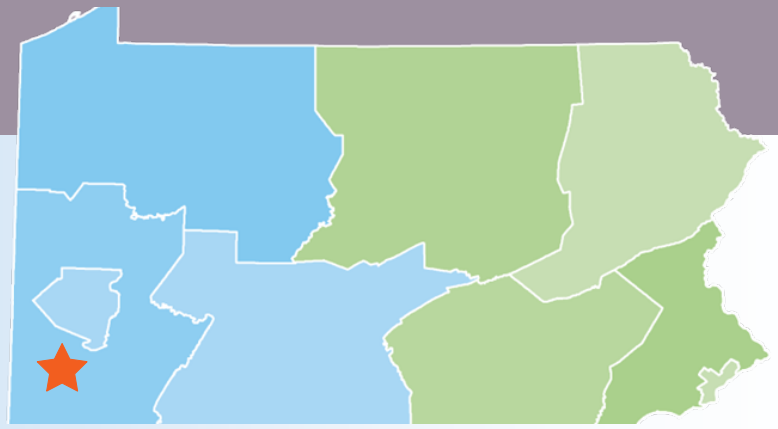
PHEAA
Pennsylvania Higher Education Assistance Agency

Your Presenter



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Today's Agenda

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

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What Is Financial Aid?

- Financial aid consists of funds provided to students and families to help pay for postsecondary educational expenses.
- Gift Aid - Grants/Scholarships (free money)
- Self-Help – Work-study and Loans

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Ways to Award Aid

- Merit
  - Student Achievement
  - SAT
  - GPA
- Need
  - FAFSA
  - EFC

Expected Family Contribution (EFC)

- The EFC is a number derived from a federal formula which considers a family's income, assets and other factors.
- In theory, the EFC is the amount a family can reasonably be expected to pay toward college expenses each year.
- If you have more than one child enrolled in college at the same time, the parents EFC is divided by the number of students enrolled.

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Ways to Reduce the Need for Financial Aid

- Graduate on Time
  - » 4 year for bachelor's degree / 2 year for associate's degree
- Research and find the right school and major
  - » Minimize transfer and change of major
- Earn college credits while in high school through AP courses,
  vo-tech and dual enrollment
- Consider options for cutting costs (commute, take summer classes, buy used books, make smart meal plan choices)
- 2 + 2 Strategy (2 years at a community college then transfer credits to a 4-year school)

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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)
- **Does not include scholarships**

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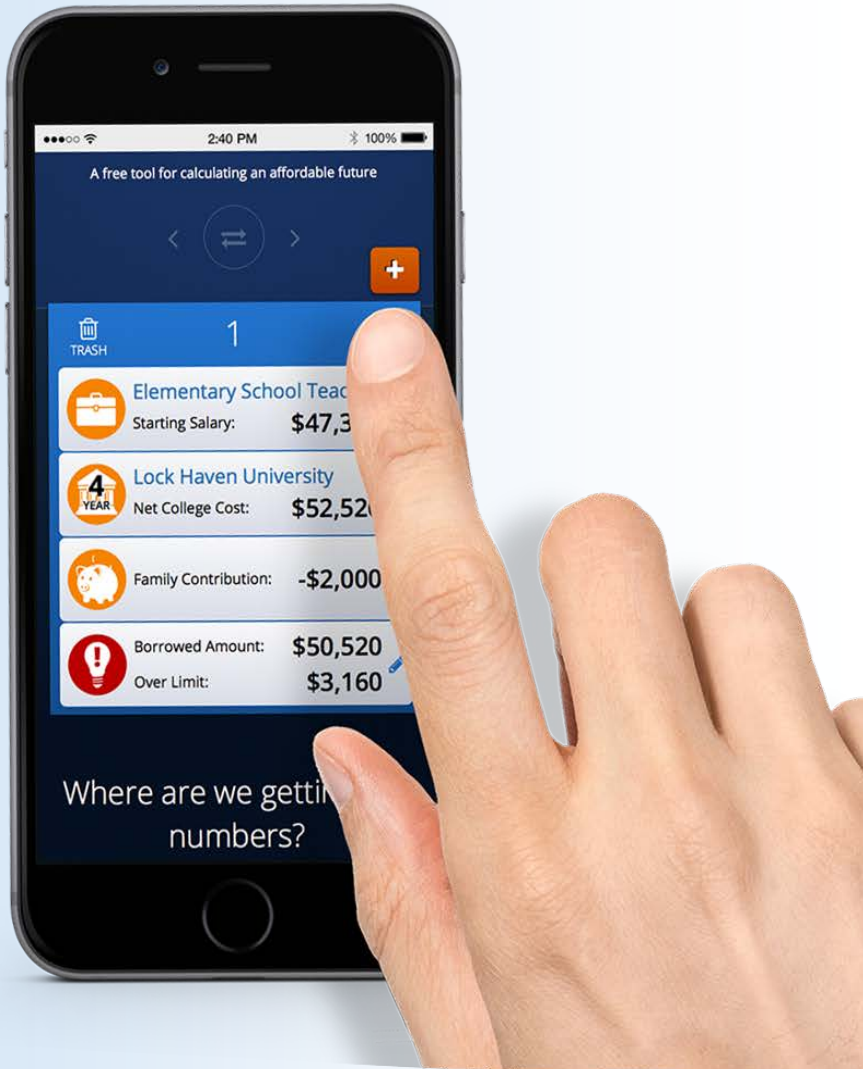
MySmartBorrowing.org

- An interactive, online tool created by PHEAA that helps students and families:
  - » Select a career and view your potential salary
  - » Select and compare up to 4 schools
  - » Factor in savings
  - » Get the results and see if you are borrowing too much.



