

I WAS
ABLE TO
AFFORD COLLEGE
\$ AND SO \$
CAN YOU.



Please silence your cell phones!

Thank you for being considerate to the people around you.



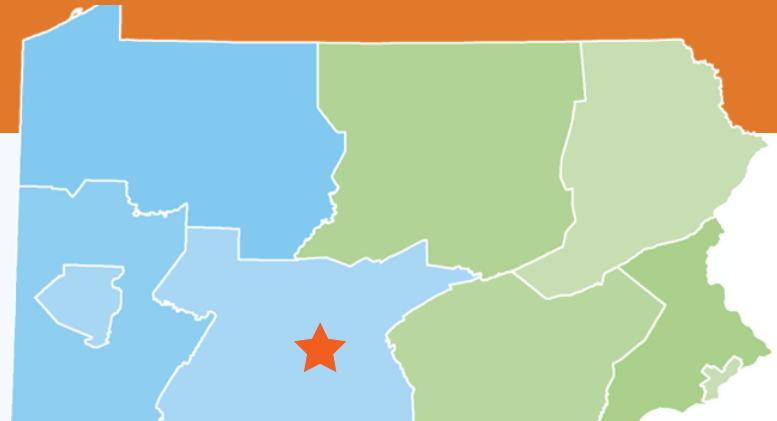


A black graduation cap with a tassel is shown from a side-on perspective. The cap features the words "FINANCIAL AID 101" in large, bold, yellow capital letters. The background of the cap is dark with a pattern of small, colorful confetti-like shapes. The tassel is dark and hangs down the front of the cap.

**FINANCIAL
AID 101**

Welcome

Your Presenter



Dan Wray

Higher Education Access Partner

South-Central Region

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Meet the Team



MARIAN HARGRAVE
Northwest Region



AMY SLOAN
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MARLA KANE
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Manager



MICHAEL BURKE
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Southwest Region



JAYEANN HARR
Southwest Region



JULIE FONTANA
South Central Region



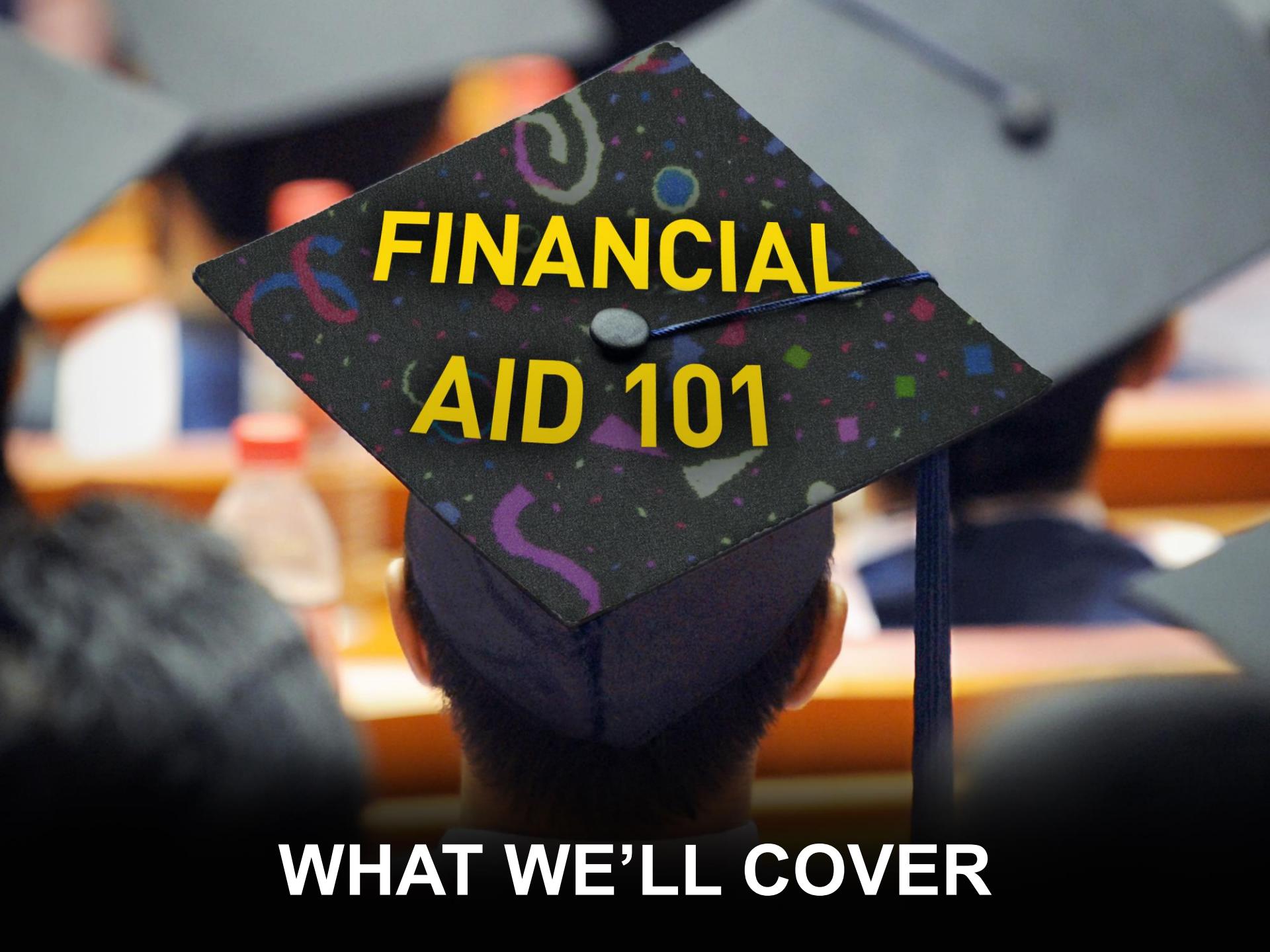
DAN WRAY
South Central Region



SONYA MANN-MCFARLANE
Cumberland Valley
Region



TIFFANIE DEVAN
Cumberland Valley
Region

A graduation cap (mortarboard) with a dark blue tassel is positioned in the foreground, slightly angled. The cap has a dark, textured surface with colorful, abstract confetti-like patterns. In large, bold, yellow capital letters, the words "FINANCIAL AID 101" are printed across the center of the cap. In the background, a person wearing a dark graduation gown and cap is seated at a desk, facing away from the camera. The background is softly blurred, showing other people and graduation-related items.

FINANCIAL AID 101

WHAT WE'LL COVER

Topics

- **Latest Headlines and Trends**
- **Web Resources**
- **Financial Aid Basics**
- **Scholarships**
- **Federal and State Aid**
- **Loans**
- **Forms**
- **Financial Aid Award Letters**
- **Tips and Strategies**



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)

A graduation cap (mortarboard) is shown from a low angle, looking up. The cap is dark with a shiny, reflective surface. A name tag is pinned to the front of the cap. The name tag has a dark background with colorful, abstract, hand-drawn style markings in purple, blue, and green. In the center of the name tag, the words "FINANCIAL" and "AID 101" are printed in large, bold, yellow capital letters. The cap is resting on a dark surface, and a dark strap or cord is visible on the right side.

FINANCIAL AID 101

LATEST HEADLINES & TRENDS

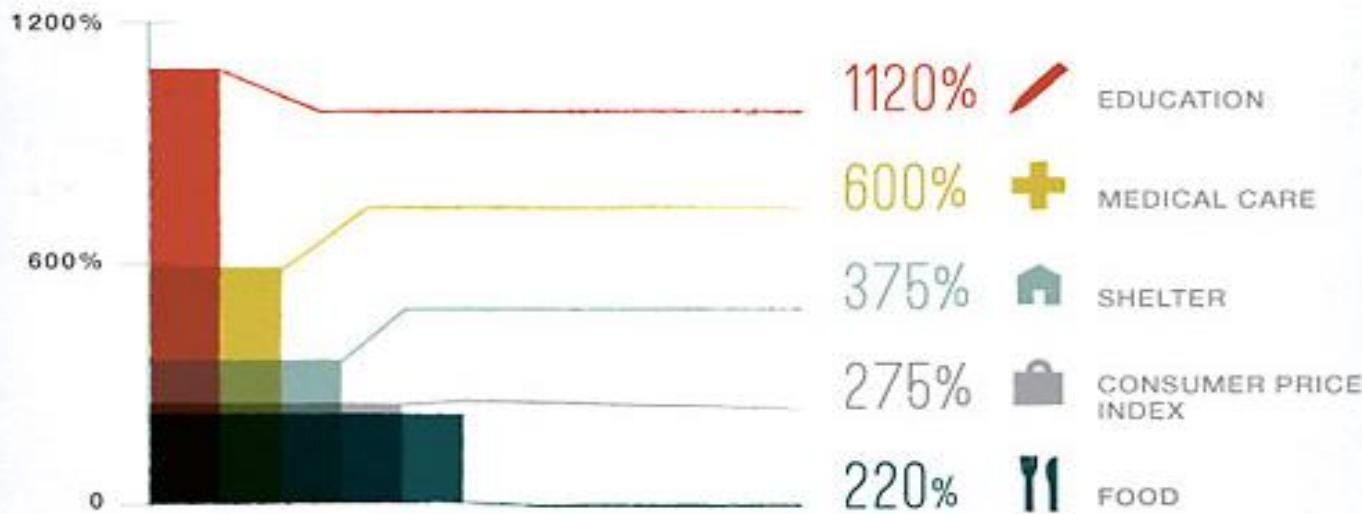
A Recent Survey Says...

**HAVE YOU RULED OUT OR WILL
YOU RULE OUT ANY COLLEGES
BASED ON THEIR “STICKER”
PRICE?**

NO	45%
YES	40%
I DON'T KNOW YET	15%

“2014 Rising Seniors’ Perceptions on Financial Aid,” produced by Ruffalocody Enrollment Management, in conjunction with Scannell & Kurz

SINCE 1978, COLLEGE TUITION HAS INCREASED 1,120%



The Rising Cost of College

With the rising cost of education, today's students are investing a small fortune in their college education. How has the price of college fluctuated through the years? What are students doing about the increase in college tuition?

Source: Coursesmart.com

Here's why:



Tuition inflation

Tuition costs historically inflate twice as fast as the U.S. dollar. When post-graduate earnings don't follow suit, college affordability goes down.



Fewer local & state subsidies

Government spending on higher education is at a 25-year low, so colleges supplement their budgets with increased tuition.



Higher demand

Between 2000-2010, full-time college enrollment nationwide grew by 35%, meaning fewer resources for more students.

Unfinished Business

- The National Student Clearinghouse reports:
 - » Over the past 20 years, more than 31 million Americans started a postsecondary education, but did not finish.
 - » The more institutions attended and the older the student, the less chance there was of completion.
 - » More than 10 million of these completed less than one semester.



