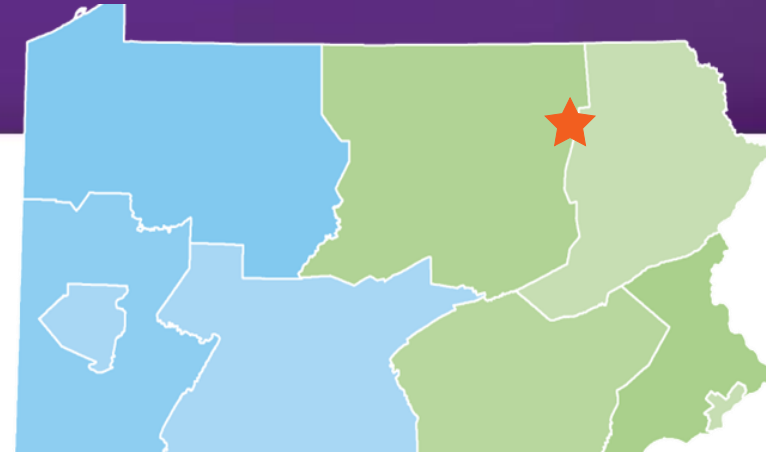


# Financial Aid 101



**WELCOME**

# Your Presenter



## Nancy Harvey

Higher Education Access Partner

Northeast Region

PA Higher Education Assistance Agency (PHEAA)

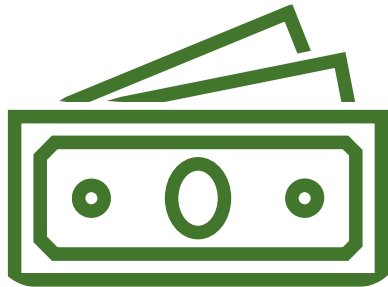
[Nancy.harvey@pheaa.org](mailto:Nancy.harvey@pheaa.org)



- 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



**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***



# Know Your Deadlines

## Federal Deadlines -

The 2024-2025 FAFSA application will be available in December 2023.

After that, it will be available anytime after October 1 in the year prior to when the student will attend school

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

**School Deadlines -** vary, check websites!

## PA State Grant Deadlines

**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





# Create Your FSA ID Accounts

- The student and all contributors need to create an FSA ID at [studentaid.gov/fsa-id](https://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

# 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

Middle Initial

Last Name

Date of Birth  
Month:  Day:  Year:

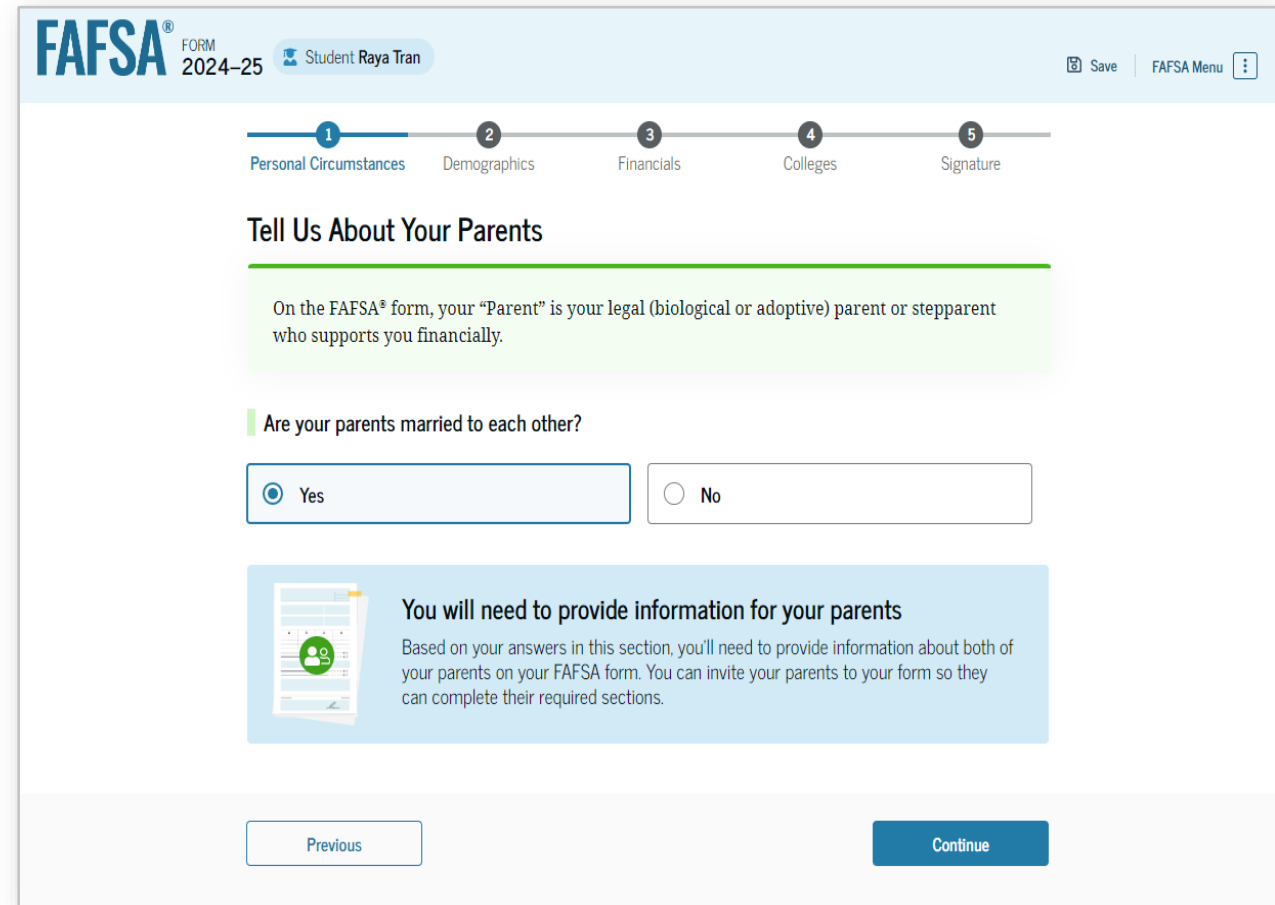
Social Security Number

I don't have a Social Security number.

- 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

# 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 displays the FAFSA Parent Wizard interface for the 2024-25 form year. The user is identified as Student Raya Tran. The progress bar shows five steps: 1. Personal Circumstances (active), 2. Demographics, 3. Financials, 4. Colleges, and 5. Signature. The current section is titled "Tell Us About Your Parents". A green box contains the instruction: "On the FAFSA® form, your 'Parent' is your legal (biological or adoptive) parent or stepparent who supports you 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 provides a warning: "You will need to provide information for your parents" based on the answers, and suggests inviting parents to complete their sections. At the bottom, there are "Previous" and "Continue" buttons.

# 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.



# 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<sup>®</sup> form. In this scenario, the student invites one parent.

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

1 Personal Circumstances 2 Demographics 3 Financials 4 Colleges 5 Signature

### Invite Parents to your FAFSA<sup>®</sup> 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**

First Name: Alcina  
Last Name: Tran  
Date of Birth: 05 / 05 / 1973

**Parent Spouse (optional)**

First Name: \_\_\_\_\_  
Last Name: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

**Social Security Number (SSN)** SHOW ⓘ

My parent doesn't have a SSN

Email Address: alcinatran@school.edu

Confirm Email Address: alcinatran@school.edu

Invite Parent

Previous Continue



# 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 reporting parent is remarried
- Adoptive parents

## NO

- Foster Parents
- Legal Guardians
  - By court order
- Anyone else the student is living with