Funding Sources

- Federal Government
- State Government
- School/Colleges
- Private Scholarship Sources

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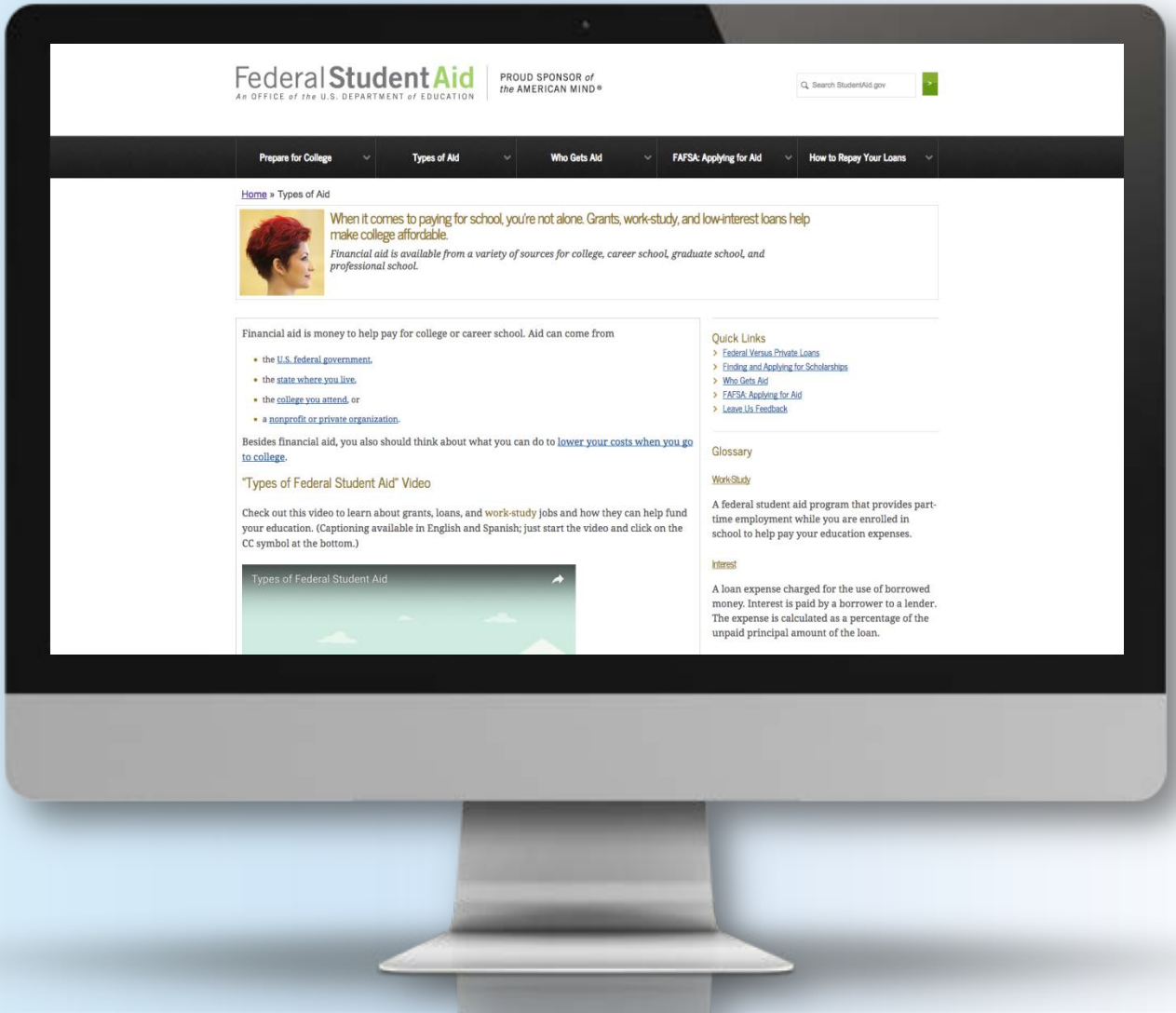
Visit StudentAid.ed.gov to see all federal aid sources.



Federal Programs

- Pell Grant (2017-18 max award $5,920 – minimum award $595)*
- Campus-based aid – amounts determined by FAO
  - » FSEOG……up to $4,000
  - » Federal Work-Study…FAO determines
- For most programs, student must be enrolled at least half-time.

