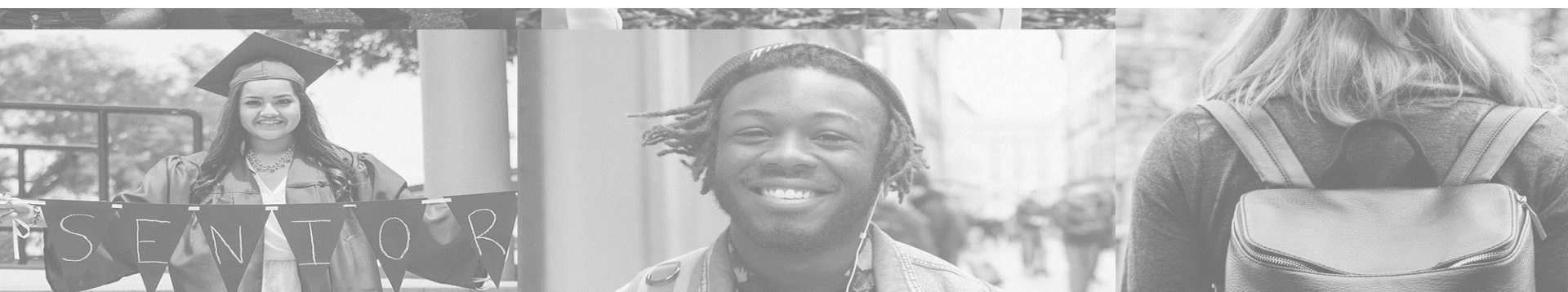




# FINANCIAL AID 101

Prepare for Your Future





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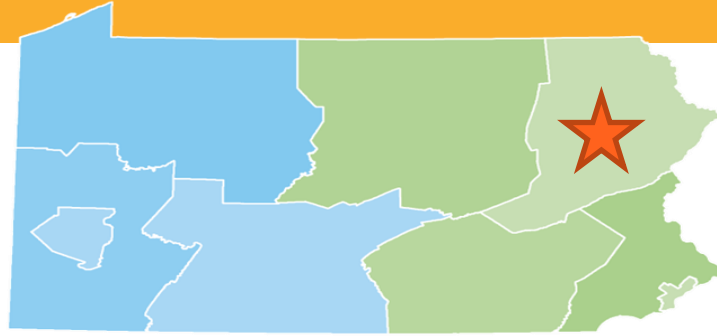


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# Your presenter



## Linda Pacewicz

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 Northeast Region

**PA Higher Education Assistance Agency  
 (PHEAA)**

**570-592-1209**

**[lpacwic@pheaa.org](mailto:lpacwic@pheaa.org)**

# AGENDA

What is Financial Aid?

How do I apply?

The Aid sources available.

What happens next?

Making smart decisions!

# Financial Aid Basics

Financial Aid is funding provided to students and families to help pay for **POSTSECONDARY EDUCATION** expenses

## Principles:

- Paying is a joint responsibility of student and parent(s)
- A Federal Formula determines family “NEED”
- FORMS must be filed to receive ANY Aid
- Be a consumer – open minded, diverse search
- Buy and EDUCATION, NOT A SCHOOL



# Types of Financial Aid



## **GIFT AID**: Scholarships and Grants (not repaid)

Based on: **Financial Need** (income, assets, family)

**Merit** (ability, actions, criteria)

- Sources: Federal/State Government, Schools/Colleges, Organizations, Businesses, Community, Employers, FREE Internet Search

## **SELF HELP AID**: Loans, Work Programs, Savings

Loans are borrowed money and must be repaid

- Sources: Federal Government, Banks, Schools/Colleges

Work Study – earned money by students

Also.... Tuition Reimbursement and Military

# 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 after FAFSA is completed

### 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.GOV - New look and format for AY 19/20

The primary form used to determine Eligibility for Federal Financial Aid

Complete every year enrolled

New web format for online, tablet and phone use and a new “My Student Aid” App

Skip Logic built in to skip questions that don't apply

Fafsa4caster – practice site

The image shows a composite of the FAFSA.gov website and the myStudentAid app. The website header includes the Federal Student Aid logo, the text 'AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION', the URL 'FAFSA.gov', and language options for 'English' and 'Español'. A search bar for 'Search FAFSA Help' is also present. The main heading is 'Need money for college?' followed by the instruction: 'Complete the FAFSA® (Free Application for Federal Student Aid) form to apply for financial aid for college, career school, or graduate school.' Below this are two columns: 'NEW TO FAFSA.GOV?' with a subtext 'Submitting the FAFSA form is quick, and most importantly, it's FREE. Get started today.' and a 'START HERE >' button; and 'RETURNING USER?' with a list of actions: 'Make a correction', 'Add a school', and 'View your Student Aid Report (SAR)', along with a 'LOG IN >' button. An orange arrow points from the 'START HERE >' button to a banner at the bottom that says 'Estimate your federal aid using FAFSA4caster →'. To the right, a smartphone displays the myStudentAid app interface, which includes a welcome message, the same 'Need money for college?' heading, a 'START HERE' button, and a 'Before You Start' section with instructions on how to use the app and retrieve data.

