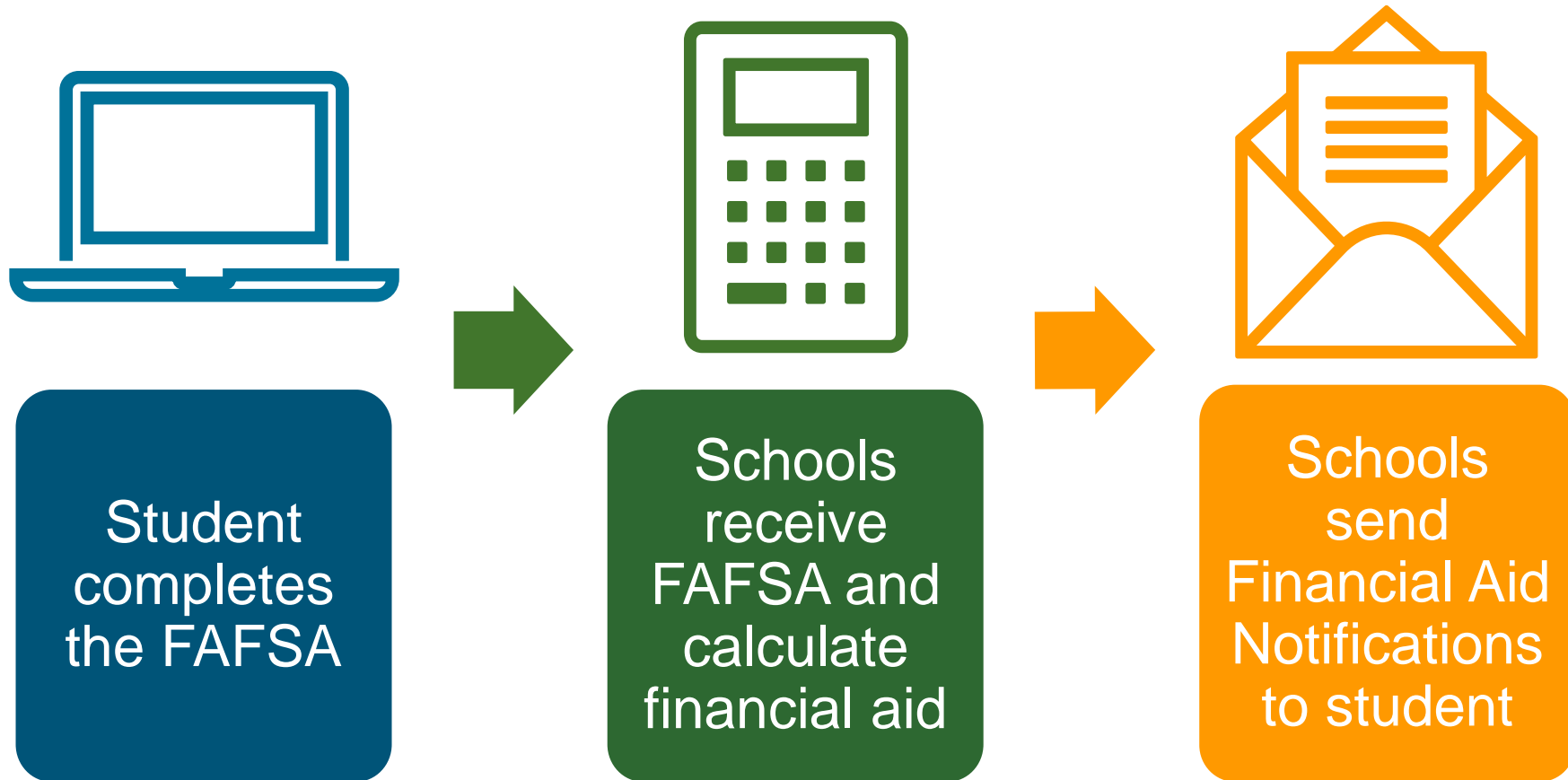


Prevents student from contacting parents or contacting parents would pose a risk to student

A student may be experiencing **unusual circumstances** if they:

- Left home due to an abusive or threatening environment;
- Are abandoned by or estranged from their parents, and have not been adopted;
- Have refugee or asylee status and are separated from their parents, or their parents are displaced in a foreign country;
- Are a victim of human trafficking;
- Are incarcerated, or their parents are incarcerated, and contact with the parents would pose a risk to the student; or
- Are otherwise unable to contact or locate their parents, and have not been adopted.