Maximum EFC 5328

* Goes to most financially needy students

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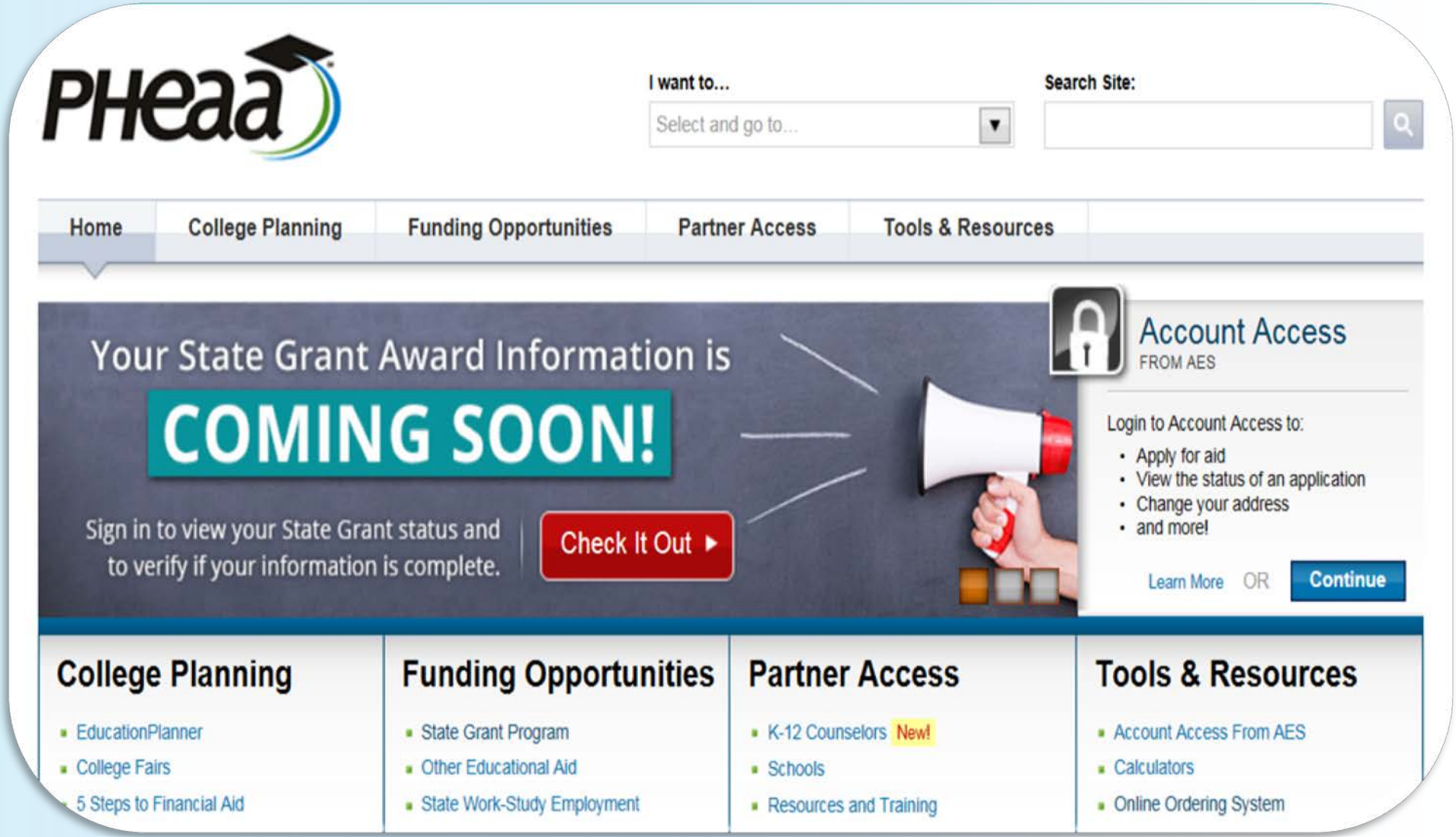
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I want to...
Select and go to...
Search Site:
Home
College Planning
Funding Opportunities
Partner Access
Tools & Resources
Your State Grant Award Information is
COMING SOON!
Sign in to view your State Grant status and to verify if your information is complete.
Check It Out
Account Access
FROM AES
Login to Account Access to:
Apply for aid
View the status of an application
Change your address
and more!
Learn More
OR
Continue
College Planning
EducationPlanner
College Fairs
5 Steps to Financial Aid
Funding Opportunities
State Grant Program
Other Educational Aid
State Work-Study Employment
Partner Access
K-12 Counselors New!
Schools
Resources and Training
Tools & Resources
Account Access From AES
Calculators
Online Ordering System

Pennsylvania State Grant*

- In-state (PA) - Full-time up to
  - » $4,318
  - » $3,950
  - » $3,675
  - » $2,297
- In-state (PA) – Part-time 1/2 of the FT award
- Out-of-state - Up to $600 in DC, DE, MA, OH, VT, WV
- Amount determined in part by the cost of the school

* Must be at least half-time to be eligible

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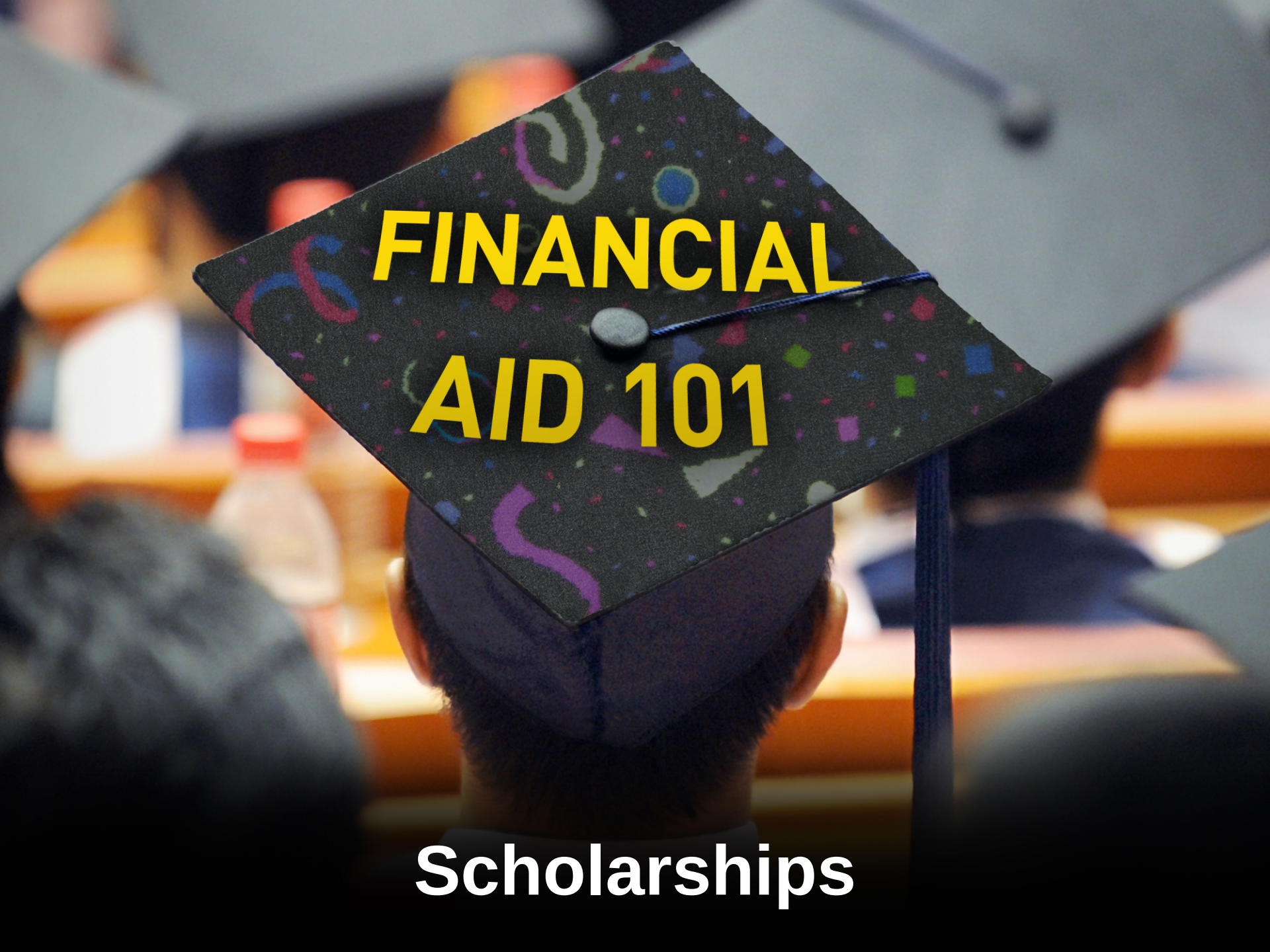
Other State Programs

