

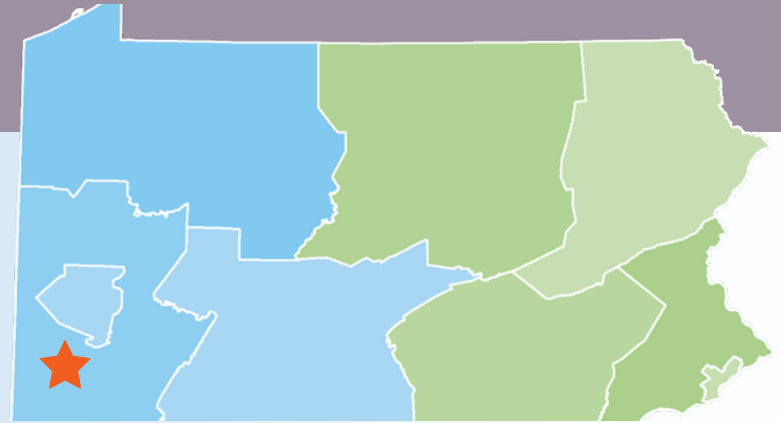
I WAS  
ABLE TO  
AFFORD COLLEGE



AND SO  
CAN YOU.



# Your Presenter



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# Today's Agenda

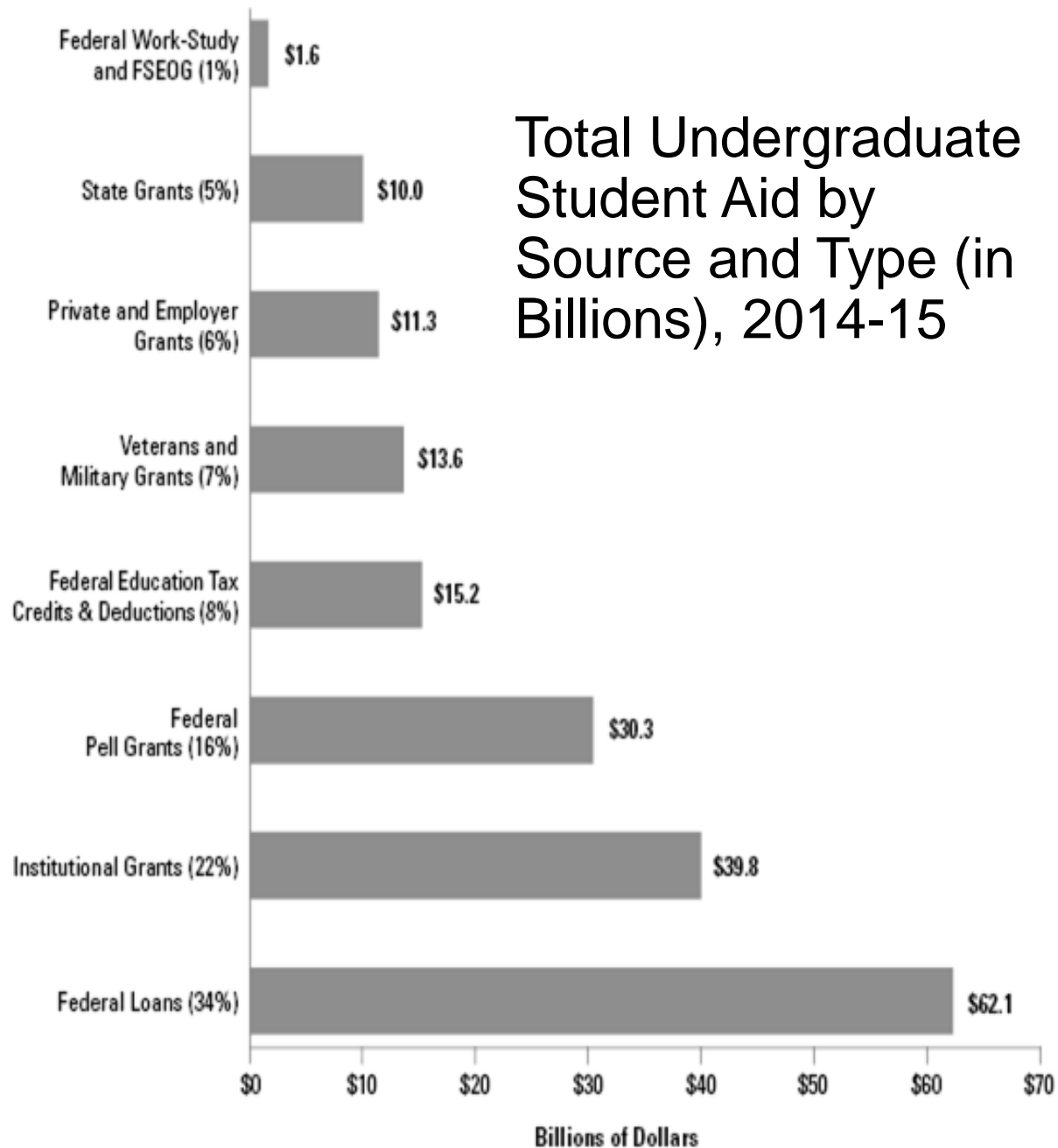


- ✓ What aid sources are available
- ✓ Applying for Financial Aid
- ✓ What happens next
- ✓ Making smart decisions

# 2014-15 Undergraduate Student Aid by Source & Type

NOTES: Loans reported here include only federal loans to students and parents. Percentages may not sum to 100 because of rounding.

SOURCE:  
[trends.collegeboard.org](http://trends.collegeboard.org)



# 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)

# Do Your Research



- 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 is the net price that you will pay?

# 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**

# MySmartBorrowing.org

- An interactive, online tool created by PHEAA that helps students and families:
  - » Select a career
  - » Select a school
  - » Factor in savings
  - » Get the 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



# 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

# Basic Principles

- Paying is the joint responsibility of the student and parent(s), to the extent possible.
- Need-based financial aid is subject to federal formula to determine financial need.
- Not all families qualify for need-based aid.
  - » There is no guarantee that you will get any free money to pay for higher education.

# 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.

# Funding Sources



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

# 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 internal scholarships exist - note DEADLINES
- Don't forget about national scholarships
  - » Companies, organizations, groups

# Increase Your Scholarship Options – Create a Resume

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

**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

# Recognize Scholarship Scams



- You must pay a fee to apply for the scholarship.