# When Is A Student Automatically Considered “Independent”?

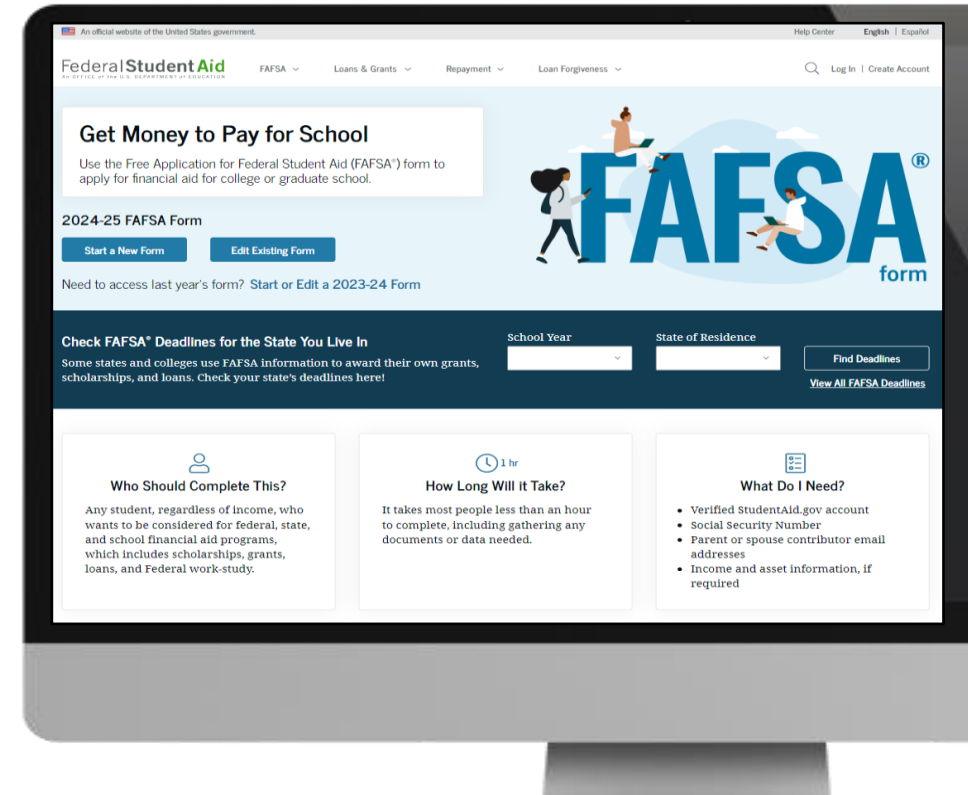
- Born before January 1, 2001
- Married (not separated)
- Veteran (includes active-duty personnel)
- Working on graduate level degree
- Legally emancipated minor or in a legal guardianship with someone other than their parent or stepparent, as determined by a court in state of residence
- Orphan, in 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)***



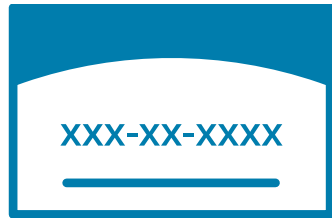
# FAFSA (Free Application for Federal Student Aid) – StudentAid.gov/fafsa

- 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.
- While filing the FAFSA online is preferred, a printable PDF version is available at [StudentAid.gov](https://studentaid.gov).
- 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

# Documents Needed to Complete the FAFSA



**Social Security Numbers**



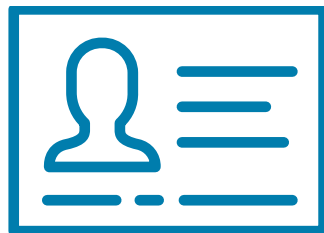
**Email Addresses**  
(Not high school email address)



**2022 Federal Tax Returns**



**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**

# 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.





# IRS Direct Data Exchange

- System integration allows users' federal tax information to be retrieved and transferred directly into the FAFSA form
- 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
- ✓ Checking
- ✓ Savings
- ✓ Stocks
- ✓ Bonds
- ✓ Certificates of deposit (CD)
- ✓ Bitcoin
- ✓ Mutual funds
- ✓ 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
  - qualified retirement accounts
  - life insurance policies
  - personal property
  - 529 for any other family members (excluding applicant)