- 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**.



Scholarships

School Scholarships

- Most postsecondary schools have internal scholarships
  - » Criteria varies by school
  - » Check their websites (financial aid, admissions)
  - » Note DEADLINES
- High school community scholarships
  - » Check with your guidance counselor
  - » Many local scholarships – clubs, employers, etc
- Don’t forget about national scholarships
  - » Companies, organizations, etc.

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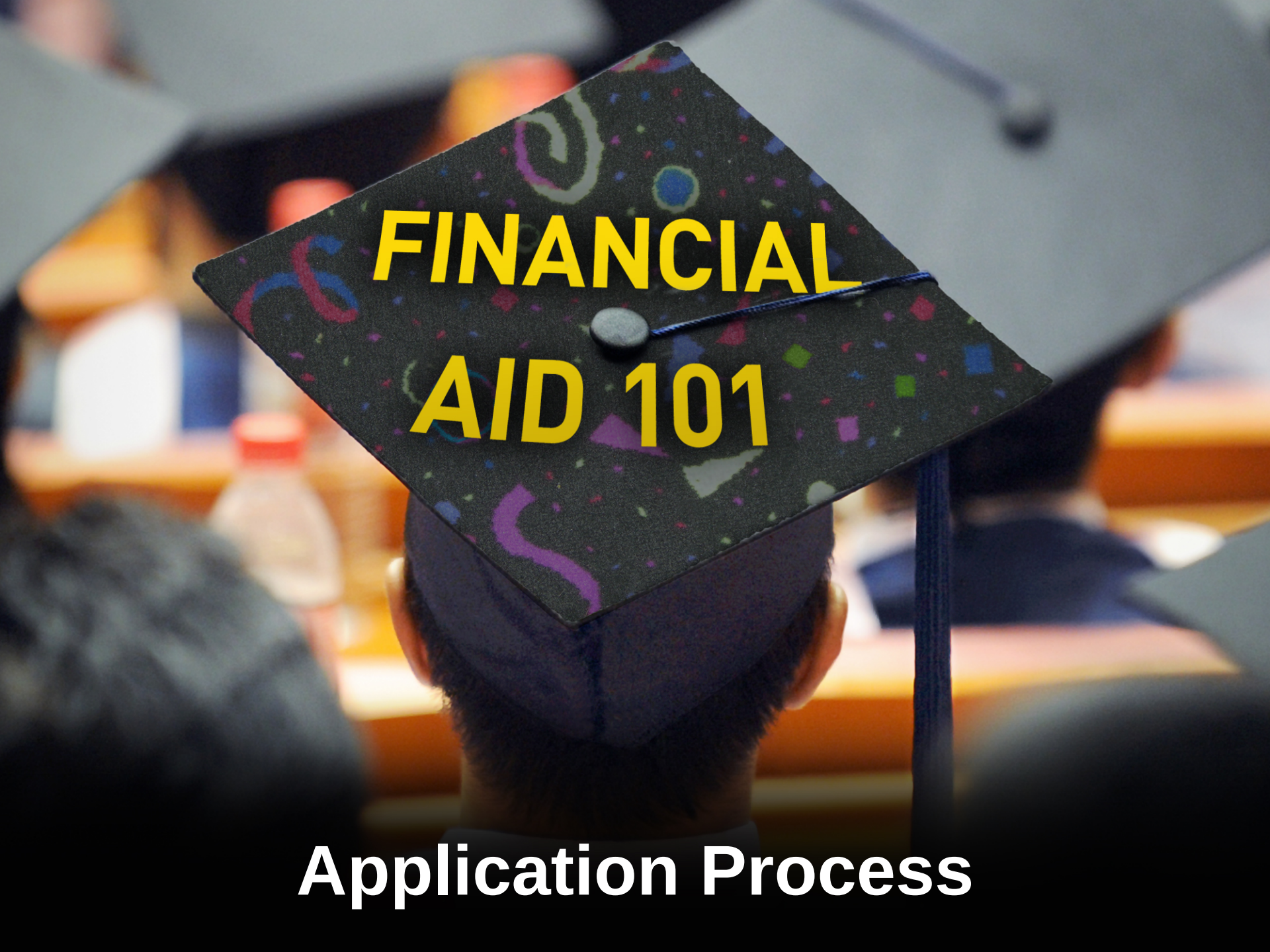
Recognize Scholarship Scams

- You must pay a fee to apply for the schola
- The offer "guarantees" money.
- The offer is filled with typos and spelling errors.
- The offer includes no contact information, such as address, phone, email.
- You never applied for the scholarship, but you received a notice that you received one.
- You must provide a credit card number or your bank or savings account information to apply for the scholarship.

