



FINANCIAL AID 101

Welcome!

Today's Agenda



- ✓ What aid sources are available
- ✓ Applying for Financial Aid
- ✓ Identify what is needed
- ✓ What happens next
- ✓ Making smart decisions



FINANCIAL AID 101

Latest Headlines & Trends

A Recent Survey* Says...

50% of seniors rule out institutions based only on “sticker price”

Take-away:

Optimize your online presence to direct students who are looking for your price to information about your affordability. Provide an easy-to-find net price calculator and “why-invest” information about the value, benefits, and outcomes of choosing your institution, including a section for parents.



Please note: students and families should focus on net price, not sticker price

*“2016 Rising Seniors’ Perceptions on Financial Aid,” produced by Ruffalo Noel Levitz Enrollment Management

15 to Finish



The National Picture

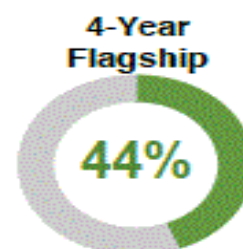
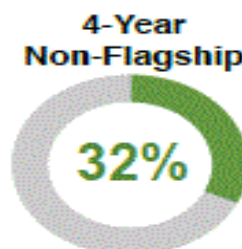
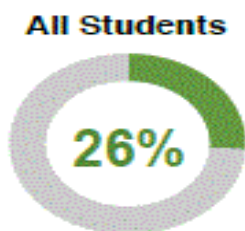
CCA Data Snapshot

(Data for students who began college going full-time, unless noted otherwise)

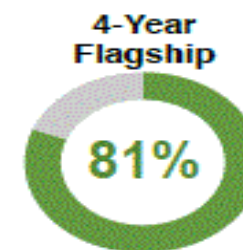
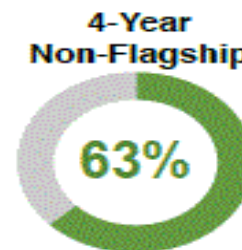
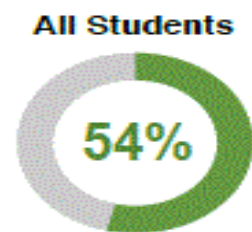
Most students graduate late. It takes 15 credits per semester (or 30 credits a year) to graduate on time, and data show that “easing in” with 12 credits doesn’t work for most students. Students who take 15 credits every semester get better grades and are more likely to graduate.

Too few students start with the momentum needed to graduate on time.

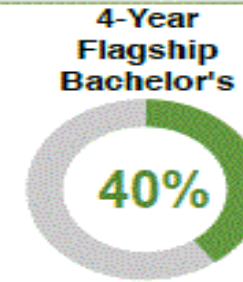
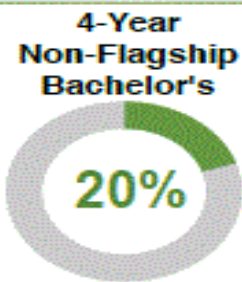
Students Completing 30 Credits Per Year
(On-Time Students)