# FAFSA – School Selection

- Students can list up to 20 colleges
- 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

Calif ×

California (CA)

School Name - optional

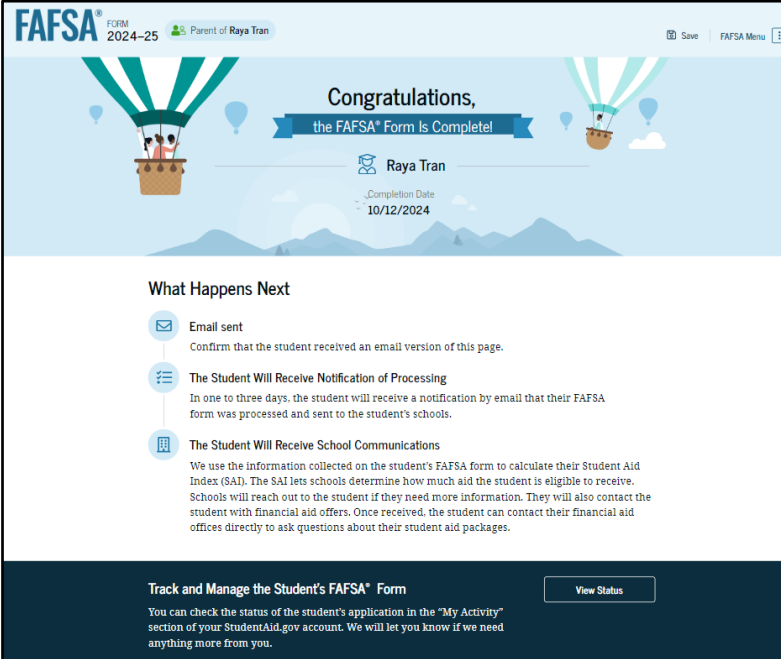
Search

Previous Continue

# FAFSA Confirmation

Once the student's FAFSA<sup>®</sup> form is submitted, the parent is presented an abbreviated confirmation page. It displays information on tracking the student's FAFSA form and next steps.

The student will receive an email with the full, detailed confirmation.



The screenshot shows the FAFSA confirmation page for the 2024-25 form. The page is titled "Congratulations, the FAFSA<sup>®</sup> Form Is Complete!" and is for the parent of Raya Tran. The completion date is listed as 10/12/2024. The page is divided into sections: "What Happens Next" and "Track and Manage the Student's FAFSA<sup>®</sup> Form".

**What Happens Next**

- Email sent**  
Confirm that the student received an email version of this page.
- The Student Will Receive Notification of Processing**  
In one to three days, the student will receive a notification by email that their FAFSA form was processed and sent to the student's schools.
- The Student Will Receive School Communications**  
We use the information collected on the student's FAFSA form to calculate their Student Aid Index (SAI). The SAI lets schools determine how much aid the student is eligible to receive. Schools will reach out to the student if they need more information. They will also contact the student with financial aid offers. Once received, the student can contact their financial aid offices directly to ask questions about their student aid packages.

**Track and Manage the Student's FAFSA<sup>®</sup> Form**

You can check the status of the student's application in the "My Activity" section of your StudentAid.gov account. We will let you know if we need anything more from you.

[View Status](#)



# 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:
  - In the new year:
    - PHEAA, as the administrator of the PA State Grant Program, will conduct outreach to the student via email to complete the state grant form.
    - This outreach will begin sometime in February