FAFSA is Filed... Now What?



Need Analysis is Calculated by Your School



Schools use FAFSA calculations to determine a student's financial need based on –

Two Components:

- The student's Cost Of Attendance at the chosen institution.
- The student's Student Aid Index (SAI).

SAI figure includes parent(s) & student's contribution.

What School Costs Are Considered?

Schools cost of attendance includes:

- Tuition and Fees
- Housing and Food
- Books, Course Materials, Supplies & Equipment
- Transportation
- Personal Expenses



How is the SAI Calculated?

- Primarily income-driven
- Major factors for dependent student:
 - Parental & student - income and assets
 - Family size

A student's SAI remains the same no matter which school the student attends.



Parents Income and Assets

Income

- Income is based on 2022 year for AY 2024-25
- Tax filers report AGI from tax return
 - They are Not required to report income earned from work off the W-2
- Allowances are made for taxes, working households, and living allowances based on family size

Assets

- Must report assets in their name, total cash, savings, and checking accounts (Include 529 accounts for the student, owned by parent(s) or by the student)
- Current Net Worth of investments, including Real Estate
- Current Net Worth of Businesses and Investment Farms
- After the Asset Protection Allowance is deducted from the value of the assets, 12% of the remaining asset value is used in the SAI calculation
- Not an asset: value of primary residence, personal property, qualified retirement accounts, and life insurance policies

Student Income and Assets

Income

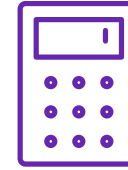
- Allowances are made for taxes
- Earnings from work-study are excluded
- Income protection allowance of up to \$9,410 and remaining income assessed at 50%

Assets

- Dependent students must report assets in their name, total cash, savings, and checking accounts
- Current Net Worth of investments, including Real Estate
- Current Net Worth of Businesses and Investment Farms
- 20% of the value of the assets is used in the calculation of the SAI
- Not an asset: value of primary residence, personal property, qualified retirement accounts, and life insurance policies

Calculating Financial Need

- Schools/colleges receive FAFSA 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 notification sent to student



A photograph of a green textured surface with three pencils (two blue, one brown) lying on the right side. Handwritten in grey ink is the equation: COA - SAI - OFA = NEED.
$$\begin{array}{l} \text{COA} \\ - \text{SAI} \\ - \text{OFA} \\ \hline = \text{NEED} \end{array}$$



Financial Aid Notification



- Official notification from school about financial aid, terms and conditions
- Lists the type and amount of aid to be received
- Describes what must be done to accept or reject any aid
- Discloses students' rights, responsibilities and academic requirements

Reviewing the Financial Aid Package

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?

Financial Aid 101



Federal & State Aid



Federal Grant Programs



- **Pell Grant** - max award \$7,395 (2023-24)
 - Eligibility is the same for every postsecondary institution
- **Campus-based aid** – Eligibility determined by Financial Aid Office at each potential school
 - **Federal Supplemental Educational Opportunity Grant (FSEOG)** – max award \$4,000
 - Student must be enrolled at least half-time
 - **Awarded to most financially needy student**
 - **Federal Work-Study**...FAO determines
 - 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

PA State Grant Program

- In-state – max award \$5,750 (full-time)-(2023-24)
- **Reciprocal states:** Delaware, DC, Massachusetts, Ohio, Vermont, West Virginia
 - Up to \$600 for full-time students (\$800 for veterans)
- Award amount determined in part by the cost of the school

Must be at least half-time to be eligible



Financial Aid 101



Federal Student Loans

Federal Direct Student Loan Program

- Available to **ALL** students **REGARDLESS** of need
- Additional unsubsidized funds available for Independent & Parent PLUS denials
 - 5.50% interest rate (AY 23-24), 1.057% 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

Based on FAFSA, students have a combination of:

- Subsidized: Federal government pays interest in school and grace status
- Unsubsidized: interest accrues in school and grace

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

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
1 st 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
2 nd Year	\$6,500 Total No more than \$4,500 may be subsidized	\$10,500 Total No more than \$4,500 may be subsidized	
3 rd 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



- For parents of dependent undergraduate 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
 - 8.05% variable/fixed interest rate; 4.228% fees
- MUST apply each year
- 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

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
- Principal can be deferred while student is in school; Interest will continue to accrue
- 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%^{1,2}
APR

Effective as of 5/11/23

Learn more at **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.