**Education loans HAVE to be repaid,
EVEN IF YOU DO NOT FINISH your education.**

A Recent Study by UPenn Wharton

- In 2015, one million students defaulted on their Federal Direct student Loans.
- Default rates may be significantly higher for borrowers who fail to complete their program of study, as well as for those choosing to enroll in a “for-profit” school.

Underemployment

- These people have college degrees:
 - » More than 317,000 waiters (over 8,000 of them have doctoral or professional degrees)
 - » More than 80,000 bartenders
 - » More than 18,000 parking lot attendants



Some 17,000,000 Americans WITH college degrees are doing jobs that the Bureau of Labor Statistics says require less than the skill levels associated with a bachelor's degree.

VIOLATE PENNSYLVANIA'S STATUTES
REGARDING ALCOHOL AND YOU MAY HEAR

**YOUR
DEGREE
DOESN'T
MATTER**



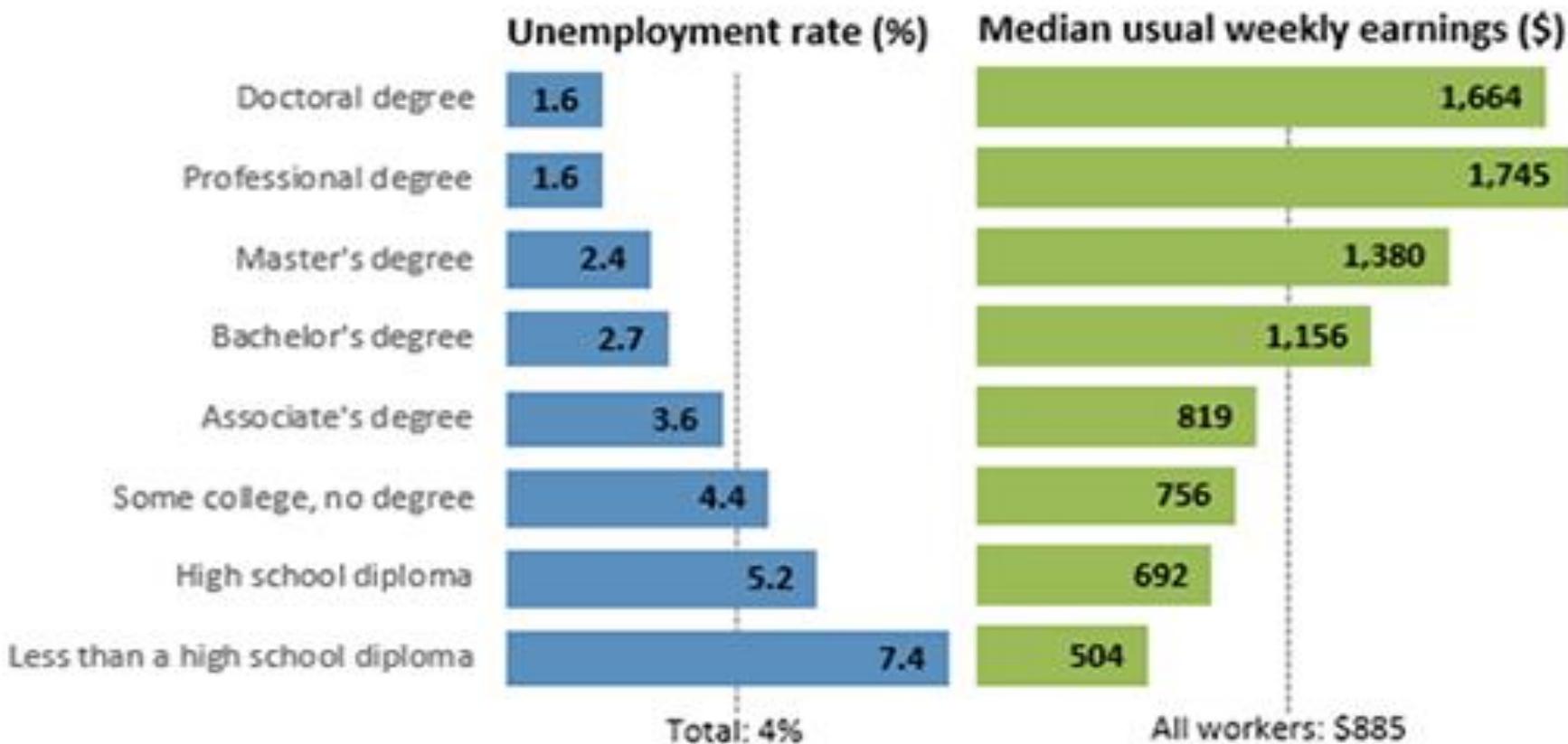
**Don't let one
mistake ruin your
career aspirations.**

**Employers do
background checks
and credit checks.**

*Pennsylvania Liquor Control Board
(PLCB) brochure*

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.

Education: A Great Investment

- Average loan payments for bachelor's degree: about \$300/mo for 10 years
- Average additional earnings with higher education: about \$2,100/mo for 40 years

BUT.....

- What if you could find a college where you only had to borrow half that amount?
- And what if you invested the difference (\$150/month)?

Quotable

- **“Compound interest is the eighth wonder of the world. He who understands it, earns it ... he who doesn't, pays it.”**

-- Attributed to Albert Einstein

At 7% interest, for 10 years

The Results Are In

In 10 years, you will have \$24,869.61

Compound Interest Calculator from
<https://www.investor.gov>

The Net Effect Over 10 Years

- So, instead of paying the government \$36,000, you only paid them \$18,000
- And your investments made \$24,869
- That is a turnaround of \$42,869 in your favor, in just 10 years.

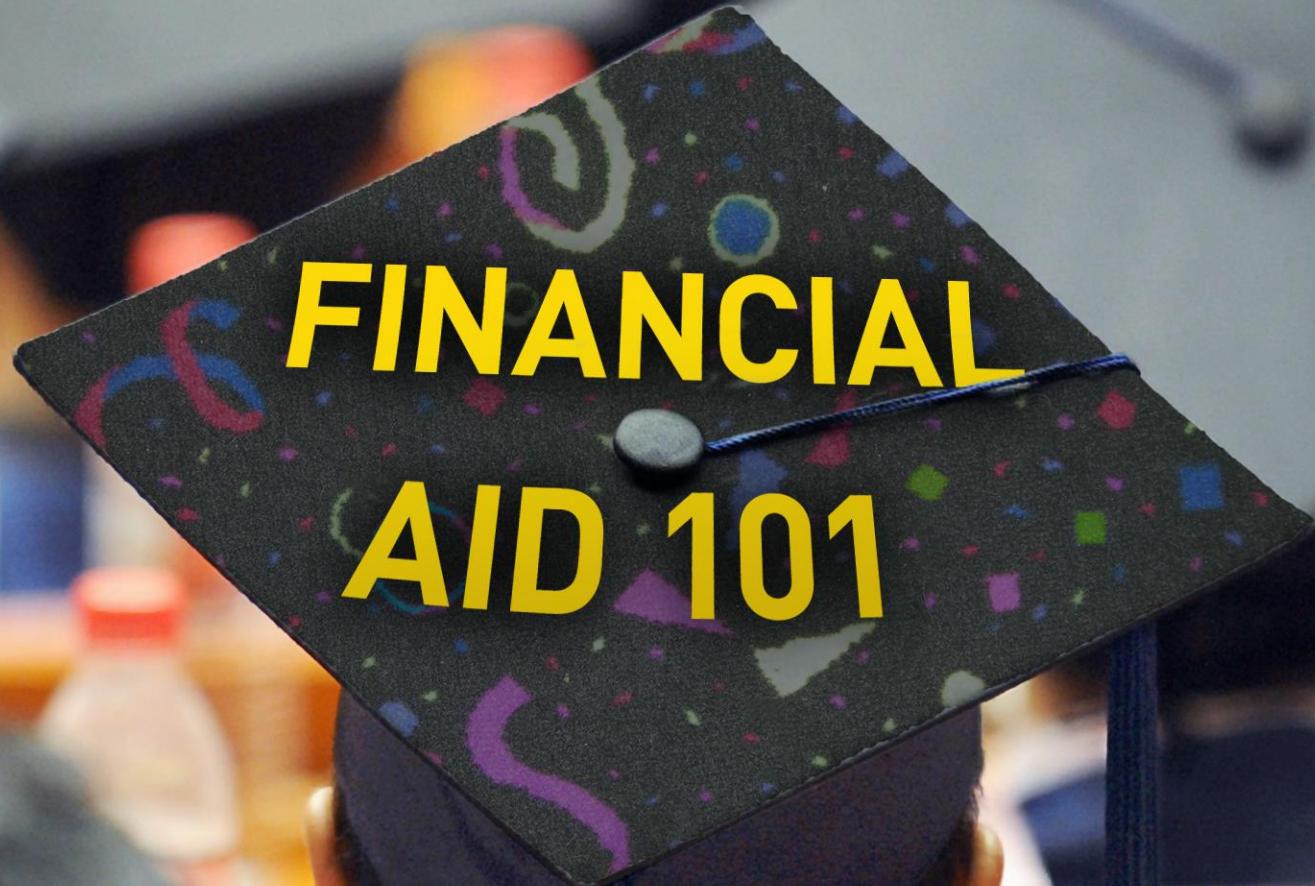
And if you let it grow...

Without ever investing another dollar...

**The Results
Are In**

In 30 years, you will have \$189,309.17

Compound Interest Calculator from
<https://www.investor.gov>



BE A SMART CONSUMER

Be a Smart Consumer



- Do your research.
- What is the net price that you will pay?
 - » Use the Net Price Calculator at schools you are interested in attending to get an estimate of your “net price” to attend
 - » Net Price Calculator available on each school’s website
- What is the graduation rate?
- What is the average debt of graduates?
- What is the repayment rate and default rate of the school’s borrowers?
- What is the employment outcome for recent graduates?