Displacement vs. Stacking

Ask your counselor:

If I receive an outside scholarship, will you reduce the scholarship money you gave me by that amount or will you stack my new scholarship on top of what you gave me?



Application Process

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 (EFC)
    - Eligibility for need based financial aid programs
- Must file a FAFSA each year a student attends school to be eligible

THE FSA ID & PASSWORD

- Student and one parent will sign the FAFSA electronically - each needs a SEPARATE email address and ID/password
- **A FAFSA IS NOT COMPLETE UNTIL SIGNED!**

Using the FSA ID

- Apply for a FSA ID at fsaid.ed.gov
- Student and parent sign electronically with a FSA ID
- 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
- Complete required entrance and exit counseling
- Can retrieve your username and/or password, if you forget
- Review loan history at NSLDS.ed.gov

FAFSA

For 2018-19

- FAFSA.gov
- FAFSA is available 10/1/17
- Income data from tax year 2016

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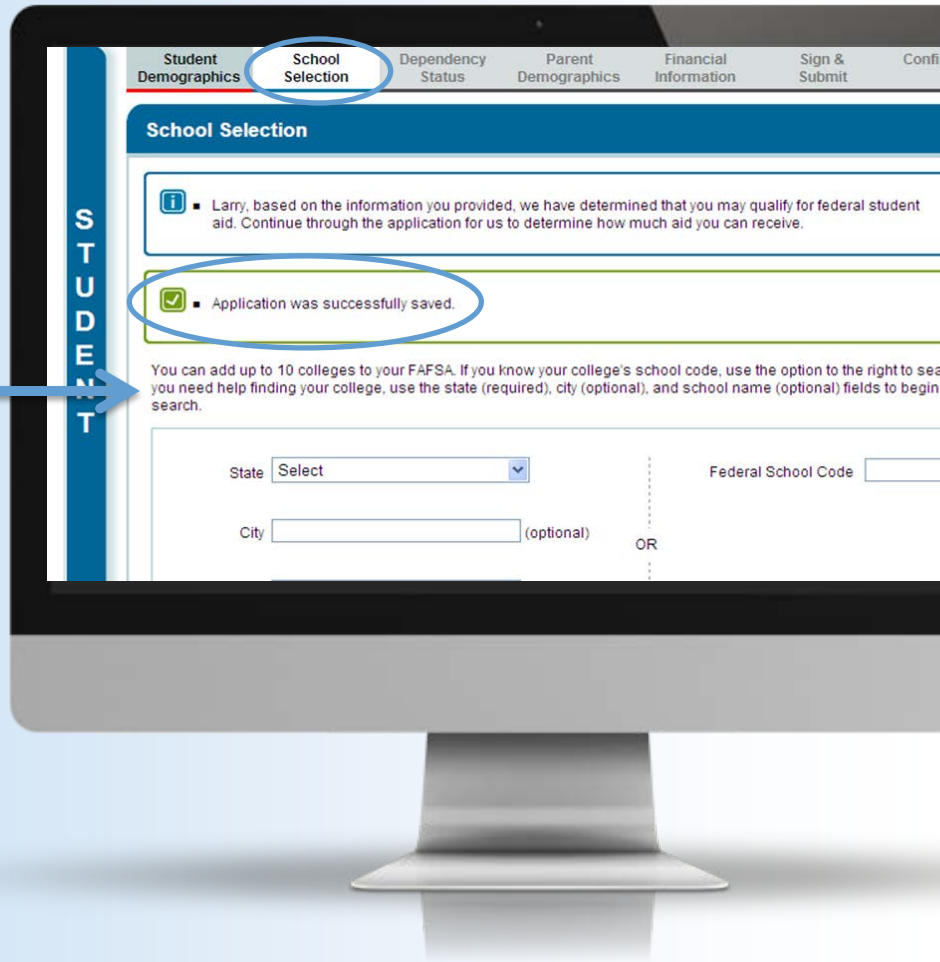
Special Circumstances

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

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

FOTW - School Selection

- Look at more than one!
- Schools will only be allowed to see your financial information when you list them on the FAFSA
- **You can add up to 10 colleges**
- NOTE: Once your final decision is made, update your PA Grant information with the school you WILL attend.



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

Deadlines

- Know all of your state and school/college deadlines and file the FAFSA by the earliest deadline.
  - PA State Grant deadlines –
    - **May 1, 2018** - 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, 2018** - 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**

Who Is Independent?

- 24 or older on Jan 1st of award year (born before January 1, 1994)
- 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)