# DEADLINES

*live it, learn it, love it*

**Federal Deadlines** - Apply anytime after October 1 in the year prior to when you will attend school  
(AY 2019-20: 10/1/18 to 6/30/20)

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

## **PA State Grant Deadlines for FAFSA**

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

**August 1** – 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 an FSA ID (your electronic signature)

## FSAID.ed.Gov

or scroll down at FAFSA.gov & options within the FAFSA

Create an FSA ID    Manage My FSA ID

---

Please enter your:

E-mail

Confirm E-mail

Username

Password

Numbers    Uppercase Letters    Lowercase Letters    Special Characters    8-30 Characters    Show Text

Confirm Password

**CONTINUE >**

### HOW TO CREATE A FSA ID

**⚠ Before you start**  
Make sure you have access to your personal email account.

**STEP 1** Visit [fsaid.ed.gov](https://fsaid.ed.gov).

**STEP 2** Enter your email, create a username and a password.

**STEP 3** Enter your name, date of birth and Social Security Number.

**STEP 4** Confirm your profile information and enter your optional mailing address. You may also register to receive text messages to your mobile phone to perform account recovery functions (unlock account, reset password and retrieve username).

**STEP 5** Provide four required challenge questions and answers. You may also select to create an optional 8-digit code to access your loan balances over the phone.

**STEP 6** Verify and confirm your personal information as well as acknowledge the FSA ID terms and conditions.

**STEP 7** Verify your email address. Enter the secure code that was sent to the email address submitted in Step 2. This will allow you to use your email address as your username.

**I created my FSA ID, now what?**  
You can now use your FSA ID to sign an original FAFSA. Once the Social Security Administration verifies your information in 1-3 days, you will be able to start a renewal FAFSA, make changes to an existing FAFSA and log in to U.S. Department of Education websites.

**⚠ Don't give your FSA ID to anyone**—not even to someone helping you fill out the FAFSA. Never share your FSA ID!

**STILL HAVE QUESTIONS?**  
Visit [StudentAid.gov/fsaid](https://StudentAid.gov/fsaid).

**PHEAA**  
Pennsylvania Higher Education Assistance Agency

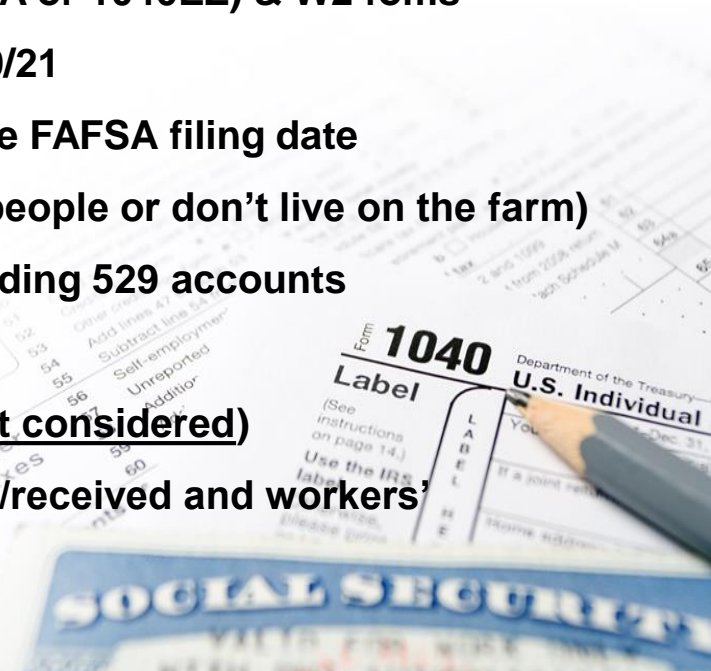
These materials have been developed and paid for by the Pennsylvania Higher Education Assistance Agency (PHEAA) for informational purposes. Although the information contained in this document is believed to be accurate at the time of printing, PHEAA does not guarantee its accuracy. You should independently verify that this information is correct.  
RG-FAID 05/2017



**Student and ONE Parent need separate ID's**  
**- Separate emails addresses required**

# Documents You May Need

- Social Security Number or alien registration number if not US Citizen
- Driver's license (student only and optional)
- Prior, Prior year's Federal income tax returns (1040, 1040A or 1040EZ) & W2 forms
  - 2017 taxes for AY 2019/2020 , 2018 taxes for AY 2020/21
- Current bank statements (checking and savings) as of the FAFSA filing date
- Current business and farm records (if employ over 100 people or don't live on the farm)
- Records of any stocks, bonds & other investments, including 529 accounts
  - NET AMOUNTS
- Untaxed Income (untaxed Social Security benefits are not considered)
  - Veterans non-education benefits, child support paid/received and workers' compensation.