# Student Unusual Circumstances

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

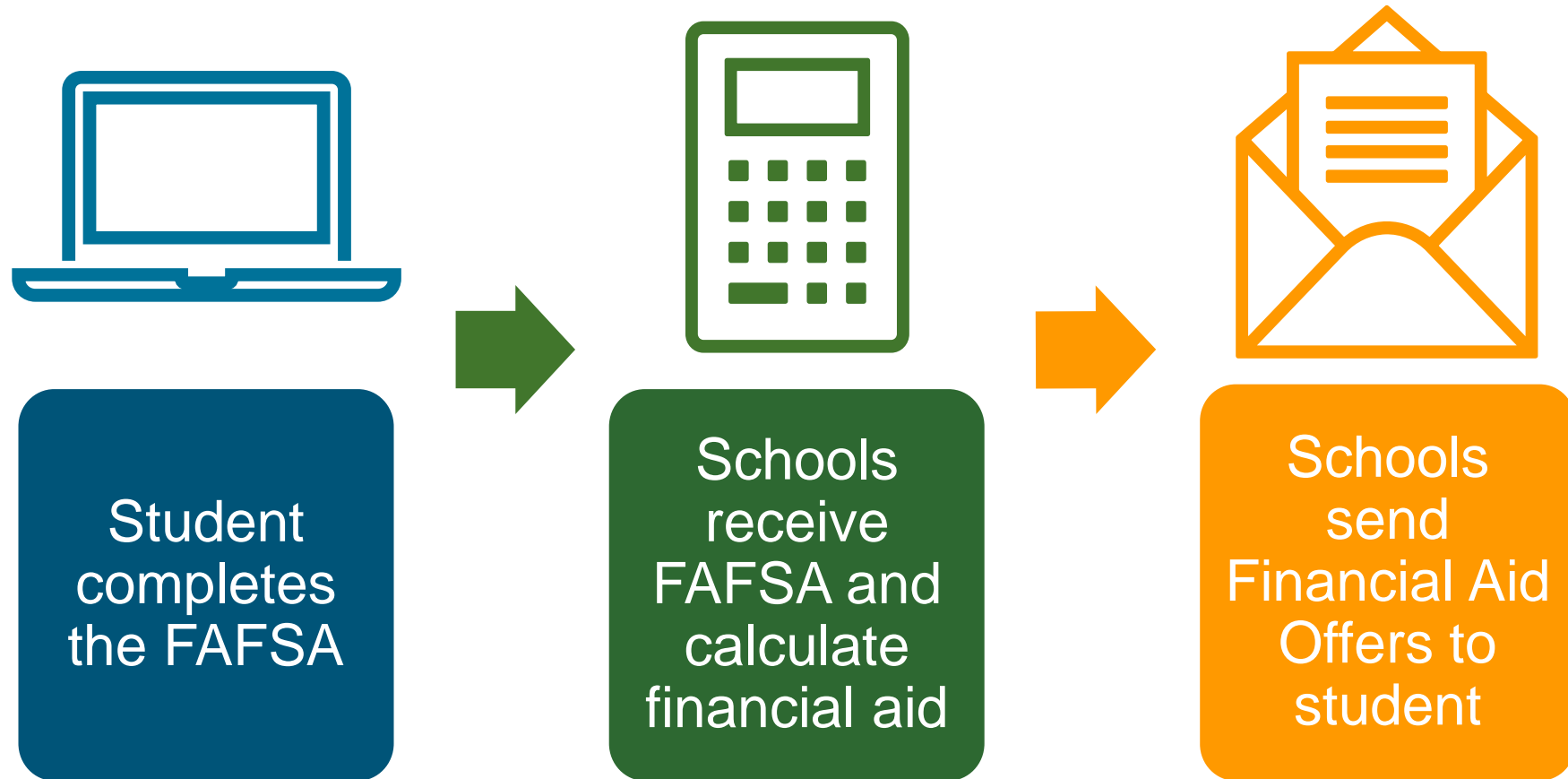
A student may be experiencing **unusual circumstances** if they:

- 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.