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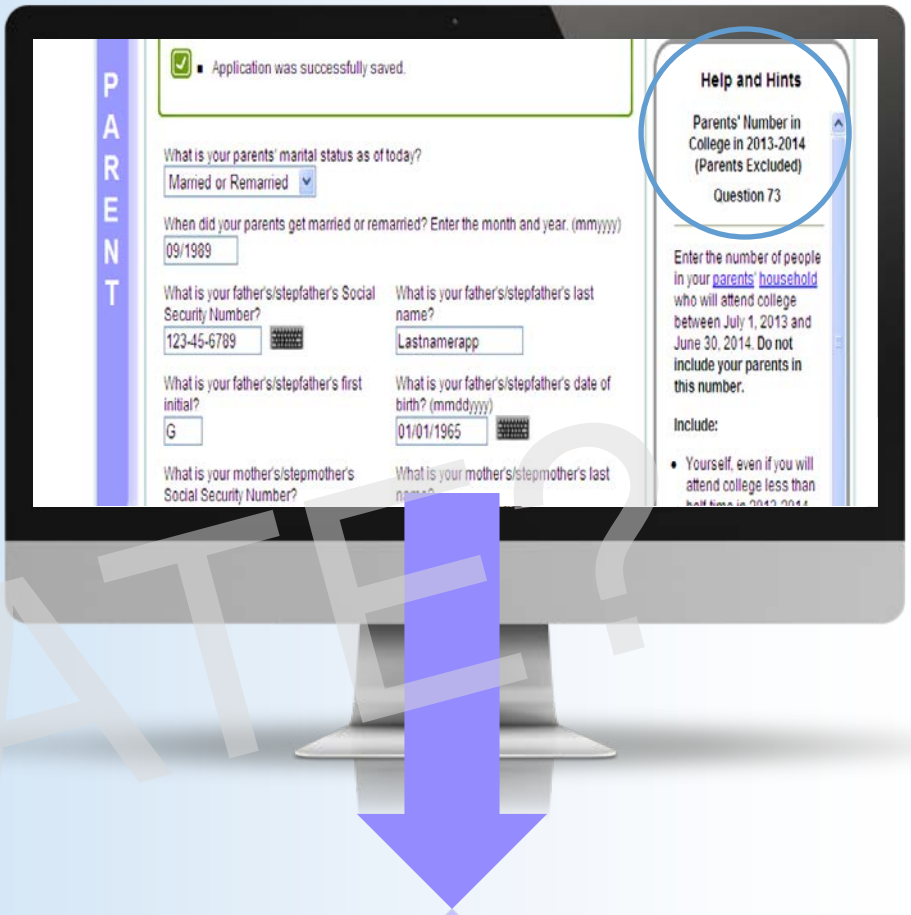
Whose Info Goes on the FAFSA?

- 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



STUDENT SECTION:
Dark Blue

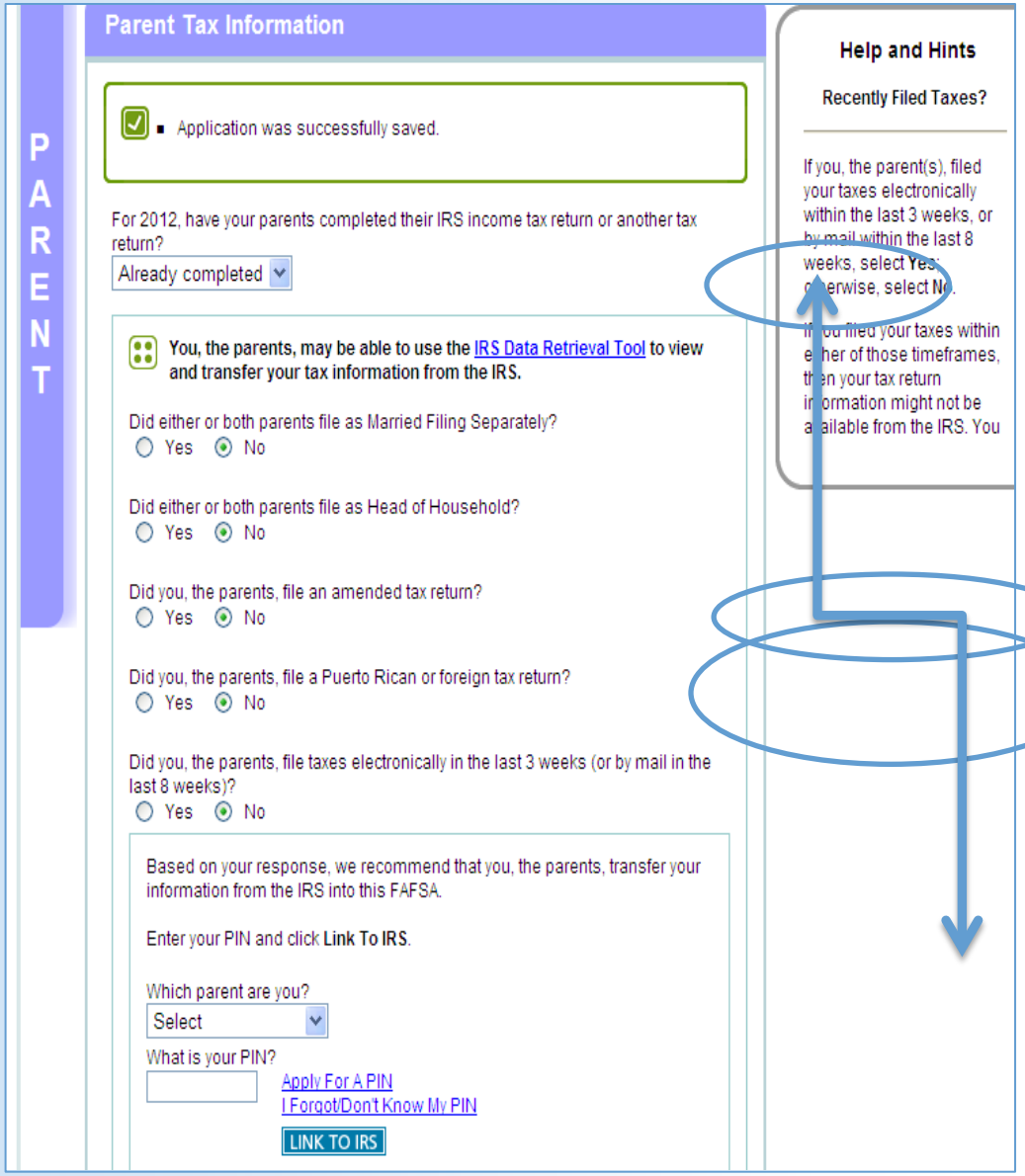
PARENT SECTION:
Purple

UPDATE?