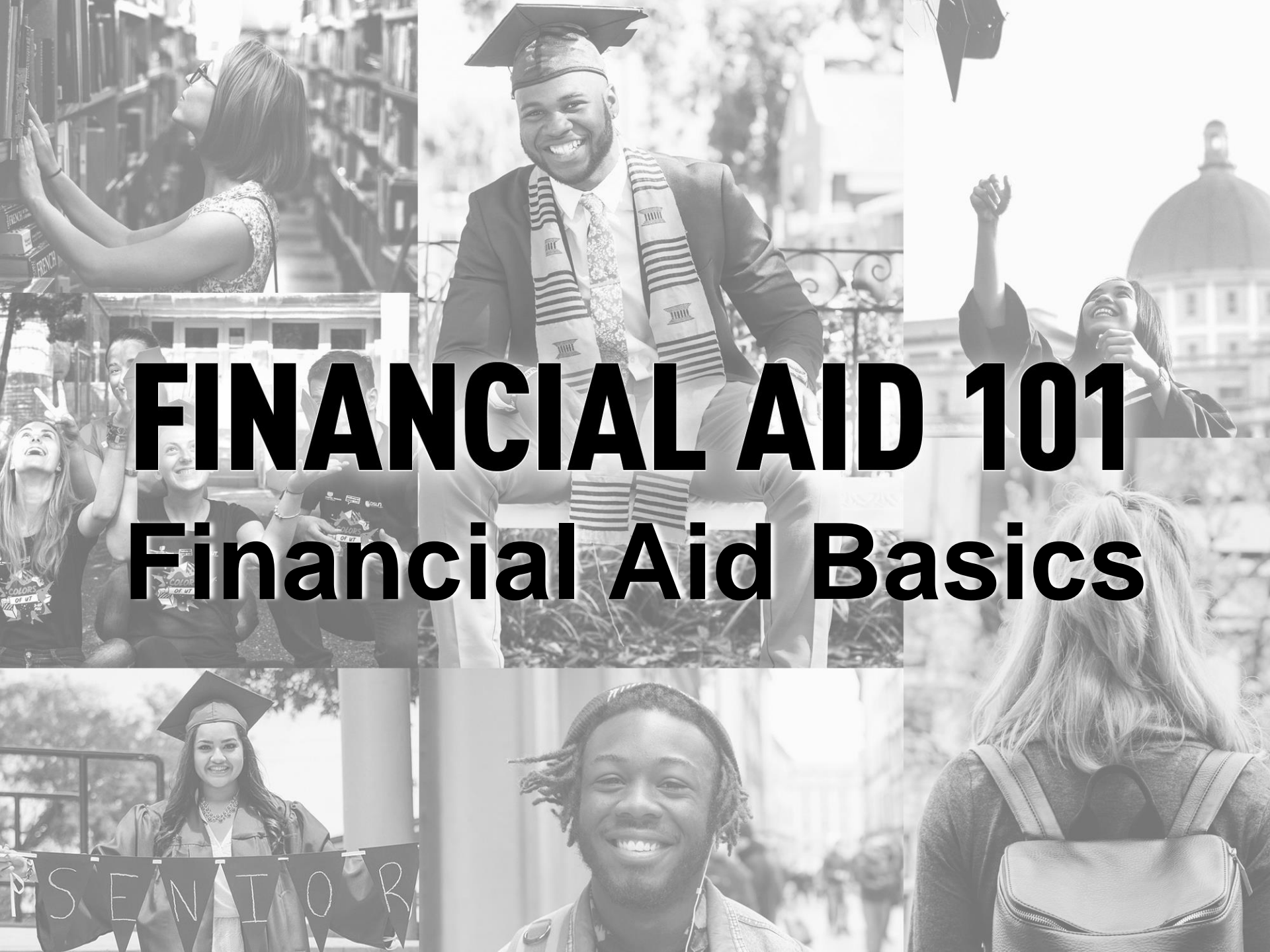


Students Completing 24 Credits Per Year
(Full-Time but Not On-Time Students)



On-Time Graduation Rate





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Financial Aid Basics

Funding Sources



- Federal Government
- State Government
- School/Colleges
- Private Scholarship Sources:
 - » HS counselors
 - » Clubs and organizations
 - » Employers
 - » Internet scholarship searches

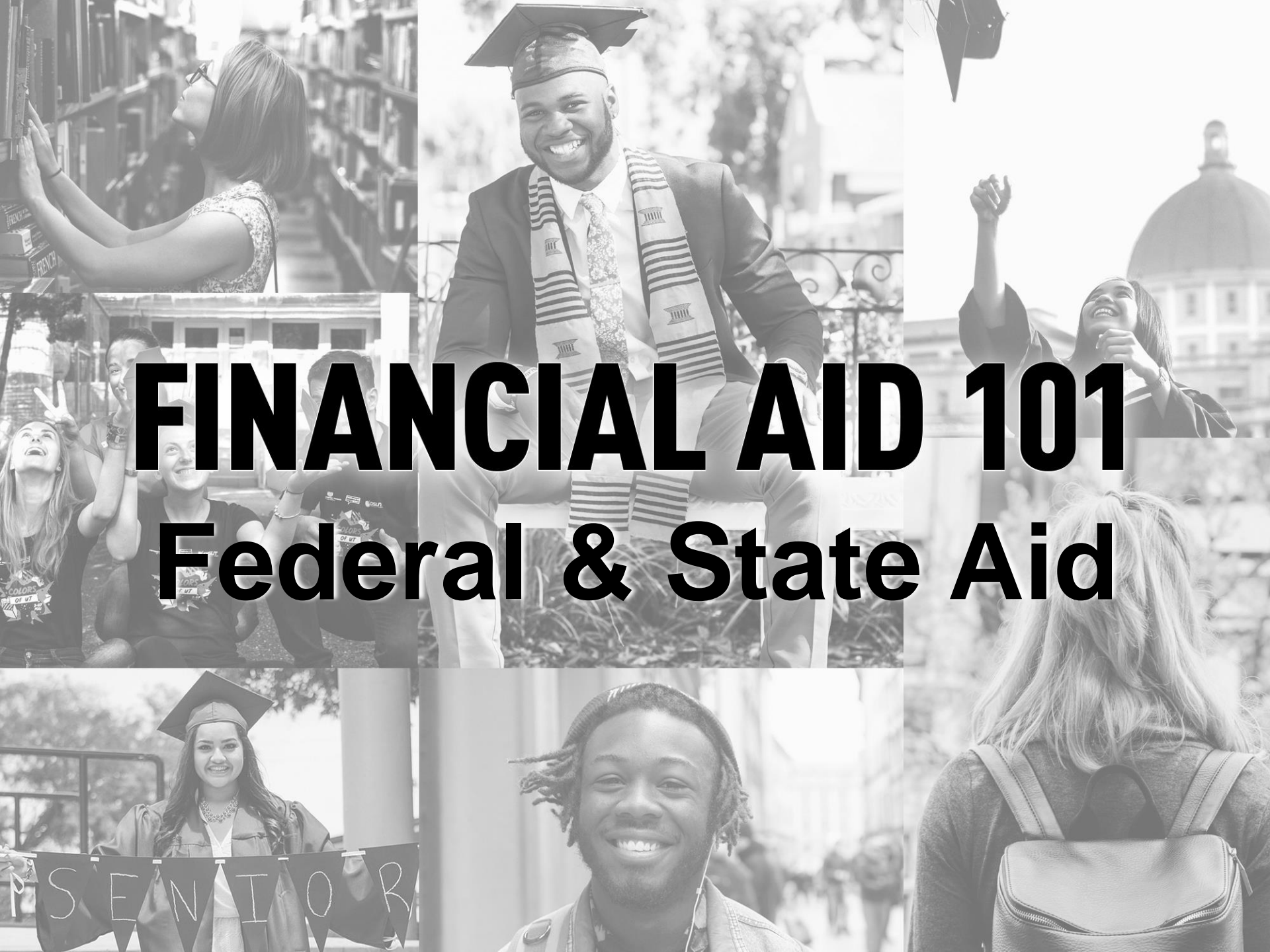
Scholarship Search

Don't miss out on FREE money!