# 7 Sections / fill in the blanks

The screenshot displays the FAFSA application interface. At the top, a dark navigation bar contains buttons for 'Exit', 'Clear All Data', 'View FAFSA Summary', 'Save', and 'Help'. Below this is a blue header for the 'Student Address and E-mail' section. A horizontal row of navigation tabs is highlighted with a red oval and pointed to by a red arrow. The tabs are: 'Student Demographics' (with a pencil icon), 'School Selection', 'Dependency Status', 'Parent Demographics', 'Financial Information', 'Sign & Submit', and 'Confirmation'. Below the tabs is a 'STUDENT INFORMATION' section with a text input field for 'Your permanent mailing address (include apt. number)'. At the bottom right, a date field shows '11/02/1982' and two buttons, 'PREVIOUS' and 'NEXT', are circled in red.

Use the Previous and Next buttons within the Application

Exit Clear All Data View FAFSA Summary Save Help

### Search for Colleges

Student Demographic **School Selection** Dependency Status Parent Demographics Financial Information Sign & Submit Confirmation

**STUDENT INFORMATION**

John, based on the information you provided, we have determined that you may qualify for federal student aid. Continue through the application for us to determine how much aid you can receive.

Here's where you'll search for the colleges to which you'd like to send your FAFSA information. You can add up to 10 colleges at a time to your FAFSA. If you're applying to more than 10 colleges, [follow these instructions](#).

Make sure you add ALL colleges you're interested in, even if you haven't applied or been accepted yet.

Complete the fields below to search for a college to add to your FAFSA.

Do you know the college's [Federal School Code](#)?  
 Yes  No

State  
Pennsylvania

City (optional)

School Name (optional)  
Pennsylvania State University

SEARCH TIPS PREVIOUS SEARCH

# SCHOOL SELECTION

## Look at more than one!

Select up to 10 colleges you are interested in attending

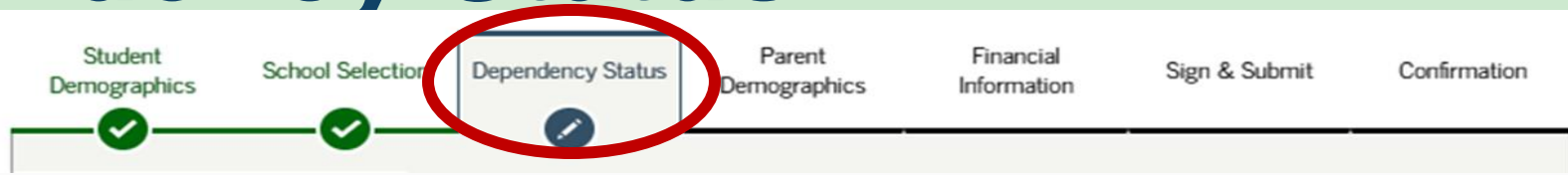
- You don't have to be currently accepted
- List the one you're most likely to attend first

Schools cannot see your Financial Info unless you list them on FAFSA

Schools cannot see the order or your other selections

Search by name or by school code

# Dependency Status



## Independent students are:

- 24 or older on January 1 of award year
- Veteran (includes active duty personnel)
- Married
- Working on graduate degree
- Emancipated minor or in a legal guardianship
- Orphan, in Foster Care or Ward of the Court at any time when the student was age 13 or older
- Have legal dependents other than spouse
- Student deemed homeless by proper authority

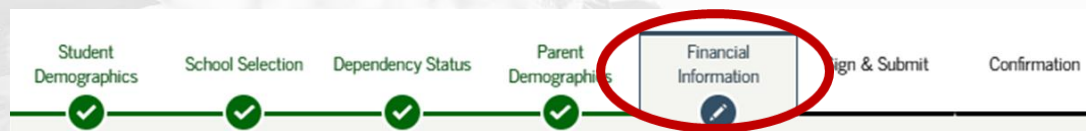


# Whose information goes on the FAFSA?

- ✓ **Independent student** – only their info
- ✓ **Dependent Student and Parent(s)**
  - ✓ **Divorced or Separated Parents -> Custodial Parent:** the parent that you lived with most during the last 12 months, if equal: the parent that provided the most financial support
  - ✓ **Divorced/Separated parents who live in the same household**
  - ✓ **Same Sex Parents**
  - ✓ **Stepparents**
  - ✓ **Adoptive parents**
- ✓ **NOT a parent for FAFSA:**
  - ✓ Foster parents
  - ✓ Legal guardians
  - ✓ Anyone else the student is living with



# IRS Data Retrieval Tool



### Parent Tax Filing Status

Student Demographics ✓ School Selection ✓ Dependency Status ✓ Parent Demographics ✓ **Financial Information** ✎ Sign & Submit Confirmation

**PARENT INFORMATION**

✓ Application was successfully saved.

**Attention!** You must provide financial information from your parents' 2016 tax return on the following pages.

For 2016, have your parents completed their IRS income tax return or another tax return?