IRS Data Retrieval Tool

After taxes are filed:

- Automatically pulls in IRS Tax info and places data into the FAFSA
- ALSO in Student Section, if student is filing taxes



Parental Income and Assets

- Allowances are made for taxes, working households and living allowances based on family size
- An **asset protection allowance** is applied based on the age of the older parent.
- There are no provisions for personal debt

Parental Income Tips

Have tax returns and W2 forms available
Read the instructions – Help and Hints
Provide estimated figures, if circumstances warrant
Review untaxed income, such as tax deferred savings and child support
Enter amounts in whole dollars only

Parental Asset Tips

Assets are reported as of the date the application is filed
529 plans are reported as Parental Investments
Do not report the value of retirement funds, life insurance policy or the home where you live
Do not report the value of a family business, if it employs less than 100 full time employees
Do not report the value of a family farm, if the family lives on it
Asset Value = Current Market Value – Current Debt (Net Amounts)

Student Income and Assets

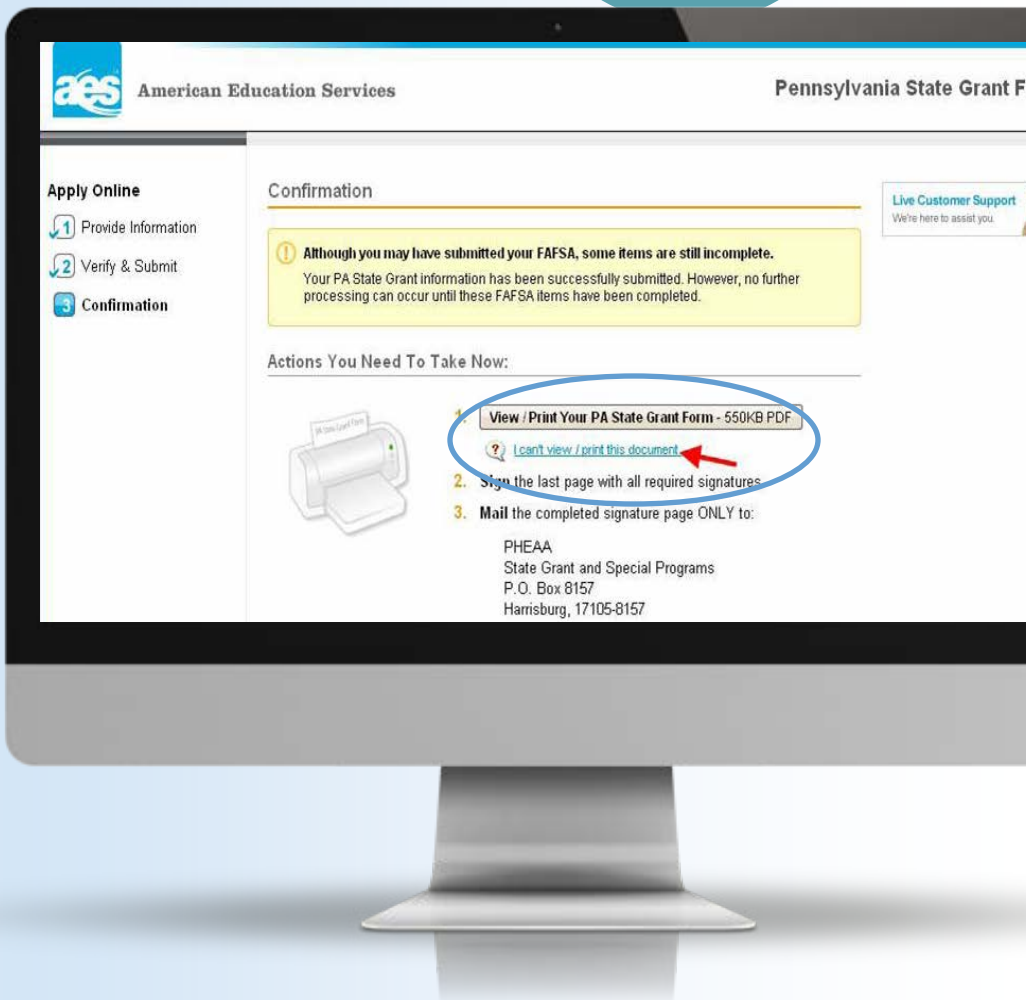
- Allowances are made for taxes
- Income protection allowance of $6,570
- Remaining amounts assessed at 50%
- Dependent students must report assets in their name
  - Student assets are assessed at 20%.
  - No Asset Protection Allowance

FAFSA Confirmation Page

- Apply for your State Grant from the FAFSA Confirmation page
- Start your state application
- TRANSFERS FOTW data to the State Grant Application