- Start early – and KEEP LOOKING
- Don't forget to continue studies!
- GOOGLE your interests
- Don't PAY for information
- Criteria varies by school
 - » If you're asked to pay, it's not free money (SCAM)
- Don't disqualify yourself until IT disqualifies YOU
- Don't fear ESSAYS
- Provide what is asked
- Small scholarships ADD UP
- Activities, Athletics, Family, Hobbies, Participation, Attributes – DO YOUR RESEARCH
- **Don't miss DEADLINES**
- Write it down!



- ✓ **FastWeb.com**
- ✓ **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....**



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Federal & State Aid

Federal Programs

- Pell Grant (2018-19 max award \$6,095)*
- Max EFC is 5486
- Campus-based aid (amts determined by FAO)
 - » 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



Federal Work-Study

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.”

Study conducted by two Columbia University researchers, Judith Scott-Clayton and Veronica Minaya

Pennsylvania State Grant*



2018-19 Maximum Awards

| Cost Tier | Final Maximum Award | Final DE Award |
|---------------------|---------------------|----------------|
| \$0 - \$12,000 | \$2,193 | \$1,096 |
| \$12,001 - \$19,000 | \$3,509 | \$1,754 |
| \$19,001 - \$29,000 | \$3,772 | \$1,886 |
| \$29,001 - \$32,000 | \$4,123 | \$2,061 |

The maximum award for students attending an approved school in a reciprocal state is \$526, and \$702 for a veteran in an approved school in a reciprocal state.

* Must be at least half-time to be eligible

Pennsylvania State Grant*



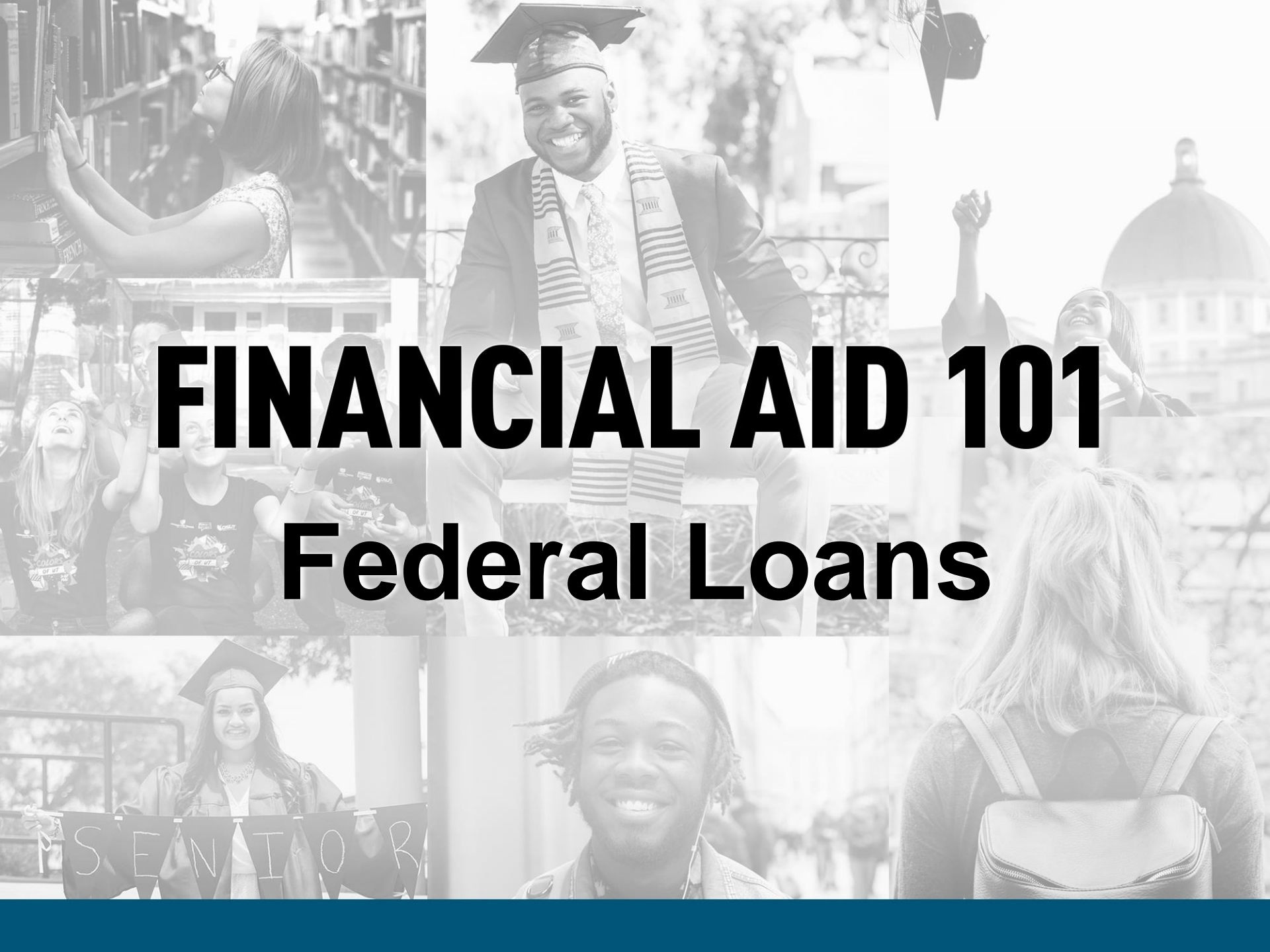
- In-state (PA) - Full-time: up to \$4,123
- In-state (PA) – Full-time Distance Education: up to \$2,061
- In-state (PA) – Part-time: 1/2 of the FT award
- Out-of-state - Up to \$526 in DC, DE, MA, OH, VT, WV. \$702 for veterans.
- Amount determined in part by the cost of the school.