## 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 appealed to the U. S. Department of Education
  - ✓ Contact PHEAA for a PA State Grant re-consideration

# FAFSA is Filed... Now What?



# What School Costs Are Considered?

## Schools cost of attendance include:

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



# How is the Student Aid Index (SAI) Calculated?

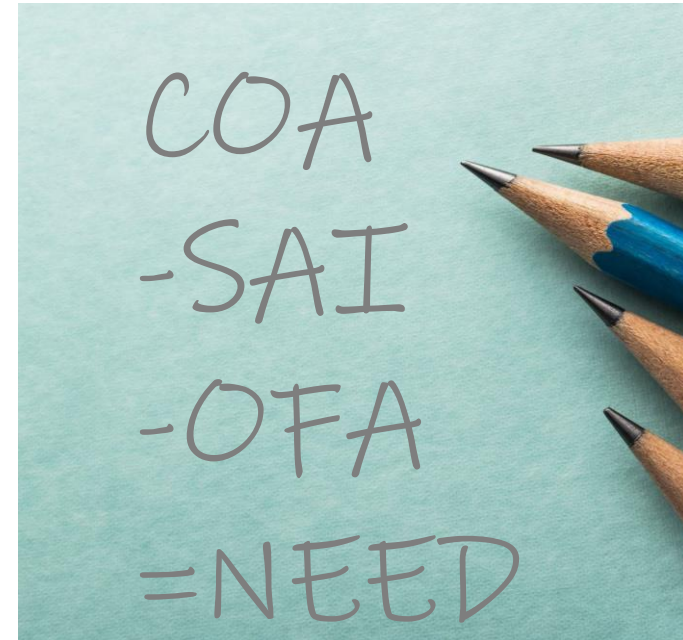
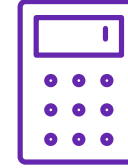
- Primarily income-driven
- Major factors for dependent student:
  - Parental & student - income and assets
  - Family size

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



# Calculating Financial Need

- Schools/colleges receive FAFSA information and calculate financial need
- Financial Aid Office (FAO) creates offers based on financial need and available funding (varies from school to school)
- Financial aid offer sent to student





# Financial Aid Offer

- 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

# 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

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



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

Effective as of 5/11/23

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

1) **Annual Percentage Rate (APR) Calculations** – The lowest APR is based on the following assumptions: a loan of \$10,000 made in a single disbursement, a borrower who selected an Immediate Repayment Plan and a repayment term of 60 months, monthly payments of \$183.49 a fixed periodic interest rate of 4.10%, and a total amount repaid of \$11,009.34. The borrower in this sample qualified for a 0.25% Direct Debit benefit for the entirety of the repayment period. The highest APR is based on the following assumptions: a loan of \$10,000 made in a single disbursement, a borrower who selected an Interest Only Repayment Plan and a repayment term of 180 months, monthly payments of \$64.17 for 46 months and \$93.84 for 180 months, a fixed periodic interest rate of 7.70%, and a total amount repaid of \$19,843.12. The borrower in this sample did not qualify for any interest rate discounts. These APRs are estimates and may differ from the actual rates received.

2) The provided rate range applies to Parent loans and may change based on loan type, loan term, repayment plan, and applicable discounts (not all discounts apply to all loan products). See individual loan programs for more specific information. PHEAA uses applicant credit scores to determine eligibility and interest rates. Higher credit scores may mean an applicant is offered a lower interest rate. Applicants are subject to credit qualifications, completion of an application and credit agreement, and verification of application information. PHEAA reserves the right to discontinue all programs or benefits without prior notice.