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



Net Price Calculators

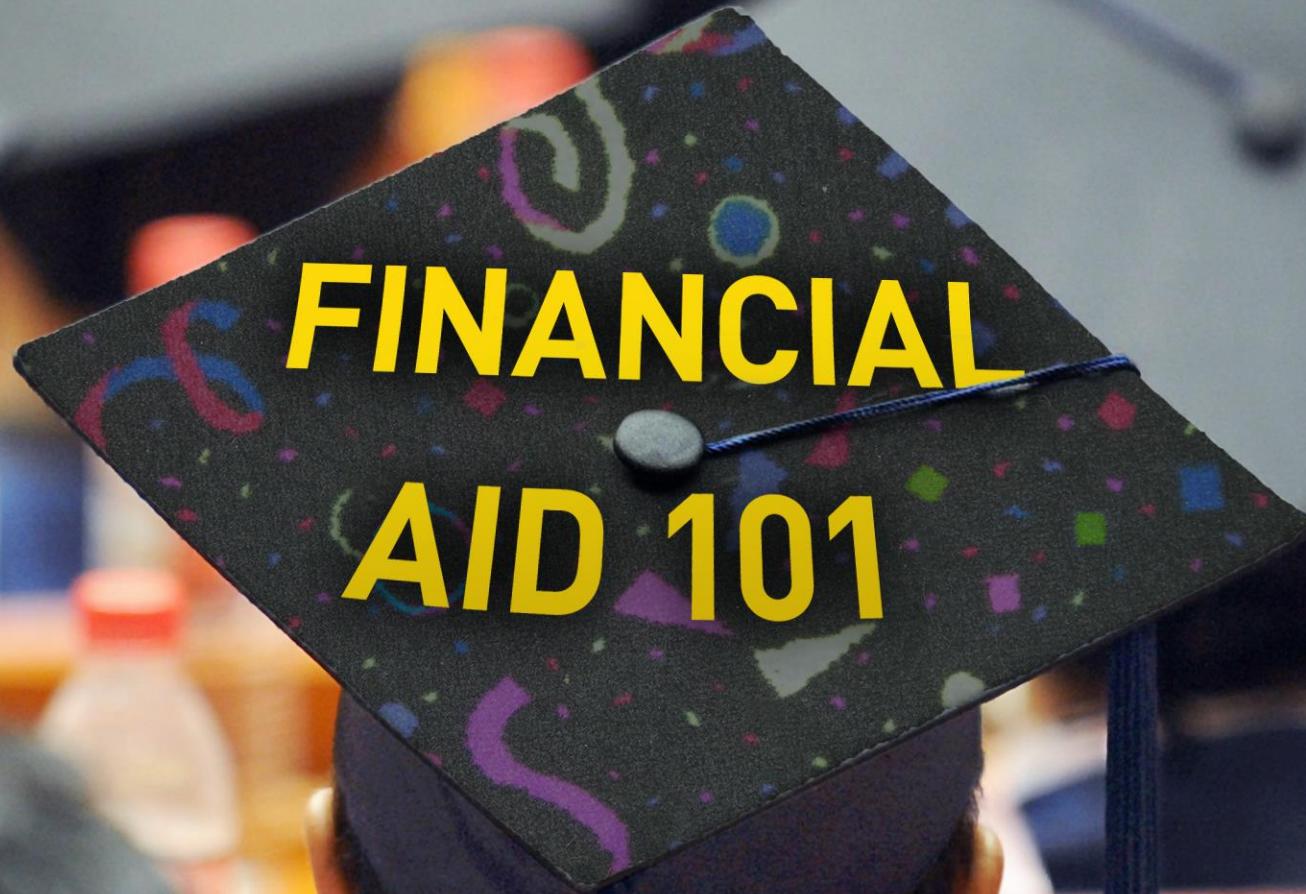
The Higher Education and Opportunity Act (HEOA) of October 2011 requires schools to offer a Net Price Calculator on their websites

- 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**



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)
- 3 + 2 (master's degree)



EXAMPLES OF WEB RESOURCES

Do a Web Search for These 10's!

- 10 most useless college majors
- 10 careers that didn't exist 10 years ago
- Top 10 colleges for the top 10 majors
- 10 highest earning 4-year degrees
- 10 majors w/ the highest unemployment rates
- 10 majors w/ the highest loan defaults
- 10 college costs that no one warned you about
- 10 ways to get more scholarships

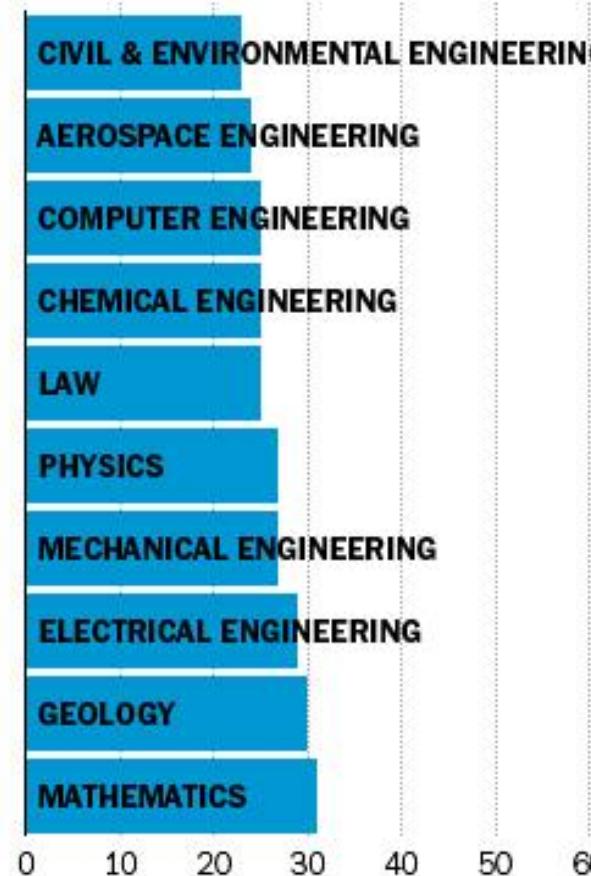
College Majors and Underemployment

% saying they are underemployed in a recent PayScale survey, by undergraduate major

Most underemployed majors



Least underemployed majors



Source: PayScale. Link: washingtonpost.com/news/wonkblog

Money Magazine Lists

- **Best Colleges**
- **Most Affordable Colleges**
- **Best Public Colleges**
- **Best Private Colleges**
- **Best Liberal Arts Colleges**
- **Best Return-on-Investment Colleges**
- **Etc.!**





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FINANCIAL AID 101

FINANCIAL AID BASICS

What Is Financial Aid?



- Financial aid consists of funds provided to students and families to help pay for postsecondary educational expenses.
- Grants/Scholarships (free money*)
- Self-Help (work, savings, etc.)
- Loans

Another Way to Look at it...

- Students and parents pay with:
 - » Yesterday's money (savings)
 - » Today's money (work-study, grants, scholarships)
 - » Tomorrow's money (loans)

Funding Sources

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



Options to Cover the Cost of Education

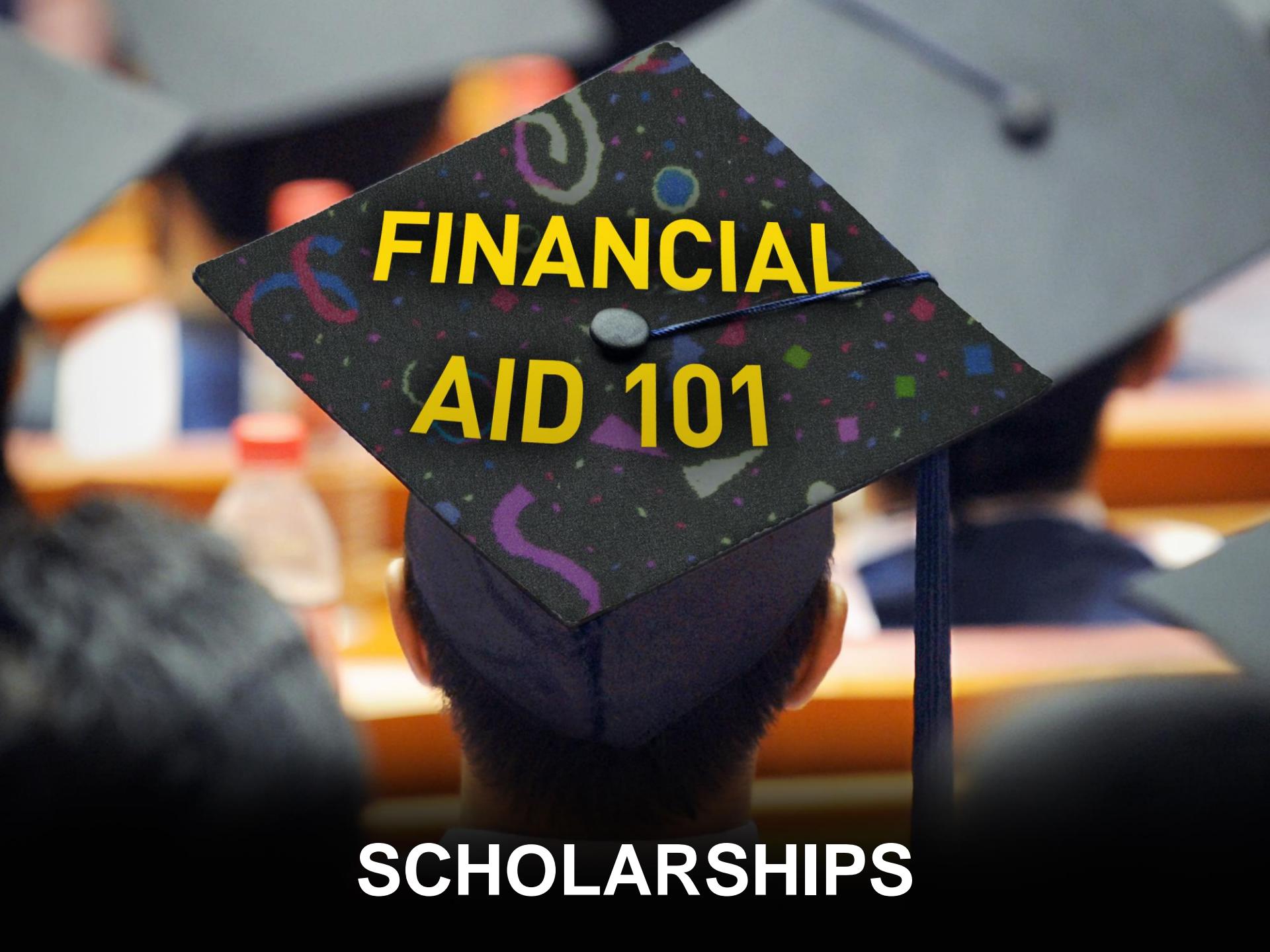
- A school doesn't care how you come up with the balance, just that you do
- Families can CHOOSE the methods of borrowing and funding combinations that meet their needs to cover balances - it's unique to your resources.

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
- ✓ 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

A graduation cap (mortarboard) with a dark blue tassel is positioned in the foreground, slightly angled. The cap has a black graduation gown with a white tassel resting on it. The background is a blurred image of a graduation ceremony with other caps and gowns visible.

FINANCIAL AID 101

SCHOLARSHIPS

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....](#)

Increase Your Scholarship Options

Organize important information that can increase your chances of obtaining scholarships!

Create a Profile or Resume

- Send with your application

What makes you stand out? Who are you?