* Must be at least half-time to be eligible

Other State Programs



- State Work-Study - job related to major
- Blind or Deaf Beneficiary Grant
- Educational Assistance Grant (EAP) – National Guard
- Chafee Education and Training Grant – co-administered with the PA Department of Human Services
- 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.



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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
 - » 5.05% interest rate (AY 18-19), 1.062% fee
 - » Rates set every July 1st for the life of that year's loan; fees are deducted from disbursement
- AWARDED to every eligible undergraduate student
- 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
- 150% RULE applies – New borrowers as of 7/1/13

Based on FAFSA, students have a combination of:

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



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

Types of Federal Student Loans

- Undergraduate Students
 - » Subsidized (5.05% interest and 1.062% fee)
 - » Unsubsidized (5.05% interest and 1.062% fee)
- Graduate Students
 - » Unsubsidized (6.60% interest and 1.062% fee)
 - » GradPLUS Loan (7.60% interest and 4.264% fee)
- Parents
 - » PLUS Loan (7.60% and 4.264% fee)

Interest Rates/Fees – Student Loans

- Undergraduate – Subsidized and Unsubsidized:
 - » 5.05% for 2018-19
 - » Capped at 8.25%
- Graduate – Unsubsidized Only:
 - » 6.60% for 2018-19
 - » Capped at 9.50%
- Fee = 1.062% (\$58.41 on a \$5,500 loan)

Interest Rates/Fees: PLUS & GradPLUS

- Parent & GradPLUS
 - » 7.60% for 2018-19
 - » Capped at 10.50 %
 - » Up-front fee of 4.264% deducted at disbursement (\$426.40 on a \$10,000 loan)
- May borrow up to full cost of education minus financial aid
- Credit check is required on this loan
 - » NO debt-to-income ratio analysis
 - » NO credit scoring

Federal Direct Loan: Aggregate Limits

| | |
|--|---|
| Undergraduate Education (Dependent Student) | \$31,000 (\$23,000 maximum Subsidized Loan) |
| Undergraduate Education (Dependent Student OR Dependent Students whose Parents were denied PLUS Loan) | \$57,500 (\$23,000 maximum Subsidized Loan) |
| Graduate / Professional Education | \$138,500 |

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

Who Is Independent?



- ✓ 24 or older on Jan 1st of award year
- ✓ Married
- ✓ Veteran (includes active duty personnel)
- ✓ Working on graduate level degree
- ✓ Emancipated minor or 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



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

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 gross earnings
 - » (Recommendation from the National Endowment for Financial Education, nefe.org)

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

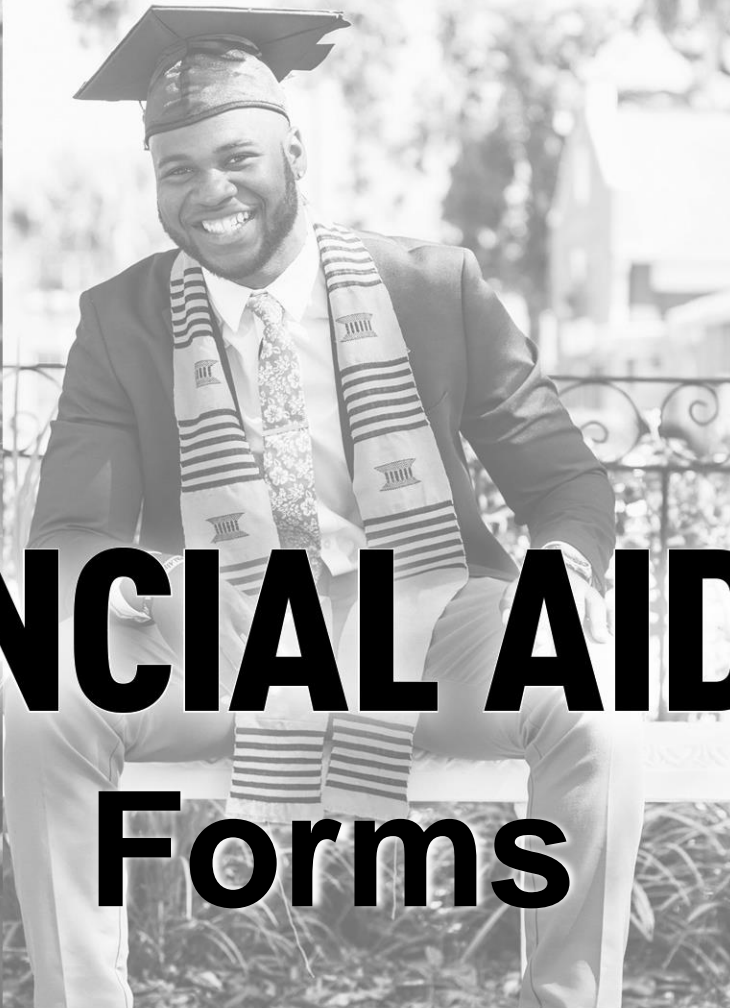


View the Results

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





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Forms



Financial Aid Forms



Know what financial aid forms each school requires

ALL Schools Require:

- FAFSA (Free Application for Federal Student Aid)
 - » Required by all schools, PHEAA, and some scholarship organizations
- STATE GRANT FORM (SGF) through PHEAA
 - » Required for first-year students (and may be requested for subsequent years) = after FAFSA is completed

SOME Schools Require:

- CSS Profile required by some postsecondary schools and scholarship organizations
- Institutional financial aid forms
- Internal school forms

FAFSA - Free Application for Federal Student Aid

- The FAFSA is the primary federal form for financial assistance to attend postsecondary school
 - » It determines:
 - Expected family contribution, need
 - Eligibility for most aid programs
- Must file a FAFSA each year a student attends school to be eligible
- File online – Fast, Secure, SKIP LOGIC and Built-in Edits
- Want practice? Visit **FAFSA4CASTER.ed.gov**



STUDENT

Student Demographic Information

Your last name: Lastnameapp
 Your first name: Harvey
 Your middle initial: L

Your Social Security Number: 236-04-1006

Your date of birth (mmddyyyy): 04/19/1992

Are you male or female?
 Male Female

Your permanent mailing address (include apt. number): 123 Main Street

Your city (and country if not U.S.): Anywhere
 Your state: Pennsylvania

Your ZIP code:

Help and Hints

Does Student Want to Provide Driver's License Information?

Select **Yes** if you want to provide your driver's license information.

Select **No** if you do not have a driver's license or an identification card or do not want to provide your driver's license information.



**STUDENT SECTION:
Dark Blue**

PARENT

Application was successfully saved.

Help and Hints

Parents' Number in College in 2013-2014 (Parents Excluded)
Question 73

Enter the number of people in your [parents' household](#) who will attend college between July 1, 2013 and June 30, 2014. Do not include your parents in this number.

Include:

- Yourself, even if you will attend college less than half time in 2013-2014.

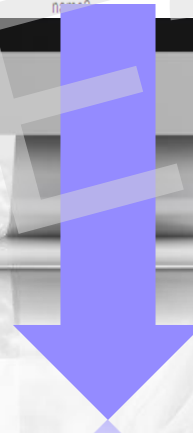
What is your parents' marital status as of today?
 Married or Remarried

When did your parents get married or remarried? Enter the month and year. (mm/yyyy)
 09/1989

What is your father's/stepfather's Social Security Number? 123-45-6789
 What is your father's/stepfather's last name? Lastnameapp

What is your father's/stepfather's first initial? G
 What is your father's/stepfather's date of birth? (mmddyyyy) 01/01/1965

What is your mother's/stepmother's Social Security Number?
 What is your mother's/stepmother's last name?