# Financial Aid 101



## Scholarships



# Types of Scholarships



Postsecondary Scholarships



Local and Regional Scholarships



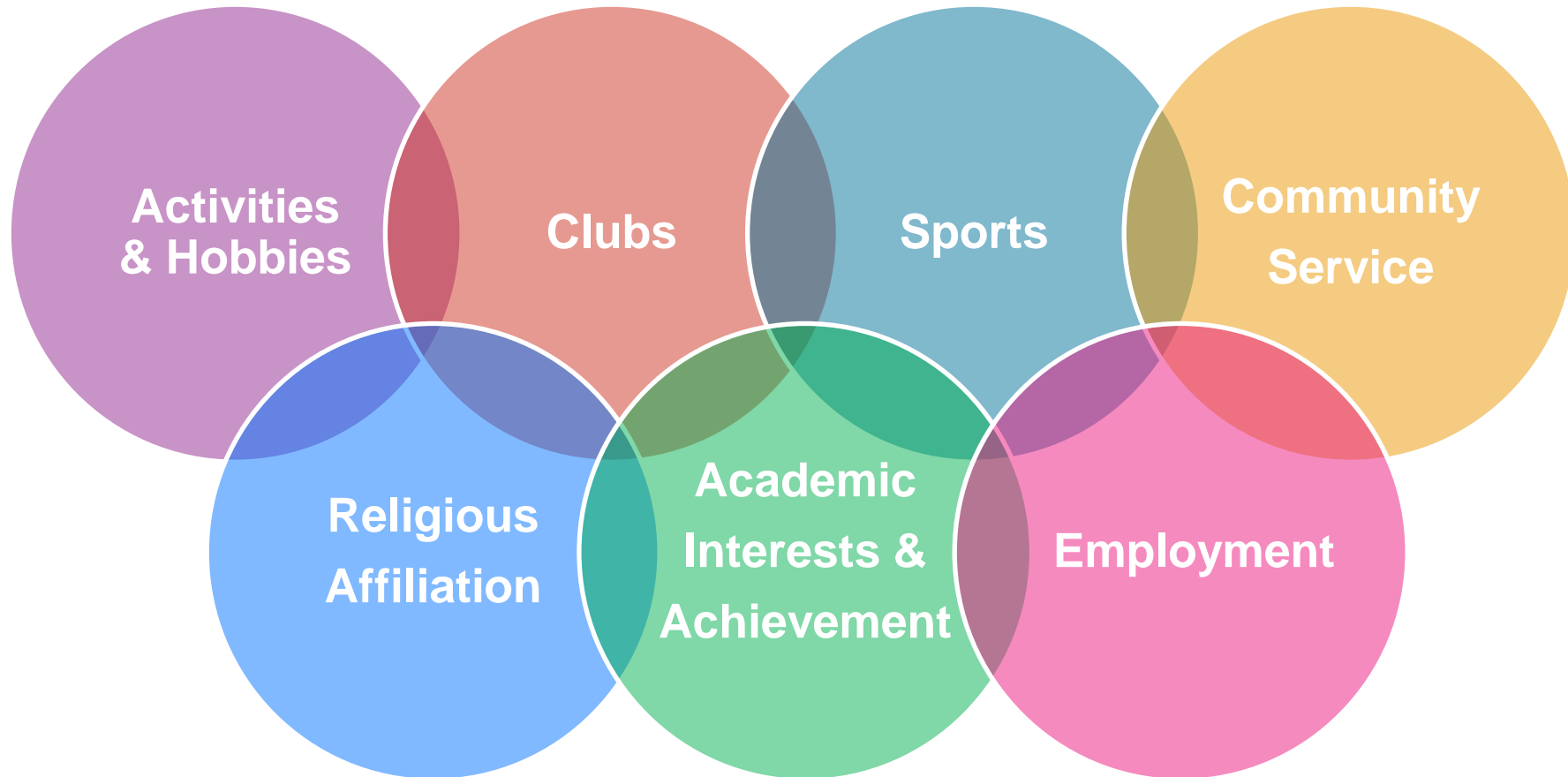
National Scholarships

# 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....**

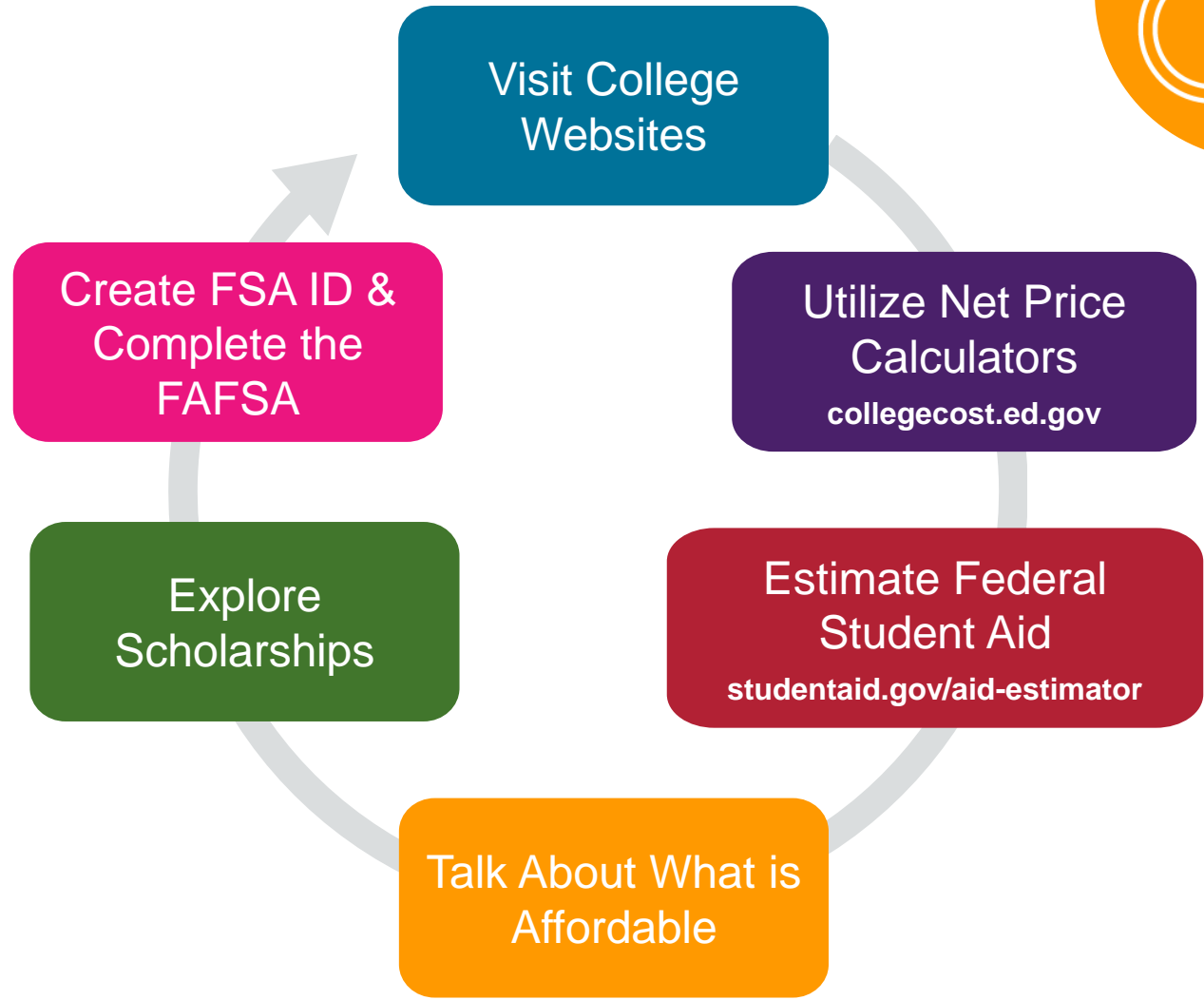


# Use Your Resources



- [PHEAA.org](https://www.pheaa.org)
- [EducationPlanner.org](https://www.educationplanner.org)
- [MySmartBorrowing.org](https://www.mysmartborrowing.org)
- [YouCanDealWithIt.com](https://www.youcandealwithit.com)
- PHEAA toll free: 800-692-7392
- Federal Student Aid Info Center: 800-433-3243
- [StudentAid.gov](https://studentaid.gov) – The one-stop shop site for all financial aid information.
- [StudentAid.gov/FAFSA](https://studentaid.gov/FAFSA) – Direct link to the FAFSA

# What Can You Do Now?



# Social Media Outreach



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



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



**PHEAA**



**Nancy Harvey**

Higher Education Access Partner

PA Higher Education Assistance Agency (PHEAA)

[Nancy.harvey@pheaa.org](mailto:Nancy.harvey@pheaa.org)