Already completed

IRS.gov Return to FAFSA | Log Out | Help

### Get My Federal Income Tax Information

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

Enter the following information from your 2016 Federal Income Tax Return. Required fields \*

First Name *	Dependent
Last Name *	Data
Social Security Number *	***-**-****
Date of Birth *	01 / 01 / 1994
Filing Status *	Single
Address - Must match your 2016 Federal Income Tax Return. <small>?</small>	
Street Address *	
P.O. Box (Required if entered on your tax return) <small>?</small>	
Apt. Number (Required if entered on your tax return)	
	United States
	Select One

By submitting this information, you certify that you are the identified. Use of this system to access another person's information may result in civil and criminal penalties.

*All info must match tax return!*

Students and Parents can transfer IRS Tax Return Information directly into the FAFSA if applicable

- Manual entries are verified

Have W2's for earned income reporting

Leaving FAFSA on the Web

You are now leaving FAFSA on the Web and will be transferred to the IRS web site. Your FAFSA information will be saved.

Your saved FAFSA will automatically open either when you transfer your information from the IRS or choose to return to FAFSA on the Web from the IRS Web site. If you do not transfer your information or choose not to return to FAFSA on the Web from the IRS Web site, you will have to log in to open your saved FAFSA.

For your protection, your tax return information will not display on the IRS Web site or on the FAFSA.

[SKIP IRS DRT](#) [PROCEED TO IRS SITE](#)

### Parent IRS Info

Student Demographics ✓ School Selection ✓ Dependency Status ✓ Parent Demographics ✓ **Financial Information** ✎ Sign & Submit Confirmation

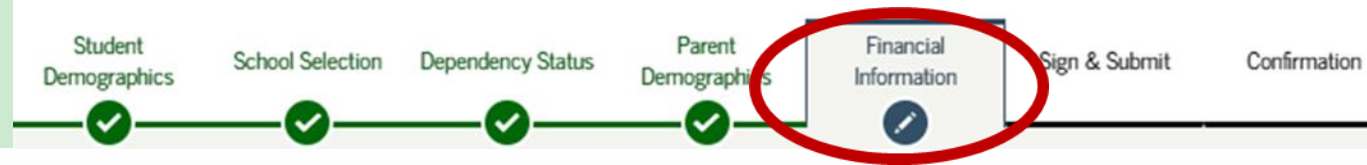
✓ You have successfully transferred 2016 IRS tax information.

The father's IRS tax information has been successfully transferred into this FAFSA. Questions that were populated with tax information will be marked with "Transferred from the IRS." For your protection, IRS tax return information is not displayed on the FAFSA.

What type of income tax return did your father file for 2016?  
**Transferred from the IRS**

What was your father's adjusted gross income for 2016?  
**Transferred from the IRS**

# Assets



An **ASSET PROTECTION ALLOWANCE** is applied against a Parent's assets, based on the information gathered to this point

Student Demographics School Selection Dependency Status Parent Demographics Financial Information Sign & Submit Confirmation

**PARENT INFORMATION**

As of today, does the total amount of your parents' current [assets](#) exceed \$33,600.00?

Yes  No

Each family's number is unique to them

**NOT AN ASSET:** Home, Personal Property, Qualified Retirement Funds, Value of Life Insurance. Social Security Benefits are NOT considered

Report **NET ASSETS** (Value - Associated Debt/Penalty = Asset)

529 college savings accounts are reported as Parent Investments IF the total assets including the 529 are ABOVE the asset protection allowance number



# Sign + Submit = EFC / AID calculations

**EFC stays the same for ALL schools**

Parent contribution divided by number of children in college at the same time

Student Income protection: 50% over \$6,570 is considered

**EFC:** Expected Family Contribution  
Family Financial Strength Number, NOT what you're expected to pay

**Driving factors:** Income, Family Size and Age of oldest parent

Approx calculation on assets: 20% student, 6% of parent assets

# PA State Grant FORM



Congratulations, Sample!

Your FAFSA was successfully submitted to Federal Student Aid.

Confirmation Number: F 11200004104 03/27/2018 11:00:3/27/2018 11:31:55 AM:3/27/2018 11:31:55 AM

Data Release Number (DRN): 9970

## What Happens Next

- You will receive an e-mail version of this page.
- In 3-5 business days, you will receive an e-mail notifying you that your FAFSA was processed.
- Your FAFSA information will be made available to your school(s), and they will use it to determine the aid you may be eligible to receive.
- Your school(s) will contact you if they need more information or when they are ready to discuss your

**Easiest Method:** Click the Link on the FAFSA confirmation Page, info is transferred

samplestudent@sample.com

PRINT THIS PAGE

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

Completed the first year attending, uses new FAFSA in subsequent years

Missed the Link – go to PHEAA.org, 24 hours after filing or watch for PHEAA reminders

**NEW !  
E-Sign  
process**

The screenshot shows the PHEAA website interface. At the top, there are navigation links for 'Contact Us', 'About Us', 'Careers', 'Site Map', and 'Sign In or Create Account'. Below the navigation is a search bar and a 'I want to...' dropdown menu. The main content area is titled 'Pennsylvania State Grant Program' and features a 'State Grant Update' section with a yellow background. A red circle highlights the 'Apply/Renew Now' button in the 'Apply/Renew' section. A yellow sticky note with a red pushpin is overlaid on the page, reading 'NEW ! E-Sign process'. The right sidebar contains links for 'Sign In/Create Account to:', 'Contact Us', and 'State Grant FAQ'.