Financial Aid 101



Scholarships

Types of Scholarships



Postsecondary
Scholarships



Local and Regional
Scholarships



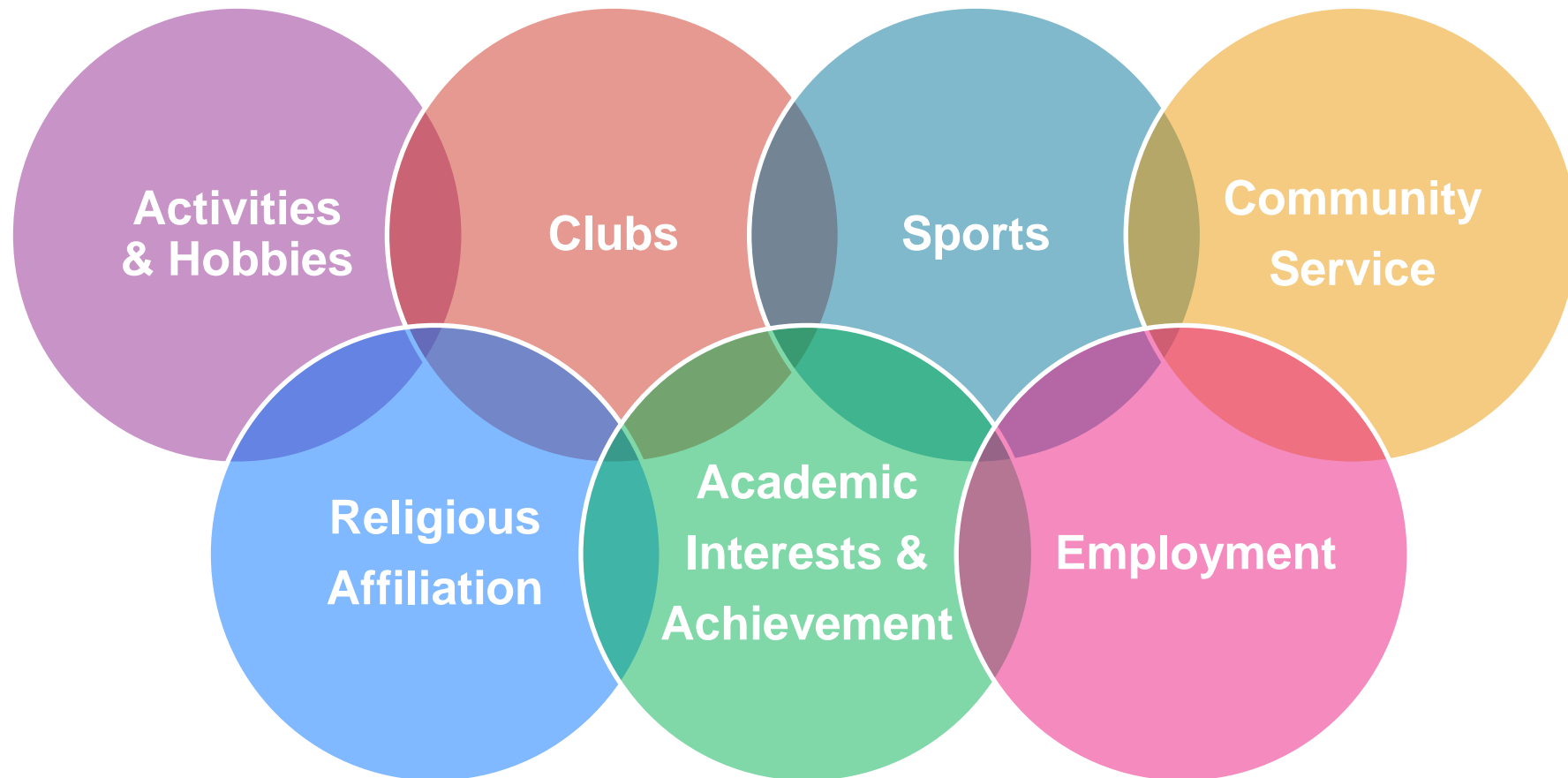
National
Scholarships

Scholarship Search Tips

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



Your Scholarship Resume



(Some) Scholarship Search Engines

- ✓ FastWeb.com
- ✓ Scholarshipamerica.org
- ✓ Goingmerry.com
- ✓ FinAid.org
- ✓ Cappex.com/scholarships
- ✓ Unigo.com/scholarships
- ✓ DoSomething.org/Scholarships
- ✓ CollegeScholarships.org
- ✓ Chegg.com
- ✓ Scholarships.com
- ✓ Scholarship-Page.com
- ✓ Colleges.Niche.com
- ✓ StudentScholarships.org
- ✓ BigFuture.Collegeboard.org
- ✓ **MORE....**