- Besides grades, class rank, test scores

Document your information!

- Personal/Performance – sports, music, art, achievements
- Extracurricular Activities – jobs, hobbies
- Volunteerism, Community Activities, Employment

Recommendations:

- Faculty
- Coaches
- Employers
- Community
- Leaders

Types of Scholarships

- Postsecondary (in-house) 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
- Check corporate websites such as Target, Walmart, Kentucky Fried Chicken:
 - » All have scholarship programs and you don't have to work there to get them

Your Scholarship Resume



- Activities and Hobbies
 - » Write down the dates you participated in various activities.
- Clubs
- Sports
- Community Service
 - » Keep track of the hours spent in community service, working and doing special projects.
- Religious Affiliation
- Academic Interests

Recognize Scholarship Scams



- Application Fees
 - » Even if the fee is minimal or “only to encourage serious students to apply”
- “Guaranteed” Scholarships
 - » No individual can honestly “guarantee” you’ll win free money
- Solicitations
 - » “You’ve been selected...”
 - » “You are a finalist...”
 - » Bona fide companies won’t ask for a check or credit card payment upfront
- Official-looking Companies
 - » The logo may look like the U.S. Dept. of Education’s logo
 - » The company may talk about “federal” or “national” awards
- Seminars
 - » Don’t get pressured into paying for services on the spot



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?

PA529 College Savings Plan

- A tax free savings account for postsecondary education costs
- Easy, affordable and tax free



Upromise

- Another way to save for college or pay student loans!
- Family, friends, anyone...can register to earn for the same student
- Register credit cards - it's safe! Shop at participating locations or purchase from participating companies.
- Every \$ earned can be put into a 529, savings account, paid against a loan or receive a check for expenses
- Watch for the logo; it adds up!



SAGE Scholars (tuitionrewards.com)

[Home](#)[Sign Up](#)[Log In](#)[Participating Colleges](#)[Learn More](#)[Contact Us](#)

For Families

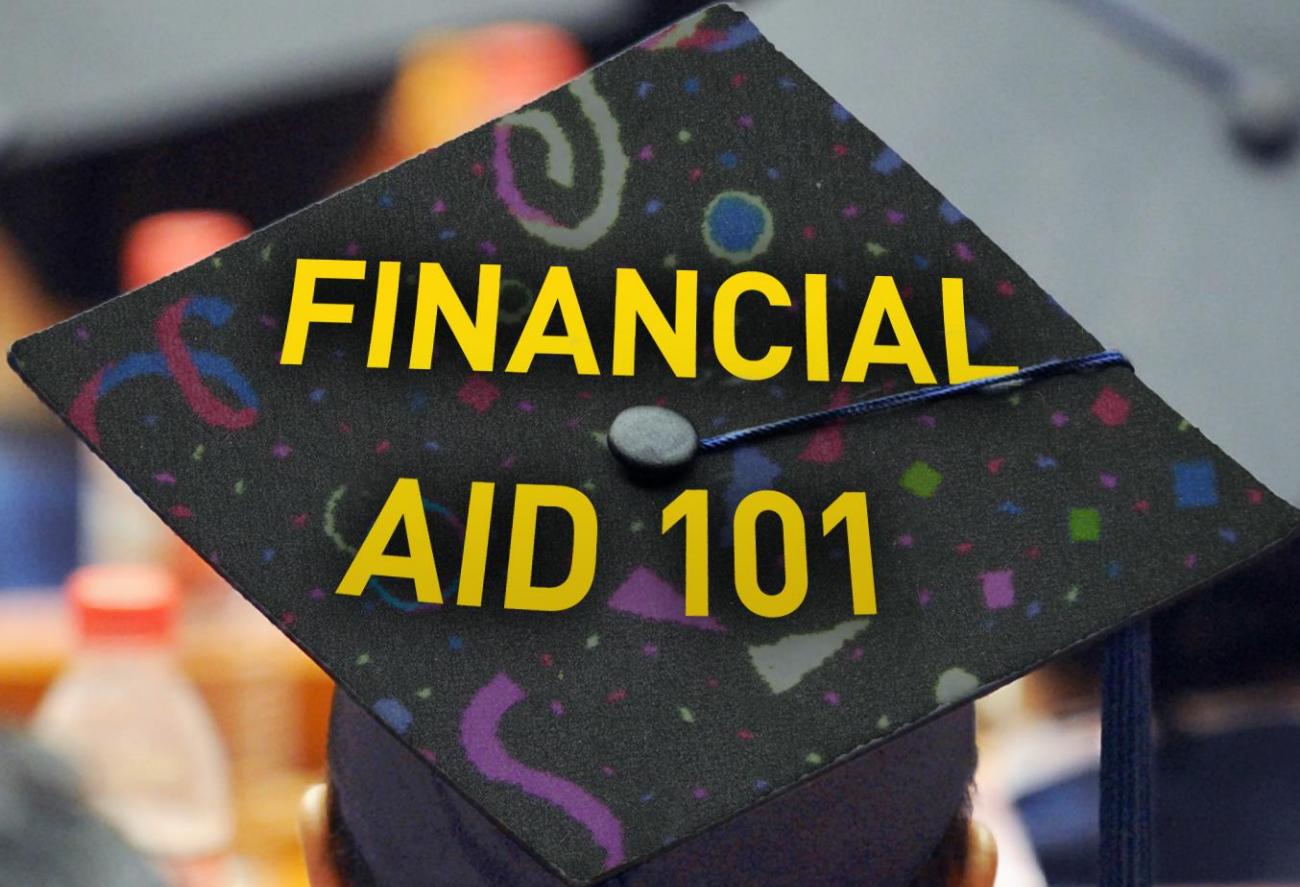
Tuition Reward Points accrue like frequent flyer miles and are typically earned through an affiliated financial institution, health insurance, or employer. These include 529 plans, banks, brokerage firms, companies, credit unions, mutual funds, non-profits and diverse financial service companies involved in life insurance, health insurance or retirement plans. Your Tuition Rewards Points represent guaranteed minimum discounts off the "list price" of tuition at many of America's best private colleges.

[Learn More](#)

For Colleges

The SAGE Scholars Tuition Rewards Consortium is a unique private college enrollment marketing tool to fill a "traditional" freshman class. Our member colleges & universities are able to identify prospective students from families who are actively saving and planning for higher education or work for a company that provides good benefits... and who have indicated interest in attending a private college. SAGE Students tend to be well qualified - both academically and financially.

[Learn More](#)



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**FINANCIAL
AID 101**

FEDERAL & STATE AID

Federal Programs

- Pell Grant (2018-19 max award \$5,920)*
- Campus-based aid – amounts determined by FAO
 - » FSEOG.....up to \$4,000
 - » Perkins Loan.....up to \$5,500 (undergraduate)
 - » Federal Work-Study...FAO determines
- For most programs, student must be enrolled at least half-time.

* Goes to most financially needy students



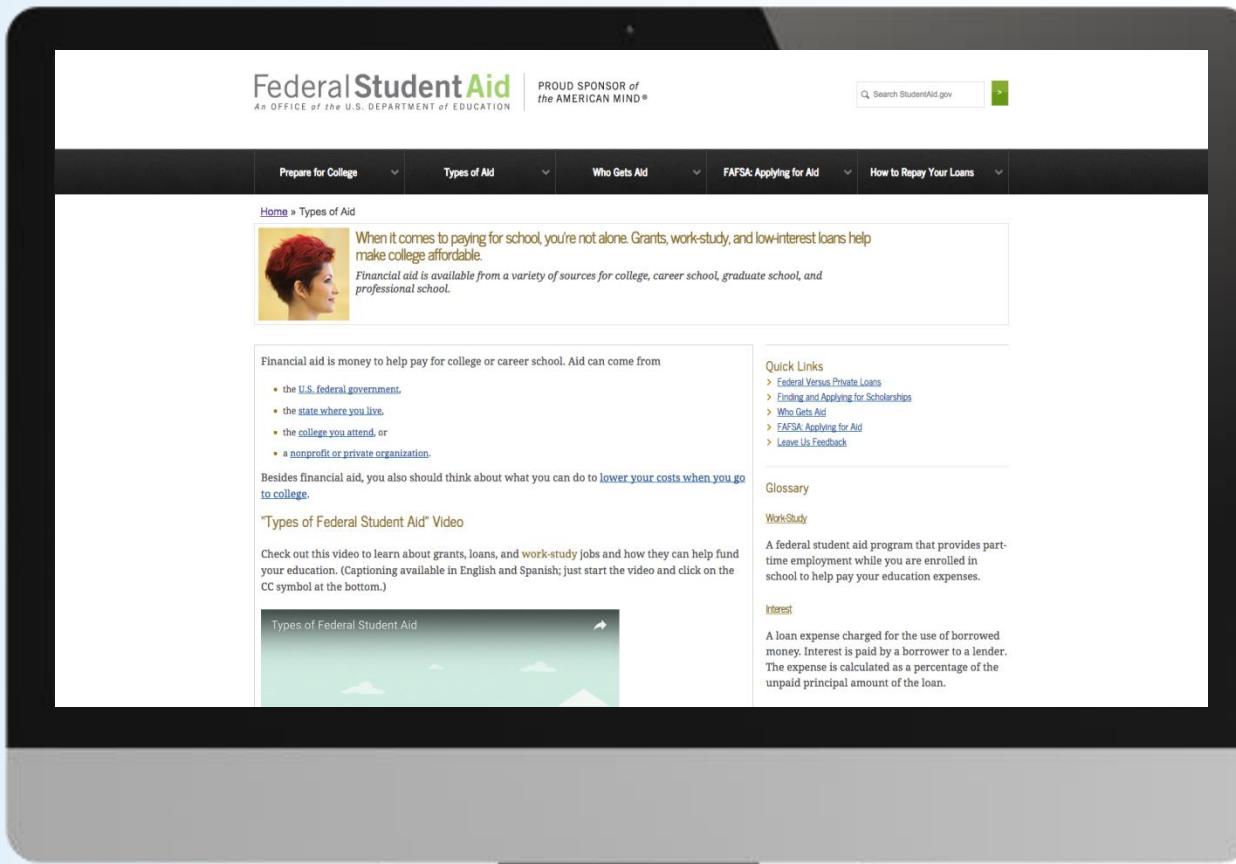
Federal Work-Study

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

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



Pennsylvania State Grant*

- In-state (PA) - Full-time up to \$X,XXX
- 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

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.

Smart Borrowing Tip



- Research job availability in your chosen field, before selecting your major
 - » You won't be able to repay your student loan if you aren't gainfully employed.
 - » Research employment rates in your potential career field before making a final decision on your major.

Smart Borrowing Tip



- Research your 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.