# The process.....

Department of Education's Central Processing System uses the FAFSA calculations to create your NEED ANALYSIS



- EFC is calculated – number used to determine aid
- SAR/ISIR – reports your eligibility for Aid to you and your school choices
- Schools and State receive your results
- Grant eligibility is calculated
- You Apply/Applied to your school choices
- Once Accepted – schools produce Award Letters  
(Aid Packages) based on Need and any Internal Aid  
(Cost – EFC = Need)
- You compare Award Letters
- Determine true costs of school and make affordable choices

# Cost of Attendance

The Financial Aid Office will include **DIRECT COSTS** in determining the student's annual cost of attendance (Budget) at their school.

- Tuition, Fees, Room, Meals(Board), Books, Supplies

Don't forget about **INDIRECT COSTS**:

- Dorm Furnishings, Transportation, Personal Expenses, Laundry, Dependent Care, Pizza...



# Net Price Calculator



Every Institution, by law, must provide families with a Net Price Calculator on their website to estimate net costs

## ESTIMATED data provided by each institution:

- Total price of attendance
- Tuition, Fees, Room and Board
- Expenses (ie personal, transportation..)
- Estimated merit and need based grant aid
- ESTIMATED NET PRICE (attendance minus grant aid)

Does not always include internal Scholarships

The screenshot displays a Net Price Calculator interface for The College of St. Scholastica. It is divided into several sections:

- Estimated Cost of Attendance:**

Tuition & Fees	\$33,994
Room & Board	\$8,932
<b>Total Estimated Direct Cost</b>	<b>\$42,926</b>
Books & Supplies	\$1,150
Other (personal, transportation...)	\$1,960
<b>Total Estimated Cost</b>	<b>\$46,036</b>
- Estimated Scholarship:**

Benedictine Scholarship	\$17,000
<b>Total Estimated Scholarship</b>	<b>\$17,000</b>
- Estimated Scholarship & Gift Aid:**

Estimated Other Gift Aid	\$10,600
<b>Total Estimated Gift Aid</b>	<b>\$27,600</b>
- Estimated Net Price:** \$18,436

On the right side, there is a summary section with a pie chart and a legend:

- SCHOLARSHIP** (represented by a blue slice)
- FINANCIAL AID** (represented by a green slice)
- NET PRICE** (represented by a purple slice)

The pie chart shows the breakdown of the total cost into these three categories. Below the chart is a legend: Blue circle for Scholarships, Green circle for Gift Aid, and Purple circle for Net Price.

At the bottom, there is a section for **Other Financial Assistance** with a warning: "The aid shown below is not 'free money'. Loans must be paid back and work study must be earned."

Estimated Other Assistance	
Estimated Loans	\$5,500
Estimated Work Study	\$2,500
<b>Total Estimated Other Assistance</b>	<b>\$8,000</b>

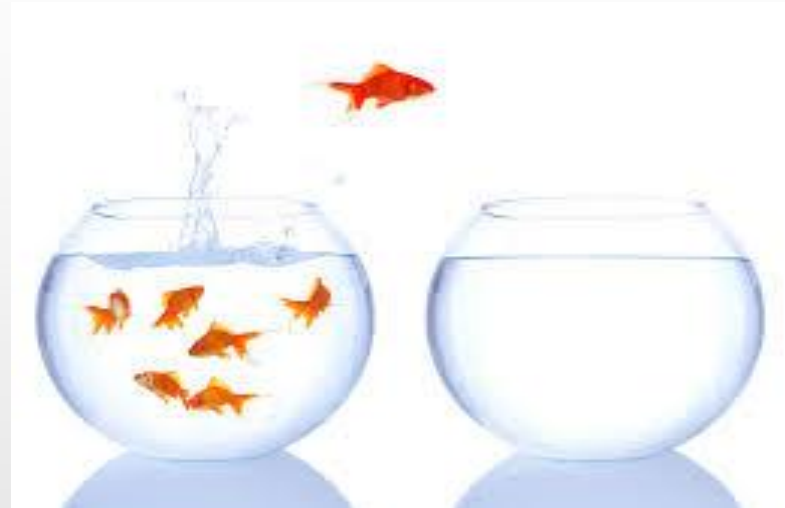
Summary of Other Financial Assistance:

Estimated Other Assistance	\$5,500
Estimated Loans	\$2,500
Estimated Work Study	\$2,500
<b>Total Estimated Other Assistance</b>	<b>\$8,000</b>

# Special Circumstances ...

## ***If things change ...contact the Financial Aid Office***

- Reduced Income or PPY Inflated Income
- Recent death or disability
- Divorced or separated parents
- Step or Adoptive parents
- Foster parents
- Legal guardians
- Living with others



**Only a school can change a FAFSA related to circumstances**  
**Contact PHEAA for PA Grant re-consideration**

# Funding Options Available

“Well, how much money will I get?”