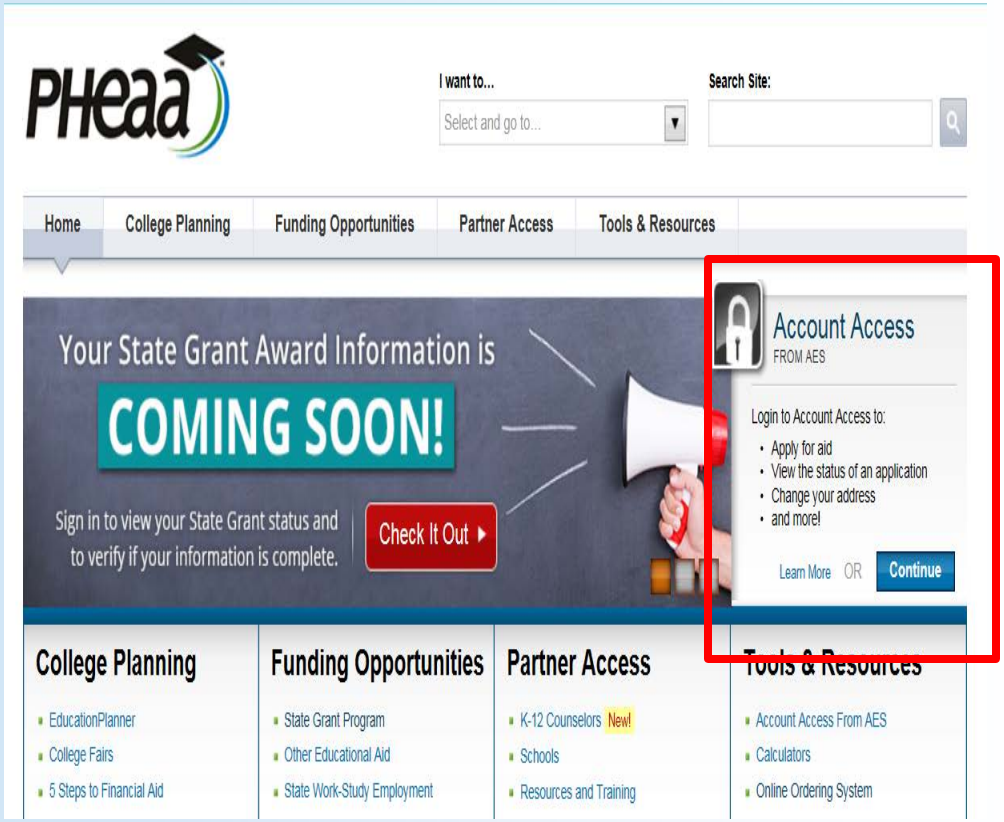
State Grant Form

You MUST print, sign & mail in the grant confirmation page



State Grant Form

- **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



Financial Aid Award Letter

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

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Sample FA Package	School A	School B	School C
Cost of Attendance	$16,000	$25,000	$35,000
- Federal EFC	$ 2,000	$ 2,000	$ 2,000
= Financial Need	$14,000	$23,000	$33,000
Federal Pell Grant	$ 3,970	$ 3,970	$ 3,970
PA State Grant	$ 3,726	$ 4,005	$ 4,378
Federal SEOG	$ 0	$ 500	$ 1,500
Institutional Grant	$ 0	$ 2,500	$ 8,000
Private Scholarship	$ 500	$ 500	$ 500
Federal Work-Study	$ 1,300	$ 3,000	$ 3,000
Direct Sub Loan	$ 3,500	$ 3,500	$ 3,500
Direct Unsub Loan	$ 2,000	$ 2,000	$ 2,000
Total Aid	$14,996	$19,975	$ 26,848
GAP (Cost – Aid)	$ 1,004 ($7,804)	$ 5,025 ($13,525)	$ 8,152 ($16,652)

Sample FA Package	School A	School B	School C
Cost of Attendance	$16,000	$25,000	$35,000
- Federal EFC	$ 2,000	$ 2,000	$ 2,000
= Financial Need	$14,000	$23,000	$33,000
Institutional Grant	$ 0	$ 2,500	$ 8,000
Private Scholarship	$ 500	$ 500	$ 500
Federal Work-Study	$ 1,300	$ 3,000	$ 3,000
Direct Sub Loan	$ 3,500	$ 3,500	$ 3,500
Direct Unsub Loan	$ 2,000	$ 2,000	$ 2,000
Total Aid	$7,300	$11,500	$ 17,000
GAP (Cost – Aid)	$ 8,700 ($15,500)	$ 13,500 ($22,000)	$ 18,000 ($26,500)

How to Cover Unmet Financial Need (GAP)

- Savings – Family
- 529 Plans – Family
- Scholarships – Various Sources
- Tuition Payment Plans – School
- Federal Student Loans – Department of Education
- Institutional Loans – School
- Private Education Loans – Bank
- Home Equity Loans – Bank

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Federal Student Loans

- No credit check
- Annual and aggregate borrowing limits
- Fixed interest rate
- Rate for new loans is reset every July 1st
- Rate is based on 10-year Treasury note (+2.05%) – 4.45%
- 6-month grace period
- 10-year standard repayment
- Flexible repayment options

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Year in College	Base Limit Subsidized or Unsubsidized Loan	Extra Unsubsidized Federal Stafford Loan	Total Guaranteed and Awarded Amount for Academic Year	Additional Unsubsidized Loan	Total Potential Academic Year Limit
1st Year	$3,500	$2,000	**$5,500**	$4,000[1]	$9,500
2nd Year	$4,500	$2,000	**$6,500**	$4,000[1]	$10,500
3rd Year	$5,500	$2,000	**$7,500**	$5,000[1]	$12,500
4th Year	$5,500	$2,000	**$7,500**	$5,000[1]	$12,500
Certification	$5,500	$0	**$5,500**	$7,000[2]	$12,500
Graduate	$8,500	$0	**$8,500**	$12,000[2]	$20,500

[1] Must be an independent student OR a dependent student whose parents were denied the PLUS Loan.
[2] Students may need to contact the financial aid office to request the additional amount.
NOTE: “Year in College” is determined based on how many credits you have completed, not on the number of years you have attended school.

Interest Rates/Fees: PLUS & GradPLUS

- Parent & GradPLUS
  - » 7.00% for 2017-18
  - » 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

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Private/Alternative Loans

- Non-federal loans, made by a lender such as a bank, credit union
- Student borrows in his or her own name
- Based on credit scoring and debt-to-income ratio
- Repayment may be deferred until education completed
- Fees, interest rates, loan amounts, and repayment provisions vary by lender
- Co-signers usually required; some loan products have a co-signer release option
- Compare loans before making choice and read the fine print!

Be a Smart Borrower

- Educate yourself on the many loan options available before borrowing

  - ✓ No one loan option is perfect for every family.
  - ✓ Conduct your own research on the various loan options.
  - ✓ Decide on the best choice for your situation.

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What Can You Do Now?

- Research career choices
- Visit colleges and their websites
  - » Many paths to the same degree
  - » Select an affordable school
- Use net price calculators
- Apply for Scholarships
- Use Mysmartborrowing tool
  - » Keep a healthy attitude about borrowing
  - » Don’t borrow more than you need
- Student and parent apply for a FSA ID at: StudentAid.ed.gov/fsaid

Use Your Resources

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

Contact Information

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QUESTIONS?