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**FINANCIAL
AID 101**

FEDERAL LOANS

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)



**One trillion dollar bills would stretch
to the moon and back 400 times.**

Federal Direct Loan Program

- Available to ALL students REGARDLESS of need
- Additional unsubsidized funds available for Independent & Parent PLUS denials
 - » 4.45% interest rate (AY 17-18), 1.066% 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 & school's website!

Subsidized vs. Unsubsidized

Subsidized:

- No interest charged to student while enrolled or in grace
 - » Based on financial need
 - » There is a 1.066% fee deducted from loan amount at disbursement
 - » Interest will not be charged during the grace period, if the loan was first disbursed after June 30, 2014

Unsubsidized:

- Interest accrues in school and grace
 - » Any interest not paid during grace will be capitalized at repayment
 - » There is a 1.066% fee deducted from loan amount at disbursement

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%)
- 6-month grace period
- 10-year standard repayment
- Flexible repayment options

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
1 st Year	\$3,500	\$2,000	\$5,500	\$4,000 ¹	\$9,500
2 nd Year	\$4,500	\$2,000	\$6,500	\$4,000 ¹	\$10,500
3 rd Year	\$5,500	\$2,000	\$7,500	\$5,000 ¹	\$12,500
4 th 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.

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

Interest Rates/Fees – Student Loans

- Undergraduate – Subsidized and Unsubsidized:
 - » 4.45% for 2017-18
 - » Capped at 8.25%
- Graduate – Unsubsidized Only:
 - » 6.00% for 2017-18
 - » Capped 9.50%
- Fees = 1.066% (\$58.63 on a \$5,500 loan)

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

Federal Direct PLUS Loan

- For parents of dependent undergrad or graduate level students
- Direct Parent PLUS Loan - in parent's name for student costs
 - » 7.00 % variable/fixed interest rate; 4.264% fees (AY 17/18)
- Rates set every July 1st for the life of that year's loan; fees are deducted from disbursement
- Can borrow up to the Cost of Attendance
- MUST apply each year loan is taken
- No Debt-to-Income test, only lenient credit check
 - » Can have an endorser (co-signer)
- Principal payment 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
- Must complete a FAFSA to determine any additional aid

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

Capitalization

- Unpaid accrued interest is added to the principal amount
- You now pay interest on the new, higher balance



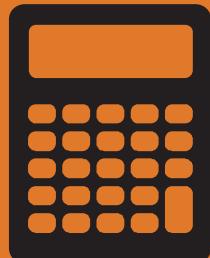
Benefits of Paying Interest

- Paying now will reduce what is capitalized!
- Interest accrues on your unsubsidized student loan and Federal PLUS Loan:
 - » Every day, from the day the loan is disbursed until you make the last payment
 - » Even if your loan is not in repayment
- Interest accrues on your subsidized student loan:
 - » Every day, from the day the repayment period starts until you make the last payment

Calculating Accrued Interest

- To calculate your daily interest accrual, use the following formula:
- Interest rate x current principal balance ÷ number of days in the year = daily interest

Example - Sara Student has a \$10,000.00 current principal balance and 4.29% interest rate this year. Using the formula:



$$\begin{array}{r} \$10,000 \\ \text{current principal} \\ \text{balance} \end{array} \times \begin{array}{r} .0445 \\ \text{interest} \\ \text{rate} \end{array} \div \begin{array}{r} 365 \\ \text{days in} \\ \text{a year} \end{array} = \begin{array}{r} \$1.21918 \\ \text{round} \\ \text{to } \$1.22 \end{array}$$

Loan Calculator

2-Year College	
Loan Balance:	\$16,000.00
Adjusted Loan Balance:	\$16,000.00
Loan Interest Rate:	4.45%
Loan Term:	10 years
Minimum Payment:	\$50.00
Total Years in College:	2.5 years
Monthly Loan Payment:	\$165.44
Number of Payments:	120
Cumulative Payments:	\$19,852.80
Total Interest Paid:	\$3,852.80

Loan Calculator

4-Year College	
Loan Balance:	\$28,500.00
Adjusted Loan Balance:	\$28,500.00
Loan Interest Rate:	4.45%
Loan Term:	10 years
Minimum Payment:	\$50.00
Total Years in College:	4 years
Monthly Loan Payment:	\$294.68
Number of Payments:	120
Cumulative Payments:	\$35,361.60
Total Interest Paid:	\$6,861.60

THE POWER *of* ADDITIONAL PAYMENTS *on a* TYPICAL LOAN



Contribute an
EXTRA \$1 a day
to **SAVE \$4,120**
and **PAY OFF ALMOST**
2 YEARS EARLIER!

Contribute **50¢ EXTRA**
a day to **SAVE \$2,285** and
PAY OFF 13 MONTHS EARLIER!



Contribute
\$2 EXTRA a day to
SAVE \$7,235 and
PAY OFF ALMOST 3½
YEARS EARLIER!

Estimated savings are based on a 10 year loan of \$15,000 at a 6.8% interest rate with no capitalized interest, and with extra payments being made from the start of repayment until the loan is fully paid off.



A black graduation cap with a tassel is shown from a side-on perspective. The cap features the words "FINANCIAL AID 101" in large, yellow, sans-serif capital letters. The background of the cap is dark with a pattern of small, colorful confetti-like shapes. The tassel is dark and hangs down the back of the cap.

FINANCIAL AID 101

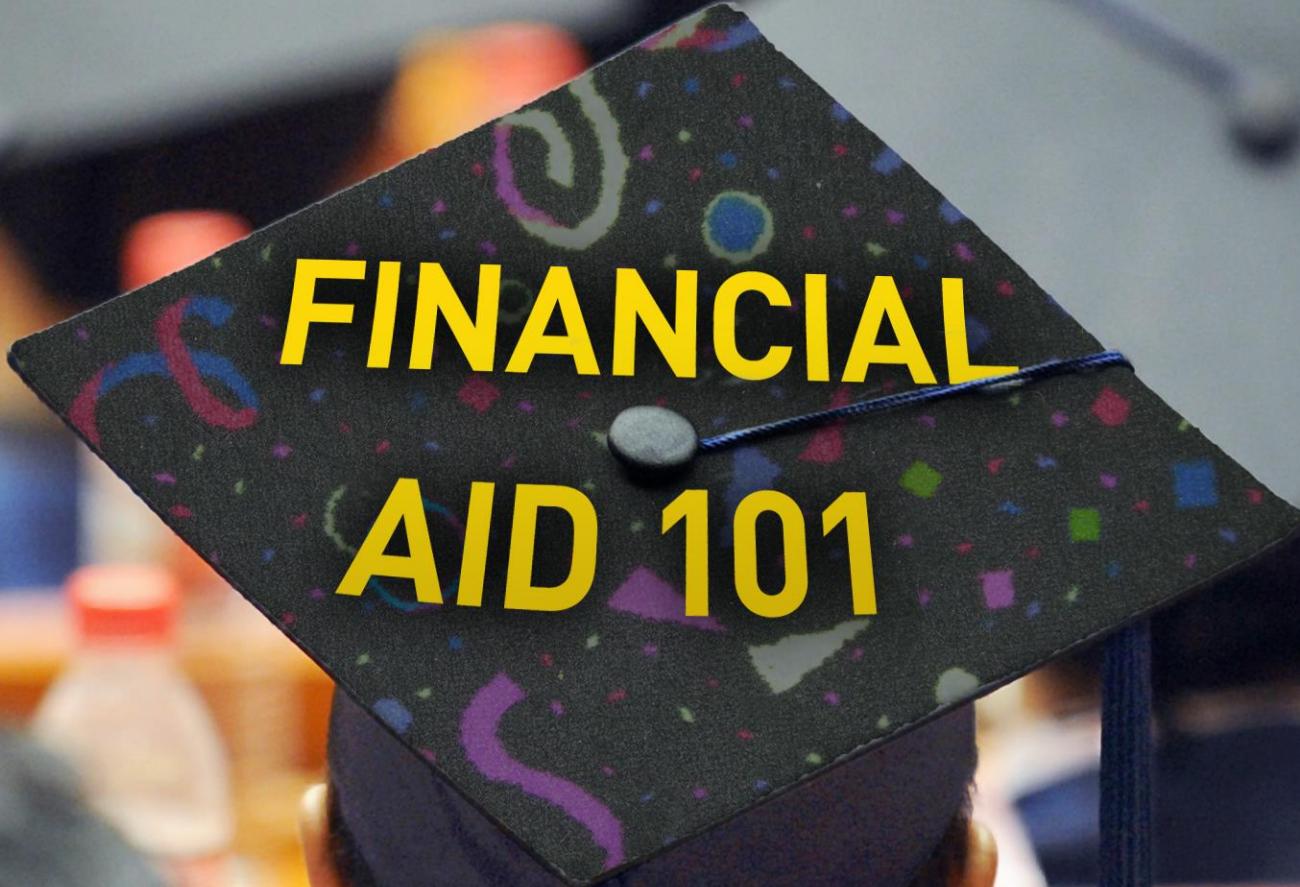
PRIVATE/ALTERNATIVE LOANS



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

Private/Alternative Loans

- 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
 - » Repayment may be deferred until education completed
 - » Terms vary by lender – compare before making choices
 - » Students must sign a “Self Certification Form” per DOE
- **READ THE FINE PRINT**



A black graduation cap with a tassel is shown from a side-on perspective. The cap features a dark, textured pattern of colorful confetti and abstract shapes. In the center, the words "FINANCIAL AID 101" are printed in large, bold, yellow capital letters. The cap is resting on a dark, textured surface.

**FINANCIAL
AID 101**

FORMS

Two Primary Forms



- Free Application for Federal Student Aid (FAFSA)
- Pennsylvania State Grant Form (PA SGF)

Other Forms You May Need to Complete



Check with your school:

- College Scholarship Service (CSS) PROFILE form
- College-specific form

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**](#)



Know When to Apply!



- **Federal Deadlines** - Apply anytime after October 1st of the year prior to when you will attend college.
- **School Deadlines** – check out your college(s)' websites to see if they list a priority filing deadline.
- **PA State Grant Deadlines for FAFSA**
 - » **May 1, 2017** – First-time and renewal students attending colleges, universities & college transferrable programs (excluding community colleges)
 - » **August 1, 2017** – 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 Junior or 4-year college.

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



FAFSA



- Complete the FAFSA as soon as possible after October 1st of the year prior to which the student is seeking financial aid.
- Ways to complete the FAFSA:
 - » Online at [**FAFSA.gov**](https://fafsa.gov) (highly recommended)
 - Safe, secure, fast, skip logic, built-in edits
 - Complete FAFSA on the Web Worksheet
 - Print the confirmation page when finished
 - » PDF FAFSA available at FAFSA.gov
 - » Paper FAFSA – call 800.433.3243

FAFSA



For 2018-19, the FAFSA requires:

- Income data from tax year 2016
- Asset information as of the day you file the FAFSA

An OFFICE of the U.S. DEPARTMENT of EDUCATION | Free Application for Federal Student Aid

Home | About Us | FSA ID | StudentAid.gov | Help | SEARCH | English | Español

Get help paying for college

Submit a Free Application for Federal Student Aid (FAFSA)



New to the FAFSA?