# Federal Grants based on Need (EFC)

**Pell Grant ..... up to \$6,095** (18/19 AY)

**Campus-based aid – amounts determined by FAO**

**FSEOG..... up to \$4000**

**Federal Work Study... FAO determines**



Student must be enrolled at least half-time and meet satisfactory academic progress

Eligibility determined by FAFSA (forms)

Amounts determined by Need Analysis & Cost of School



# Other Federal Grant Programs

[StudentAid.ed.gov/types](https://StudentAid.ed.gov/types)

- TEACH Grant
- Occupational Vocational Rehabilitation Program (OVR)
- Post 9/11 GI Bill Benefits
- Iraq and Afghanistan Service Grant
- US Dept. of Health and Human Services
  - <https://www.benefits.gov/us-department-health-and-human-services-hhs-student-assistance-programs>
- Americorps
- American Opportunity Tax Credit & Lifetime Learning Credit
  - tax return credits - see IRS Publication 970



# PA State Grant [pheaa.org](http://pheaa.org)



**Full time in PA\* .... up to \$4,128** (18/19 AY)

Greater than 50% Online: half of the eligible award

Out of State – up to \$551 in DE, DC, MA, OH, WV, VT

• **All other states - \$0**

\* Must be a resident of PA, attend at least half-time in a minimum 2 year program and meet satisfactory academic progress – see [pheaa.org](http://pheaa.org) or the PA Student Aid Guide

Eligibility determined by FAFSA & PA Grant Form

**Amounts determined by Need Analysis & Cost of School**

# State Administered Grants – [pheaa.org](http://pheaa.org)

- **State Work-Study Program**
- **Partnerships for Access to Higher Education Program (PATH)**
- **PA Targeted Industry Program (PA-TIP)**
- **PA National Guard Educational Assistance Program (EAP)**
- **Chafee Education and Training Grant (Foster Students)**
- **Postsecondary Education Gratuity Program (PEGP)**
- **Blind or Deaf Beneficiary Grant Program**
- **Ready to Succeed Scholarship Program**
  - **2nd year and beyond**



# Scholarships! Don't miss FREE Money

- **START EARLY—and KEEP LOOKING**
  - GOOGLE your Interests
- DON'T PAY for information (Scam)
- Criteria varies by school and organization
  - Follow Directions – provide what is asked
- Don't Fear Essays – recycle
- Don't disqualify yourself until IT disqualifies YOU
- Small amounts ADD UP
- Activities, Athletics, Family, Hobbies, Attributes, Participation – DO YOUR RESEARCH
- Create a Profile/Resume – everything about you
- **DON'T MISS DEADLINES**

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



# Federal Direct Loan Program (borrowed funding)

StudentLoans.gov or the School's Website

**Awarded to ALL eligible undergraduate students, regardless of NEED**

## **2 Loan components**, based on FAFSA

**Subsidized** – Govt pays interest while attending and during grace period

**Unsubsidized** – Student is responsible for interest (Accrues in school and grace)

5.045% variable/fixed interest rate, 1.062% fee (AY 18/19)

- Changes every July 1 for new loans

- **In Student's Name**
- No Collateral or Credit Check
- No Payments required while attending school and 6 month Grace Period
- Affordable repayment options
- MUST complete a FAFSA and Sign an MPN
- Additional amounts for Independent Students and if Parent PLUS Loan is denied

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

# Federal Direct PARENT PLUS Loan

## For Parents of Dependent Undergraduate Students

PLUS loans also available for Independent Graduate Students

- In a Parent's Name for student costs – up to the Cost of Attendance
- Payment can be deferred while student is in school (interest accrues)
- No Debt-to-Income test, Only lenient credit check
- Must apply each year and file a FAFSA
- IF DENIED – student is eligible for an additional \$4,000 unsub

7.595% Variable/Fixed Interest Rate; 4.248% fees (AY 18/19)

Changes every July 1 for new loans



# Private / Alternative Education Loans

## Options for Balances from private lenders or financial institutions

- **In student's name / co-signers usually required**
  - Some loan products have a co-signer release
- Can borrow up to the Cost of Attendance
- Based on credit scores and debt-to-income
- Terms vary by lender – compare before making choices
- Students must sign a “Self Certification Form” per DOE

## Compare to find the right fit

- le: **PHEAA Forward** – PHEAA education loan starting in Jan 2019

Private Education Loan  
Applicant Self-Certification

**BORROWER'S INFORMATION**

**BORROWER'S INCOME**

**BORROWER'S ASSETS**

**BORROWER'S DEBT**

**BORROWER'S EXPENSES**

**ESTIMATED FINANCIAL ASSISTANCE**

Type of Assistance	Amount	Period of Assistance
A. Student's cost of attendance for the period of enrollment covered by the loan	\$	
B. Additional financial assistance for the period of enrollment covered by the loan	\$	
C. Difference between amounts in A and B	\$	