- The offer "guarantees" money.
- You must attend a free seminar to be considered for the scholarship.
- 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.
- The offer says there is millions in unclaimed scholarship money waiting for you.
- The offer includes official-sounding words like "national," "education," or "federal" or has an official-looking seal.
- You must provide a credit card number or your bank or savings account information to apply for the scholarship.



# Unique Scholarships



## Jif Most Creative Sandwich Contest

- Jif Peanut Butter holds the Jif Most Creative Sandwich Contest as a fun way to award students preparing to attend college. The award includes a scholarship worth \$25,000, as well as a Jif Peanut Butter Basket worth \$50.

## The Wear Duck Tape to Prom Scholarship

- Duck Brand products holds an annual contest to see who can make the best prom outfit from Duck<sup>®</sup> Tape. The winners receive a \$5,000 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?**

# PA Society Scholarship



- ✓ Be a current high school senior at any Pennsylvania high school (public, private, home schooled)
- ✓ Have a minimum 3.0 GPA on a 4.0 scale or its equivalent
- ✓ Plan to enroll in full-time undergraduate study at an accredited, nonproprietary, four-year college or university in Pennsylvania for the 2018-2019 academic year
- ✓ Demonstrate financial need
- ✓ Have been and continue to be an active participant in community service
- ✓ Must Apply by: NOVEMBER 1, 2017

*Once earned, awards are renewable for up to three additional years or until completion of a Bachelor's degree (whichever occurs first), provided students continue to meet eligibility criteria. Scholarship recipients must take a minimum of nine credits in government/politics, civics, and/or US history by the end of their junior year.*

The program is now accepting applications for renewable college scholarships worth up to \$8,000 a year. Twenty-five scholarships will be awarded.