Start A New FAFSA

Returning User?

- Make a correction
- Add a school
- View your Student Aid Report (SAR), and more...

Login

Deadlines
Information about your deadlines.

School Code Search
Find your college's school code. Also find detailed information about your college.

FAFSA Filing Options
Learn about the other options for filing your FAFSA.

Announcements

- **Deadline Approaching:** 2014-2015 applications must be submitted by midnight Central Time, June 30, 2015, after which the 2014-2015 application will no longer be available. To make this change, *FAFSA on the Web* will be unavailable: Wednesday, July 1, from midnight through 4 a.m. CT.

Thinking About College?



Use *FAFSA4caster* to see how federal student aid can help you pay for college!

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

PARENT

Parent Tax Information

Application was successfully saved.

For 2012, have your parents completed their IRS income tax return or another tax return?

You, the parents, may be able to use the [IRS Data Retrieval Tool](#) to view and transfer your tax information from the IRS.

Did either or both parents file as Married Filing Separately?
 Yes No

Did either or both parents file as Head of Household?
 Yes No

Did you, the parents, file an amended tax return?
 Yes No

Did you, the parents, file a Puerto Rican or foreign tax return?
 Yes No

Did you, the parents, file taxes electronically in the last 3 weeks (or by mail in the last 8 weeks)?
 Yes No

Based on your response, we recommend that you, the parents, transfer your information from the IRS into this FAFSA.

Enter your PIN and click [Link To IRS](#).

Which parent are you?

What is your PIN?
 [Apply For A PIN](#)
[IForgot/Dont Know My PIN](#)

[LINK TO IRS](#)

Help and Hints

Recently Filed Taxes?

If you, the parent(s), filed your taxes electronically within the last 3 weeks, or by mail within the last 8 weeks, select Yes; otherwise, select No.

If you filed your taxes within either of those timeframes, then your tax return information might not be available from the IRS. You

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 <YYYYY> Federal Income Tax Return. [?](#)

Required fields*

First Name*	Joe		
Last Name*	Smith		
Social Security Number*	*** - ** - 6789		
Date of Birth *	01	/	04
Address * ?	 		
P.O. Box and/or Street Address	 		
Apt. Number (Required if it appears on your tax return)	 		
Country *	United States ▼		
City, Town or Post Office*	 		

FAFSA Completion Tips

- Can use estimated income to complete, if necessary (most families should have taxes completed prior to October 1st). If estimates are used, must go back and update FAFSA after taxes completed.
- Answer all income questions
- Carefully review untaxed income questions
- Review asset questions before completing them
- 529 Plans must be reported as parent assets
- Assets do NOT include home, retirement or insurance
- Do not report a business if it employs less than 100
- Do not report a farm if you live on the farm
- Some people can skip asset questions
- Online help available on the form



FAFSA TIPS



- ✓ Don't mix answers for student and parent information
- ✓ Ensure SSN accuracy
- ✓ Gender question is optional – answer it, for Selective Service purposes
- ✓ Have federal income tax and other related information to use as references
- ✓ It's **OK TO ESTIMATE** if taxes aren't filed yet
 - » Updates/corrections can be done later using the IRS Data Retrieval Tool
- ✓ **Don't delay, don't miss deadlines**

Info You May Need for the FAFSA

- Social Security Numbers
- Driver's license (student only; this information is optional)
- 2016 federal income tax return (1040, 1040A or 1040EZ)
- W-2 forms from all employers
- Current bank statements (checking and savings)
- Current business and farm records (if >100 employees / if you don't live on the farm)
- Records of any stocks, bonds and other investments, including 529 accounts (Net amounts)
- Additional untaxed income, tax records may be needed such as: Veteran's non-educational benefits, child support paid/received, workers' compensation, disability payments
- Alien registration or permanent resident card (if not a U.S. citizen)

STUDENT

Student Demographic Information

Your last name Your first name Your middle initial

Your Social Security Number

Your date of birth (mmddyyyy)

Are you male or female?
 Male Female

Your permanent mailing address (include apt. number)

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

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.

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.

PARENT

Application was successfully saved.

What is your parents' marital status as of today?

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

What is your father's/stepfather's Social Security Number?

What is your father's/stepfather's last name?

What is your father's/stepfather's first initial?

What is your father's/stepfather's date of birth? (mmddyyyy)

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

What is your mother's/stepmother's last name?

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:

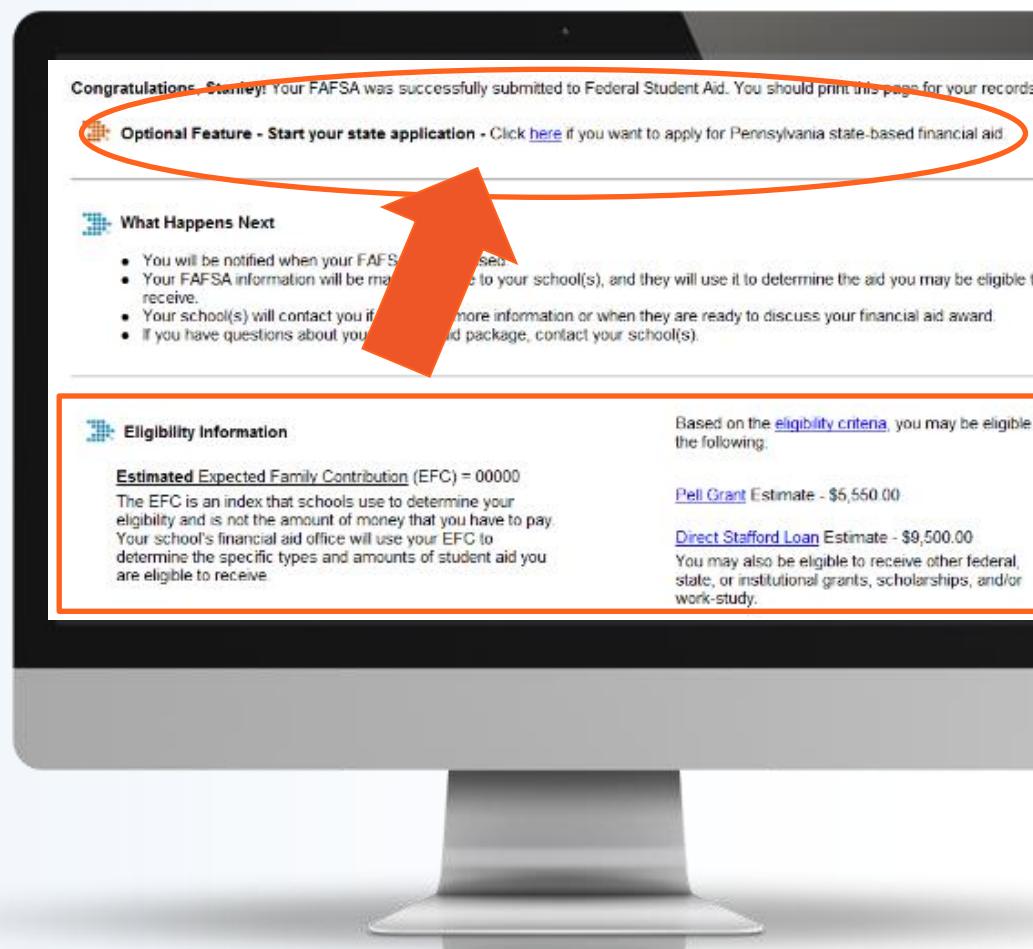
- Yourself, even if you will attend college less than half-time in 2013-2014

STUDENT SECTION:
Dark Blue

PARENT SECTION:
Purple

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

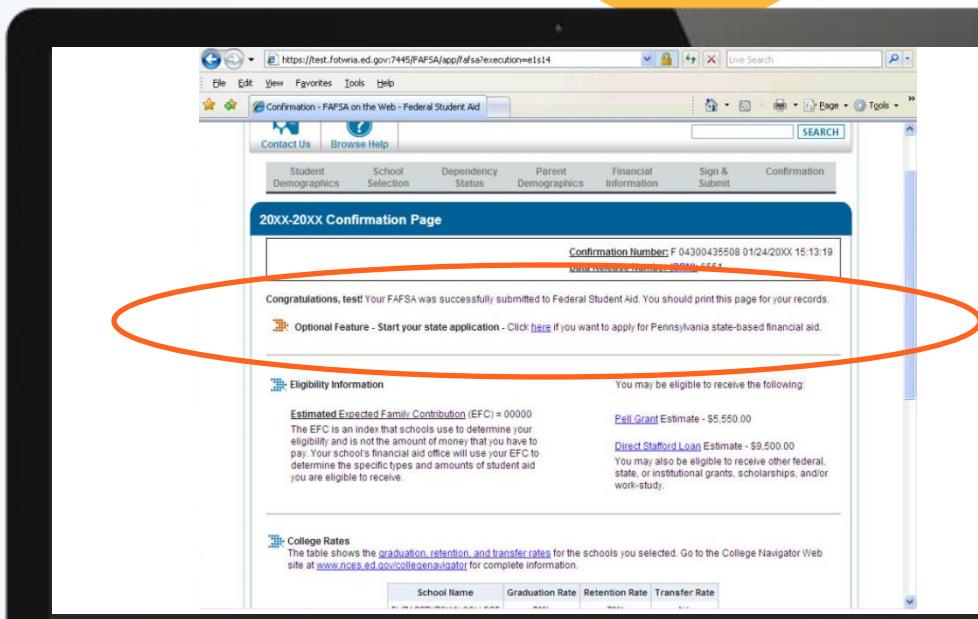


Signing the FAFSA Electronically

- Student and parent sign electronically with a FSA ID
- Apply for a FSA ID at fsaid.ed.gov
- Do not lose it. Write it down and store in a safe place
- 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
- Can retrieve your username and/or password, if you forget

Pennsylvania State Grant Form

Link directly to the State Grant Form from the confirmation page of your FAFSA!