**BORROWER'S SIGNATURE**

**APPLICANT'S SIGNATURE**



# Other ways to save and pay

## PA 529 College Saving Plan

A tax free savings account for post secondary education costs **PA529.com**

The screenshot shows the Upromise.com website. At the top, there is a navigation bar with 'Learn', 'Earn', and 'Invest' tabs, a search bar, and links for 'Shop', 'Info', 'Login', and 'Join'. The main content area features a large image of a young boy in a suit and glasses holding a jar of coins. To the left of the image, the text reads 'Invest in College Savings Plans to make your money work harder'. Below this, there are bullet points: 'Upromise GoalSaver Account' and '529 college savings plans'. To the right of the image is a 'Join for Free' form with fields for 'First name', 'Last name', and 'Email', and a 'Become a Member' button. Below the main content, there are three columns of text: 'Earn Cash Back for College from 850+ Online Partners', 'Hit Your College Savings Goals Faster', and 'Open a Upromise GoalSaver Account'. Each column has a 'Learn More' link.

The screenshot shows the PA529 website. At the top left, it says 'PA529 Brought to you by the Pennsylvania Treasury'. There are links for 'Contact' and 'My Account'. The main banner features a photo of two children walking on a path with umbrellas, with the text 'A simpler path to COLLEGE SAVINGS' and a 'Learn More' button. Below the banner, there is a section titled 'Better to Save than Borrow' with a sub-headline 'The key to college saving is to start small and start now. Nothing helps your savings grow like time. And your money can grow even faster in a tax-advantaged 529 plan.' Below this is a 'Learn more' link. To the right of this section are three icons: a hand holding a coin, a calculator, and a computer monitor. Below each icon is a button: 'LEARN', 'PLAN', and 'ENROLL'. Below these buttons are three columns of text: 'See how 529 plans can help you save.', 'Choose the plan that's right for you.', and 'Start saving for college!'. Below this is a 'FAQS' section with the text 'Find the answers you need to start saving now!' and a right-pointing arrow.

## Upromise.com

Anyone can earn for your student by registering credit cards and shopping with participating companies

\$ earned can go into a 529, pay a loan or be received for expenses

# Options to Cover the Cost of Education

- A school doesn't care how you come up with the balance, just that you do.
- Families can CHOOSE the methods of borrowing and funding combinations that meet their needs to cover balances - it's unique to YOUR resources.

**You can mix & match = balances!**

- ✓ Savings – Family
- ✓ 529 College Saving Plans - Family
- ✓ U Promise credits – Family, friends
- ✓ Scholarships – Various sources, including schools
- ✓ Grants – Federal/State programs
- ✓ Tuition Payment Plans – School
- ✓ Federal Student Loans – DOE
- ✓ Parent PLUS Loans – DOE
- ✓ Private Education Loans – Banks / Finance Entities
- ✓ Institutional Loans – School
- ✓ Home Equity Loans – Banks
- ✓ Employers – Tuition reimbursement programs
- ✓ 401K – Withdrawal or loans (See a financial advisor or your HR Dept)
- ✓ Credit Cards – Banks (be cautious)
- ✓ Student part-time job – Students work-study/private jobs

Next Steps



# Schools determine NEED



## 1. Using FAFSA calculations:

School Cost (varies per school) .....	\$26,000
<b>EFC (stays the same) .....</b>	<b>- \$3,000</b>
<b>FINANCIAL NEED .....</b>	<b>\$23,000</b>

2. FAO “**Packages**” students based on Financial Need and available funding (varies by school)

3. Financial **Award Letter** is sent to the Student

**NOTE: EFC Stays the same, Costs Vary**

# Financial Aid Award Letter

## Understand it!



### **An official notification from the School about financial aid, terms, and conditions**

- Lists the type and amount of each award to be received and accept/reject steps
  - Sign and return
  - Complete MPN's for loans; Entrance Counseling

**Verification:** IF you are flagged, request official tax transcripts online at [www.irs.gov](http://www.irs.gov) or by calling (800) 908-9946. Please note that tax transcripts are not the same as copies of tax returns

## **REVIEW and ASK QUESTIONS**

- Is there criteria on the Gift Aid - GPA, Participation, Membership, Major ?
- Will funds change if tuition changes; Will Gift Aid continue in subsequent years
- Is PLUS and Workstudy packaged?!
- How are Outside Scholarships Handled?
- What is the overall debt – the letter is for one year's costs.