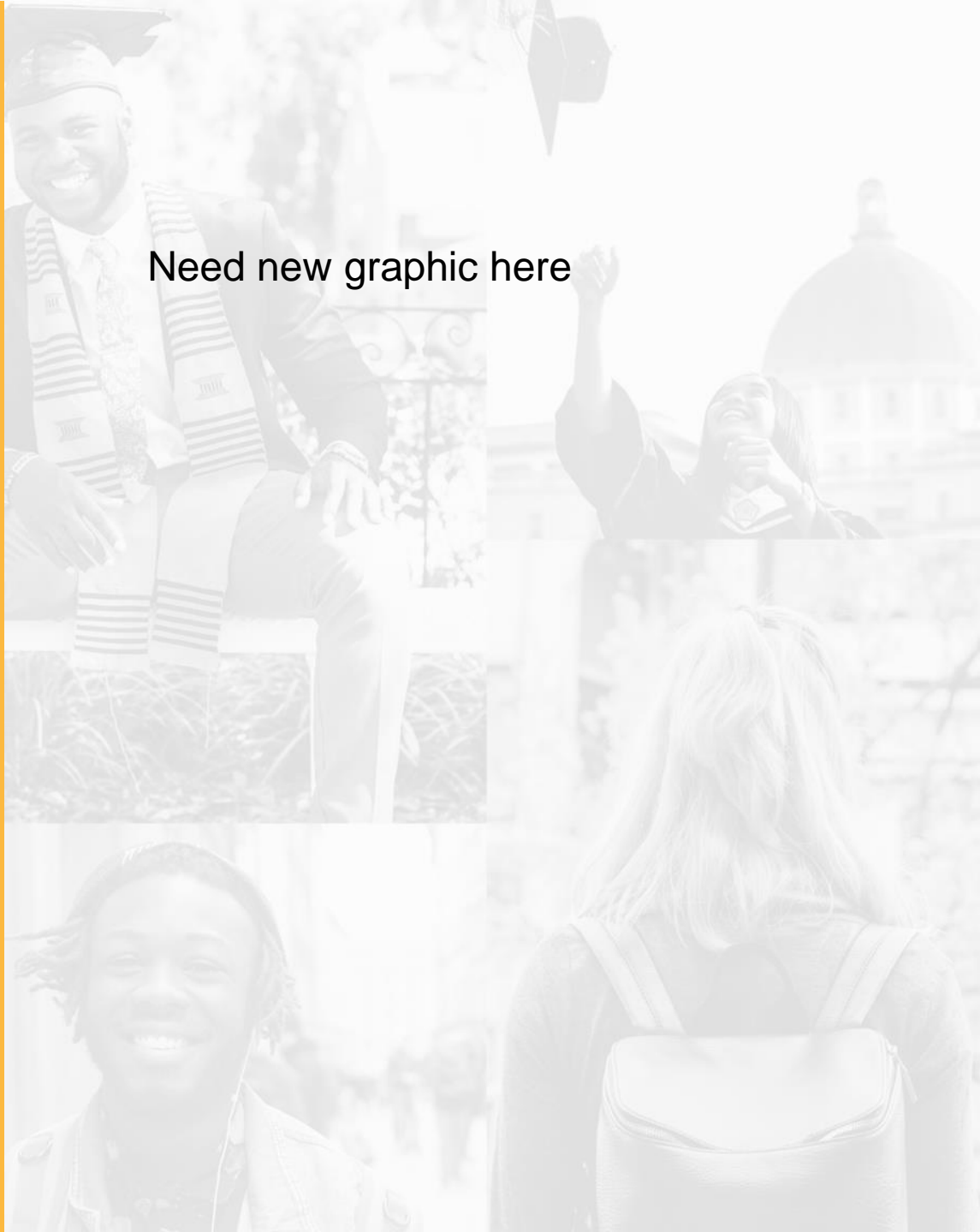
**PARENT SECTION:
Purple**

IRS Data Retrieval Tool

After taxes are filed:

- Automatically pulls in IRS Tax info and places data into the FAFSA, or overrides estimates
- **REQUIRED!**
- **ALSO** in Student Section, if student is filing taxes

Need new graphic here



THE FSA ID & PASSWORD

- **NEW** - Replaced the “PIN” as of 5/10/15
- Student and one parent will sign the FAFSA electronically - each needs a **SEPARATE** email address and ID/password
- A verification process delays use – Get your ID/password early
- **A FAFSA IS NOT COMPLETE UNTIL SIGNED!**
- You'll use it again for:
 - » Renewal FAFSA
 - » FAFSA status and corrections
 - » Signing a Direct Loan Master Promissory Note (MPN)
 - » Complete required entrance and exit loan counseling
 - » Review loan history at NSLDS.ed.gov