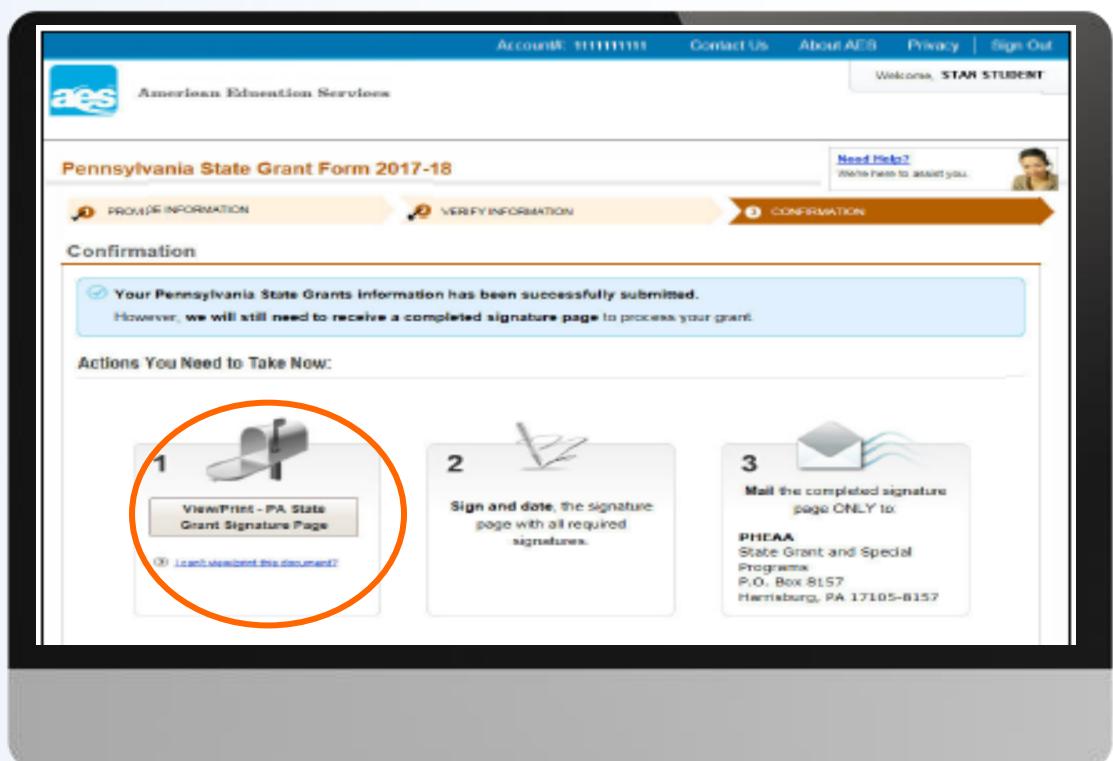


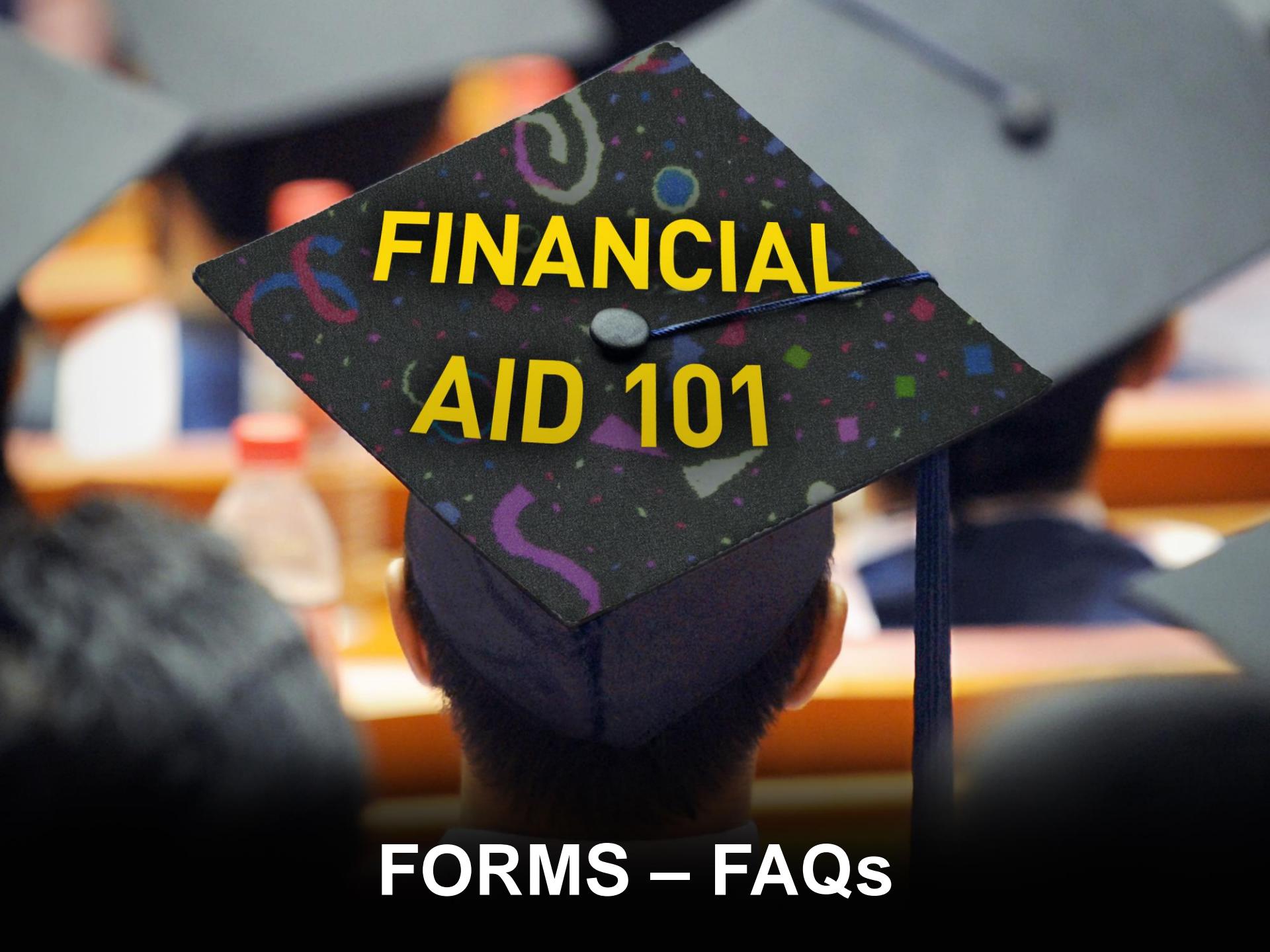
PA State Grant Form

- Students who click on the link will be automatically moved to the PA State Grant Form and will be presented with the additional questions needed to determine State Grant eligibility which includes such items as enrollment status, value of PA 529 College Savings Program, program of study, and employment status.
- Printing, signing and mailing in the State Grant confirmation page is the last step in the process. PHEAA is working on an electronic signature capability, but that is not available at this time.
- Students will be able to view their status on Account Access at PHEAA.org about 3 days after completing the FAFSA online.

All Done? Now What?

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





A graduation cap with a tassel is positioned in the foreground, tilted slightly. The cap is dark with a colorful, abstract pattern of confetti-like shapes. The words "FINANCIAL AID 101" are printed in large, yellow, sans-serif capital letters across the center of the cap. In the background, a graduation gown is draped over a chair, and a stack of orange books is visible on a shelf.

FINANCIAL AID 101

FORMS – FAQS

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)



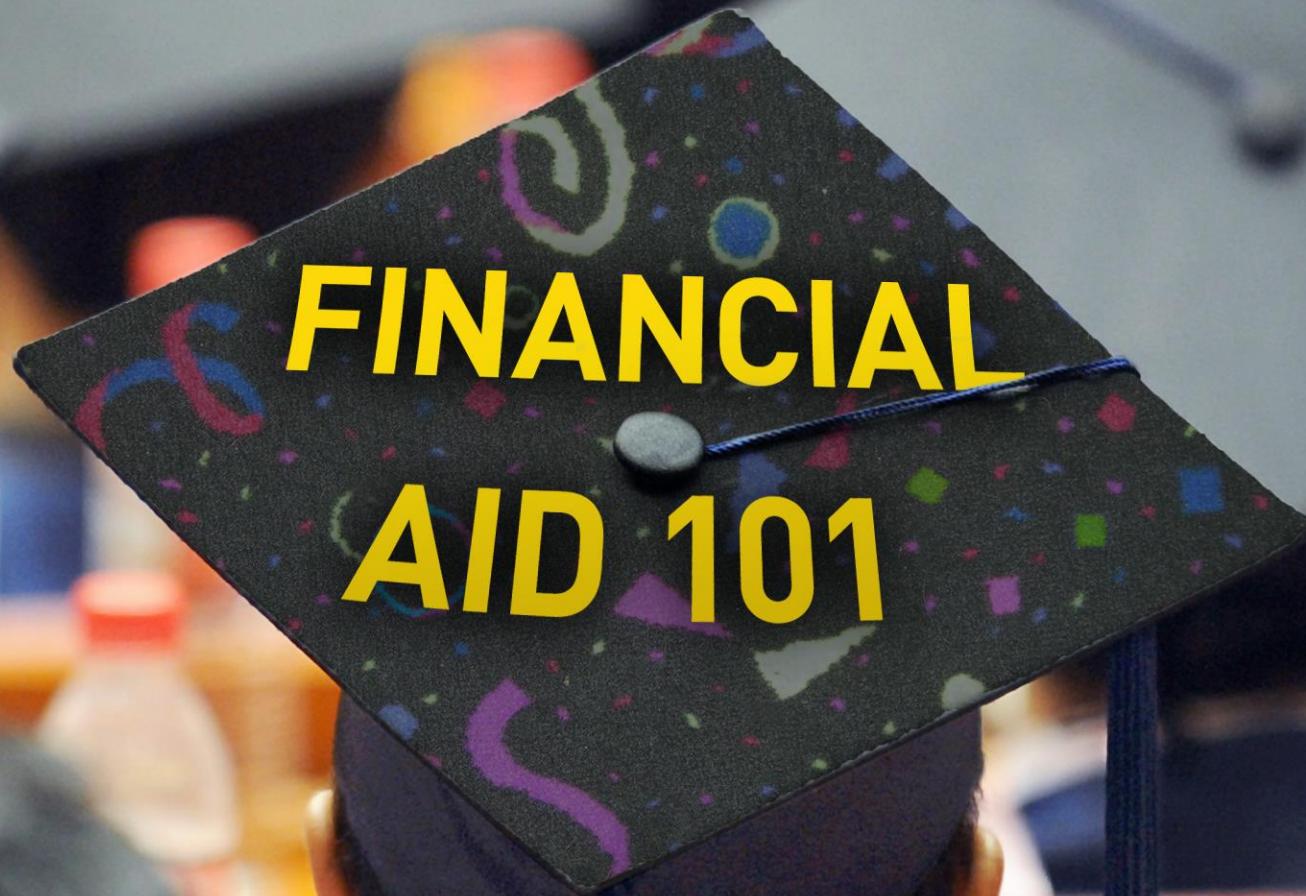
Whose Info Goes on the FAFSA?