# Packaging Example

SCHOOL	A	B	C	D
COST	\$ 6,600	\$15,000	\$25,000	\$45,000
<b>EFC</b> (stays the same for all schools)	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
NEED	<u>\$ 3,600</u>	<u>\$12,000</u>	<u>\$22,000</u>	<u>\$42,000</u>
<b>FREE MONEY</b> (varies)	<b>\$2,000</b>	<b>\$ 7,000</b>	<b>\$ 9,500</b>	<b>\$23,000</b>
LOANS (Federal Direct Lending)	\$4,600	\$ 5,500	\$ 5,500	\$ 5,500
WORK STUDY (after you work a job!)	\$ 0	\$ 0	\$ 2,000	\$ 3,000
<u>TOTAL AID</u>	<u>\$ 6,600</u>	<u>\$12,500</u>	<u>\$17,000</u>	<u>\$31,500</u>
GAP (Cost – Aid)	\$ 0	\$ 2,500	\$ 8,000	\$13,500
<b>ACTUAL COST</b> (Cost – FREE Money)	<b>\$4,600</b>	<b>\$ 8,000</b>	<b>\$15,500</b>	<b>\$22,000</b>

# Begin with the End in Mind

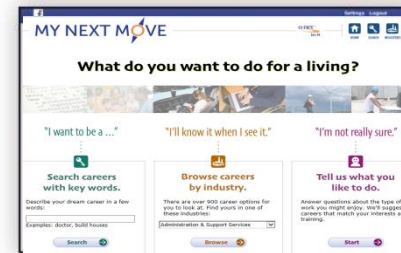
**RESEARCH the EXPECTED SALARY in your FUTURE CAREER, find an affordable school, and borrow realistically**

- There are many paths to the same degree
- Research every option, including community colleges and commuting
- Only attend a school you can reasonably afford
- Only borrow what you absolutely need to attend
- Approach education from a consumer standpoint
- **Is there a CAREER SERVICES Dept**
- **Much depends on You and Your Choices**



# PHEAA Online Resources

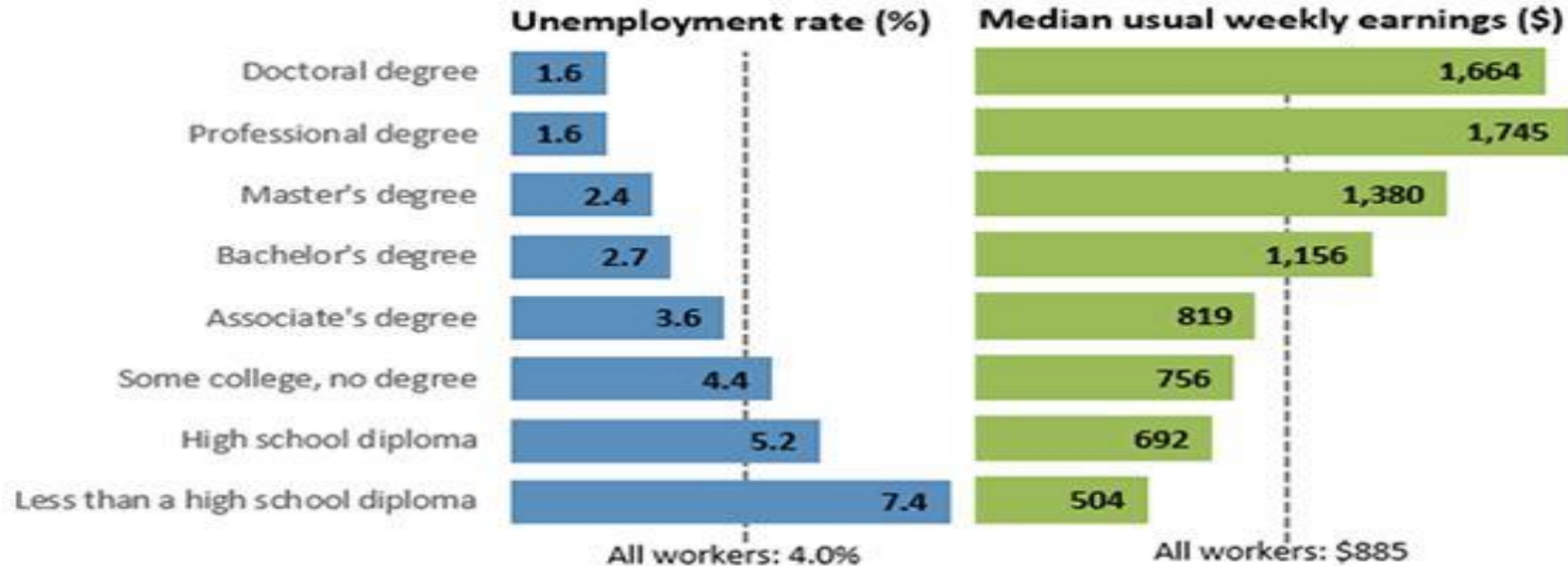
- [PHEAA.org](http://PHEAA.org)
- [EducationPlanner.org](http://EducationPlanner.org)
  - Career planning
- [MyNextMove.org](http://MyNextMove.org)
  - Research Careers
- [MySmartBorrowing.org](http://MySmartBorrowing.org)
  - Borrow smart
- [YouCanDealWithIt.com](http://YouCanDealWithIt.com)
- [Facebook.com/pheaa.aid](https://Facebook.com/pheaa.aid)
- [MyFedLoan.org](http://MyFedLoan.org)





# It pays to have an education

## Unemployment rates and earnings by educational attainment, 2016



Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

# Thanks and Best Wishes!

## Questions?



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