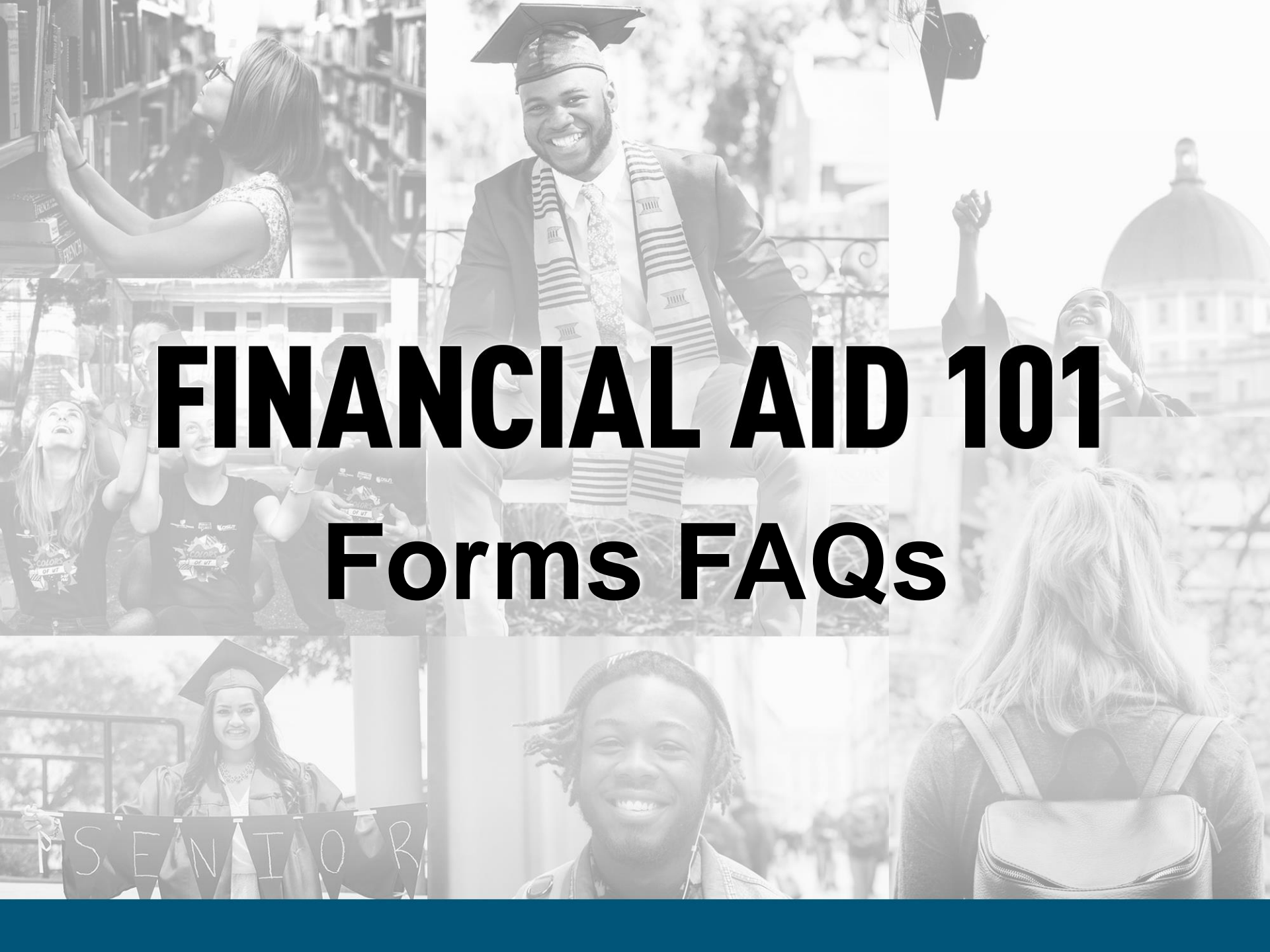
Get My Federal Income Tax Information

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

Enter the following information as it appears on your <YYYY> Federal Income Tax Return. [?](#)

Required fields*

| | |
|--|---|
| First Name* | <input type="text" value="Joe"/> |
| Last Name* | <input type="text" value="Smith"/> |
| Social Security Number* | ***-**-6789 |
| Date of Birth* | <input type="text" value="01"/> / <input type="text" value="04"/> / <input type="text" value="1990"/> |
| Address* ? P.O. Box and/or Street Address | <input type="text"/> |
| | <input type="text"/> |
| | <input type="text"/> |
| Apt. Number (Required if it appears on your tax return) | <input type="text"/> |
| Country* | <input type="text" value="United States"/> v |
| City, Town or Post Office* | <input type="text"/> |



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Forms FAQs

Whose Info Goes on the FAFSA?

- Divorced or separated parents (The parent the student lived with the most over the past 12 months. If equal, then the parent who provided more than 50% of student's support)
- Stepparents - YES
- Adoptive parents - YES
- Foster parents - NO
- Legal guardians - NO
- Anyone else the student is living with - NO

Special Circumstances

- ✓ Recent death or disability
- ✓ Reduced income
- ✓ Recent separation or divorce



Contact the school and ask for a special consideration AND contact State Grant Division at PHEAA

Deadlines

- Know all of your state and school/college deadlines and file the FAFSA by the earliest deadline.
 - » Federal Deadline - end of the award year - for 2019-20, this would be **June 30, 2020**
 - » PA State Grant deadlines –
 - **May 1, 2019** - 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, 2019** - 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
 - » **KNOW SCHOOL DEADLINES**