- 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

If things change....

- ✓ Divorced or separated parents
- ✓ Stepparents
- ✓ Adoptive parents
- ✓ Foster parents
- ✓ Legal guardians
- ✓ Living with others
- ✓ Recent death or disability
- ✓ Reduced income



FORMS ARE FILED – NOW WHAT?

The Process Continues

Department of Education's Central Processing System uses the information to calculate and create your Need Analysis

- EFC is calculated
- SAR/ISIR - reports your eligibility for aid to you and your school choices
- Grant eligibility is calculated
- Schools receive your results
- You apply/applied to your school choices
- Once accepted - schools produce Award Letters (aid packages)
- You compare Award Letters
- Determine true costs of school and make choices

Determining Need-Based Eligibility

- Student submits FAFSA
- Family undergoes Need Analysis
- Expected Family Contribution (EFC) is determined based on:
 - » Parent income and assets
 - » Student income and assets
 - » Family size
 - » Number of children in college
 - » Age of the older parent
- This is NOT necessarily the amount you will pay each year!

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.
- In reality, it is not the amount a family is required to pay and it is rarely the amount a family actually pays.

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

Cost of Attendance

The Financial Aid Office will include the direct costs in determining the student's annual cost of attendance at that school:

Direct College Costs:

- Tuition
- Required Fees
- Room
- Meals
- Books and Supplies

Indirect College Costs:

- Transportation
- Personal Expenses
- Dependent Care Expenses
- Dorm Furnishings

Financial Need

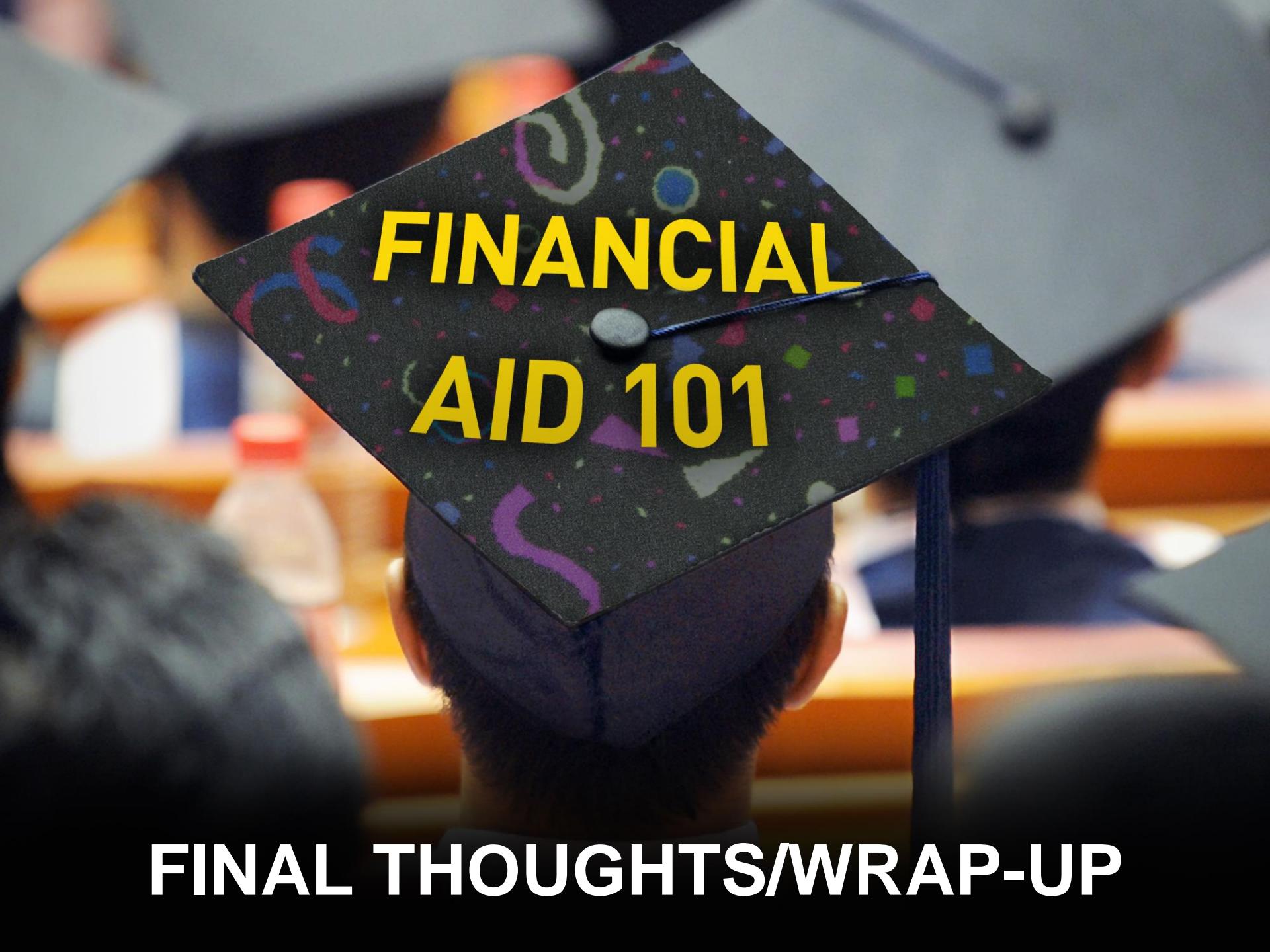
- Your financial aid package may not meet all of your calculated financial need.
- Be sure to determine how much will be required of you in out-of-pocket costs and loans.

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

A graduation cap with a tassel and a graduation gown in the background.

**FINANCIAL
AID 101**

FINAL THOUGHTS/WRAP-UP

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

Beware of the 5-year Plan

Things like double majors, study abroad, internships, and athletics can enhance the educational experience and improve marketability. But it comes at a price:

- Total cost just increased by 25%
- The 5th year likely costs 20% more than the 1st year did
- Loss of institutional funds if they only allow for 4 years
- Loss of PA State Grant if all 4 years have been received
- Reduction in student borrowing capacity if maximum loans received in the first 4 years (only \$4,000 left)
- Talk it over and plan ahead!

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

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



How it Works

MySmartBorrowing guides students and families through four easy sections:



1 Select a
Career



2 Select a
School



3 Factor in
Savings

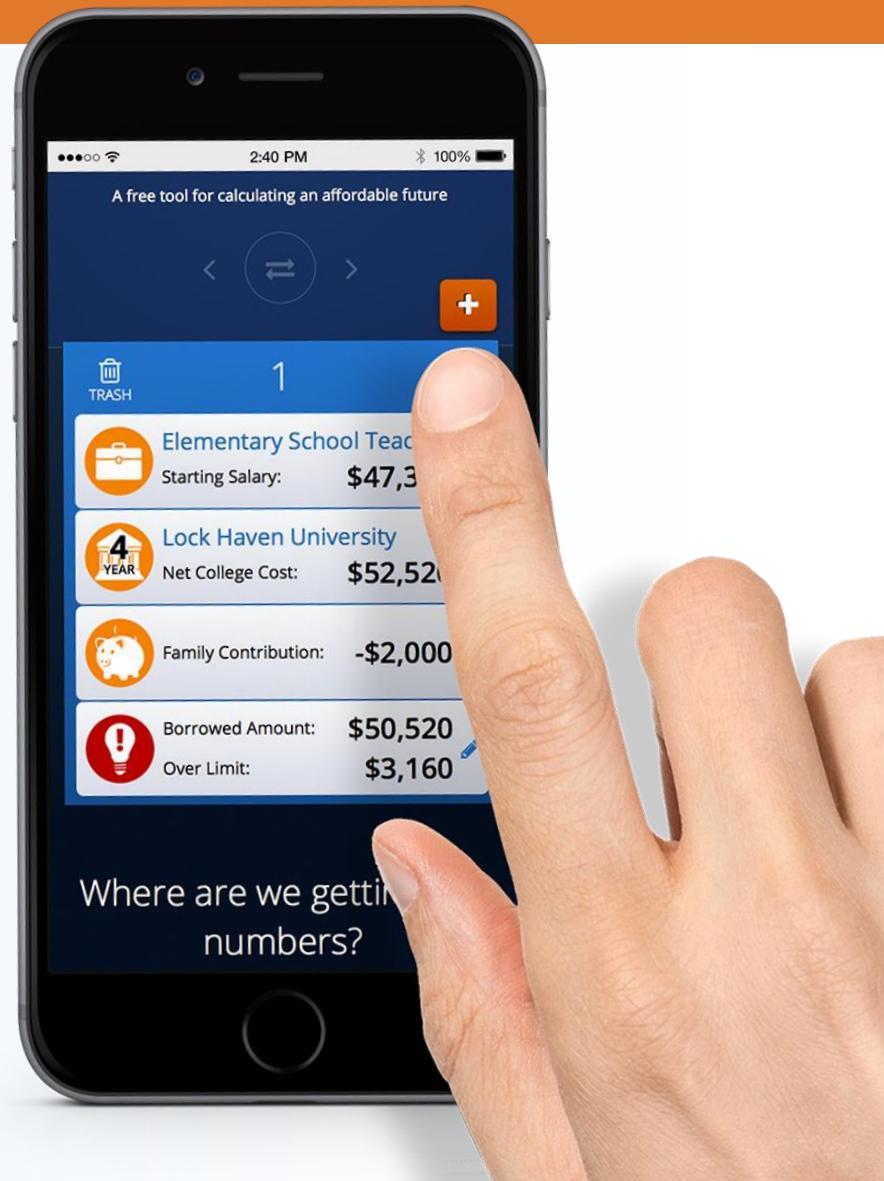


4 Get Results

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



EducationPlanner.org

- Begin with the end in mind
- Links to My Next Move/ONet - National Database of Careers to see average wages for your career choice



EducationPlanner.org

EDUCATION PLANNER.ORG

CAREER PLANNING

CAREERS

STUDENTS

PARENTS

COUNSELORS

SEARCH

Career Planning

Get started on the path to career success.

The working world may seem like a long way off, but it is never too early to plan for your goals. What can you do today to make sure you're ready for tomorrow?

EducationPlanner is a great starting point. Identify your skills and interests and then explore some suitable careers that you may enjoy.

▶ Career Planning Checklists

Follow our simple checklists to view the steps you can take now to work toward long-term career success.

▶ Find Careers

Select a career that is compatible with your outlook and your vision of the future.

▶ Get Experience

Sample some career options before you decide on the career path that is right for you.

▶ Explore Salary and Pay

See what type of earning power more schooling can provide.

▶ Find Careers Now

Which Careers Match Your Skills?

Think about the things you are good at doing, then find careers that match those skills.

Contact Information

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814.889.1056

dwray@pheaa.org



QUESTIONS?