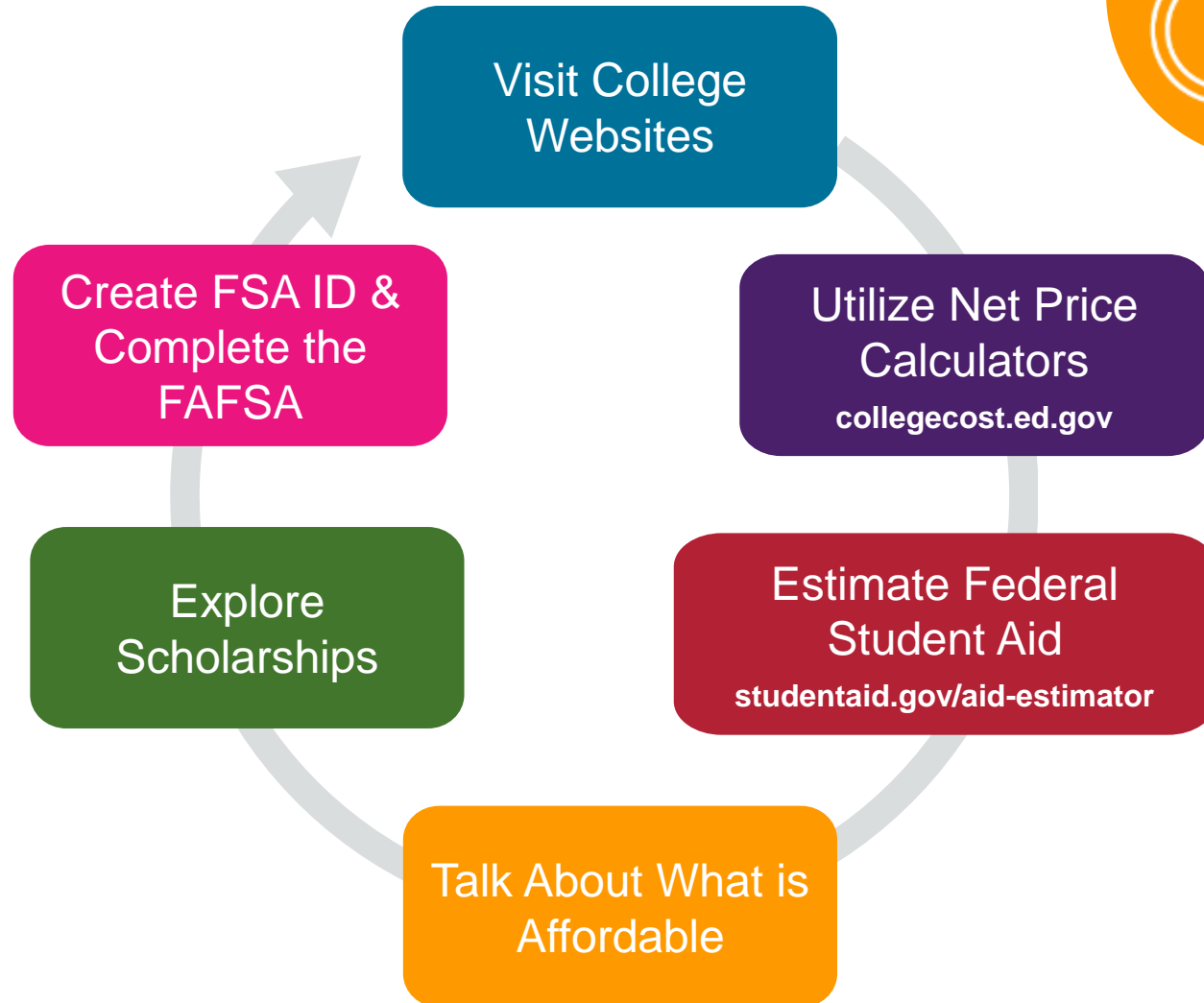


Use Your Resources



- **PHEAA.org**
- **EducationPlanner.org**
- **MySmartBorrowing.org**
- **YouCanDealWithIt.com**
- 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

What Can You Do Now?



CONTACT INFORMATION

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Fran C. McKeown

Higher Education Access Partner

PA Higher Education Assistance Agency (PHEAA)

215-801-7097

Frances.mckeown@pheaa.org