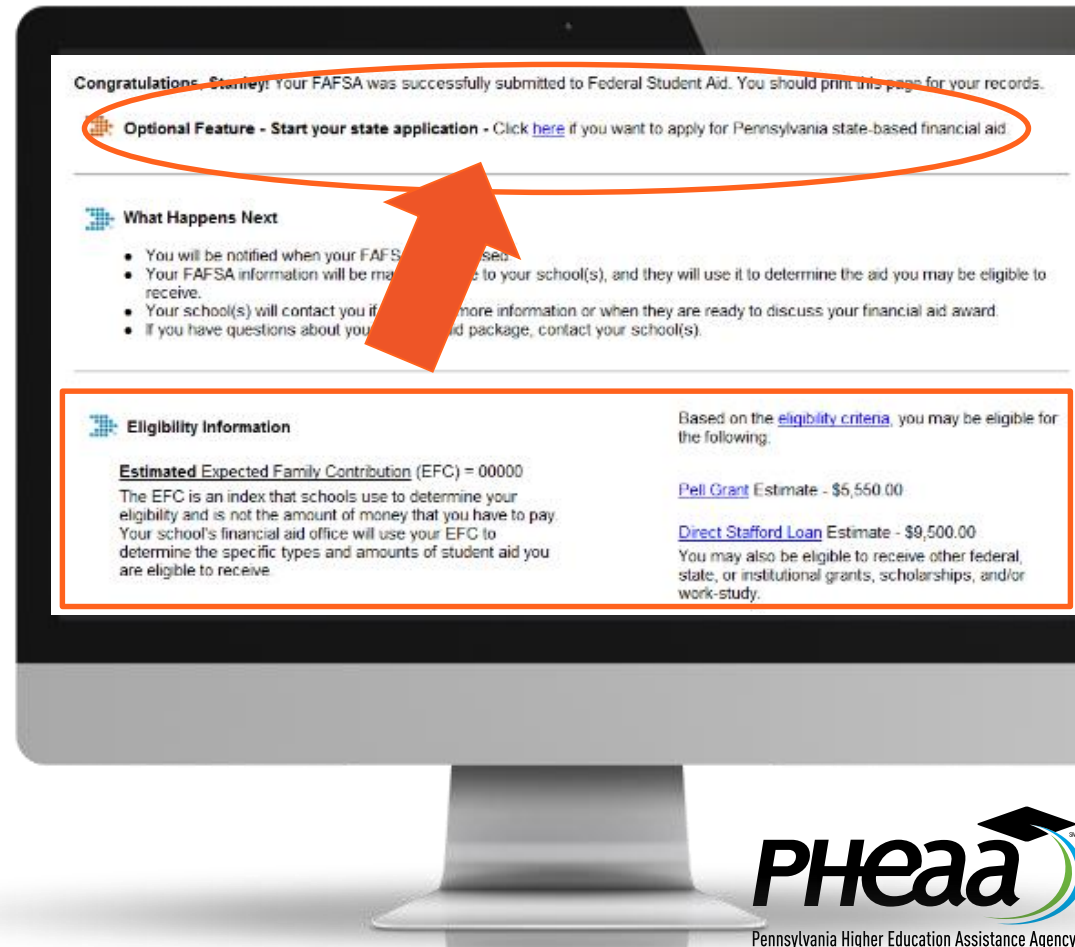


FINANCIAL AID 101

State Grant Form

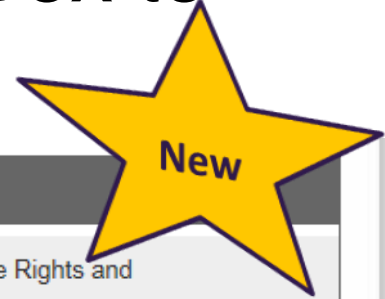
FAFSA Completion Page

- Apply for your State Grant from the FAFSA Completion/Confirmation page
- Start your state application to apply for Pennsylvania state based financial aid
- TRANSFERS FOTW data to the State Grant Application



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 >>](#)



FINANCIAL AID 101

Forms Are Filed – Now What?

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 \$6,310
 - » Parent contribution divided by number of children in college at the same time



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

What Happens Next?

- Student Aid Report or Acknowledgment sent to student (review and make necessary corrections)
- Information is sent to PHEAA. Student must complete State Grant Form (SGF). Can link to this directly from the FAFSA.
- Account Access (PHEAA) - Create an account at [PHEAA.org](https://www.pheaa.org) to view PA State Grant
- Information is sent to schools/colleges. Send to all schools being considered.

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 |

Reviewing the Financial Aid Package

- After reviewing their packages, students should be sure they know and understand the following:
 - » 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; in particular, is there a GPA requirement?
 - » Will awards change from year to year?
 - » Will institutional awards increase as tuition increases?
 - » Will loans be needed? If so, how much?

Comparing Packages

| 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 |



FINANCIAL AID 101

Final Thoughts & Wrap-Up

What Can You Do Now?



- Student and parent apply for a FSA ID at:
 - » StudentAid.ed.gov/fsaid
- Visit websites with free information about college, financial aid and careers
- Explore scholarship opportunities – locally, regionally and nationally
- Use Net Price Calculator at schools interested in attending to get an estimate of your “net price” to attend
 - » Net Price Calculator available on each school’s website
- Use the free online tool, FAFSA4caster, to estimate EFC and eligibility for federal financial aid
 - » Available at fafsa4caster.ed.gov

The Plan

- ✓ Narrow down career choices
- ✓ Research and apply to several schools
- ✓ Work hard on scholarship search
- ✓ Don't fear the FAFSA (do the State Grant app, too)
- ✓ Release your info to several schools
- ✓ Compare estimated financial aid award letters
- ✓ Make the tough choices
- ✓ Think of the future
- ✓ Finish on time

Net Price Calculators



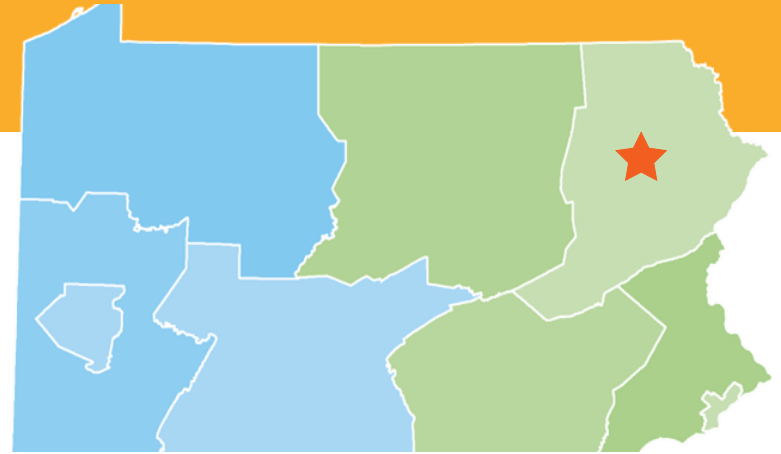
The Higher Education and Opportunity Act (HEOA) of October 2011 requires schools to offer a Net Price Calculator on their websites

- 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)
- **May not include scholarships**

Use Your Resources

- PHEAA.org
- EducationPlanner.org & MySmartBorrowing.org
- YouCanDealWithIt.com
- MyFedLoan.org
- PHEAA toll free: 800.692.7392
- Federal Student Aid Info Center – 800.433.3243
- FASFA.gov
- StudentAid.gov – general financial aid info
- StudentLoans.gov – information on federal loans

Your Presenter



Sonya Mann- McFarlane

Higher Education Access Partner

Cumberland Valley Region (Berks Lancaster,
Lebanon)

PA Higher Education Assistance Agency (PHEAA)

smannmcf@pheaa.org



QUESTIONS?