[www.scholarsapply.org/pennsylvaniasociety](http://www.scholarsapply.org/pennsylvaniasociety)

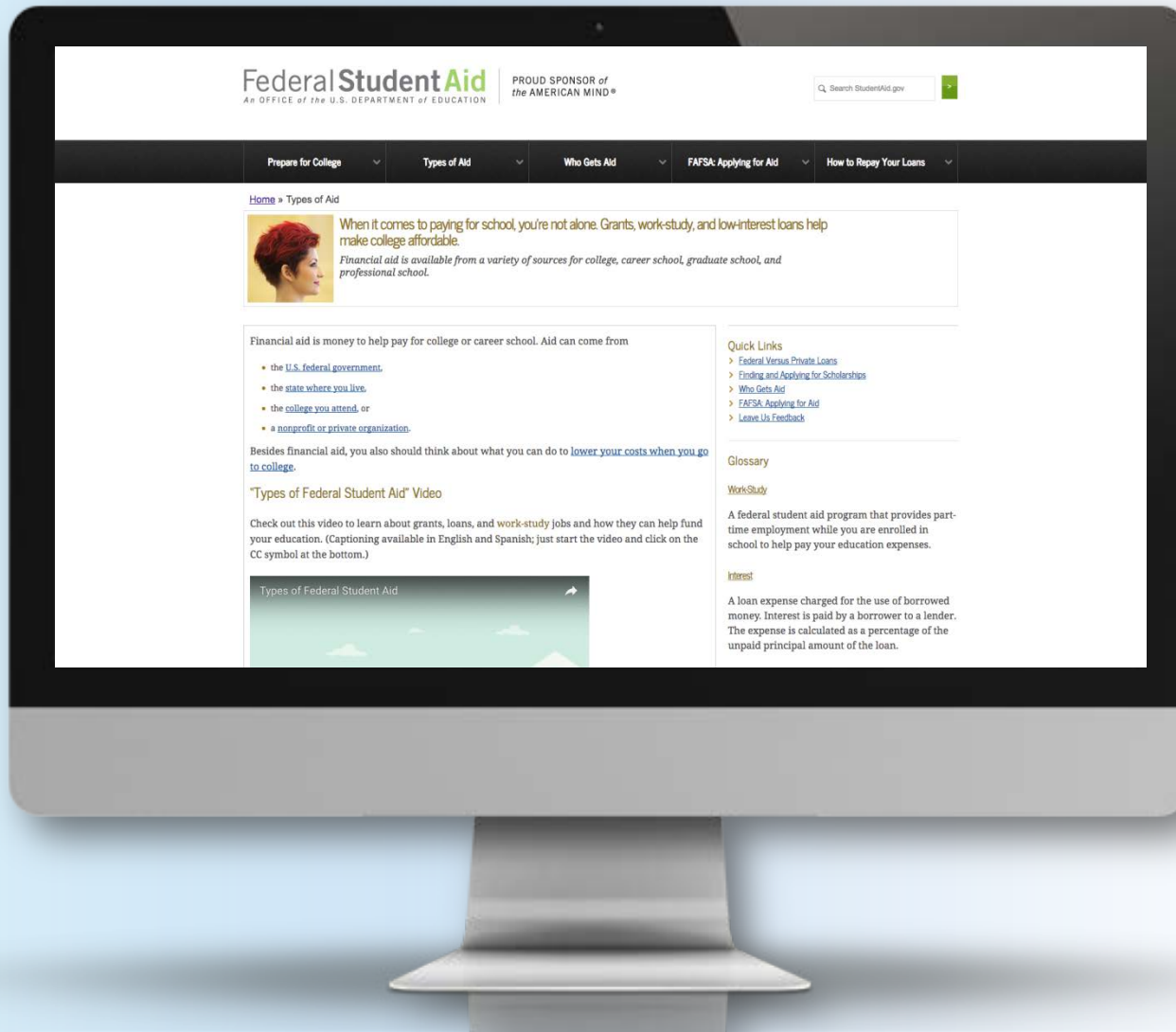
# Federal Programs

- 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

# Visit [StudentAid.ed.gov](https://StudentAid.ed.gov) to see all federal aid sources.



# 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

# 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](https://www.pheaa.org).

# FAFSA - Free Application for Federal Student Aid

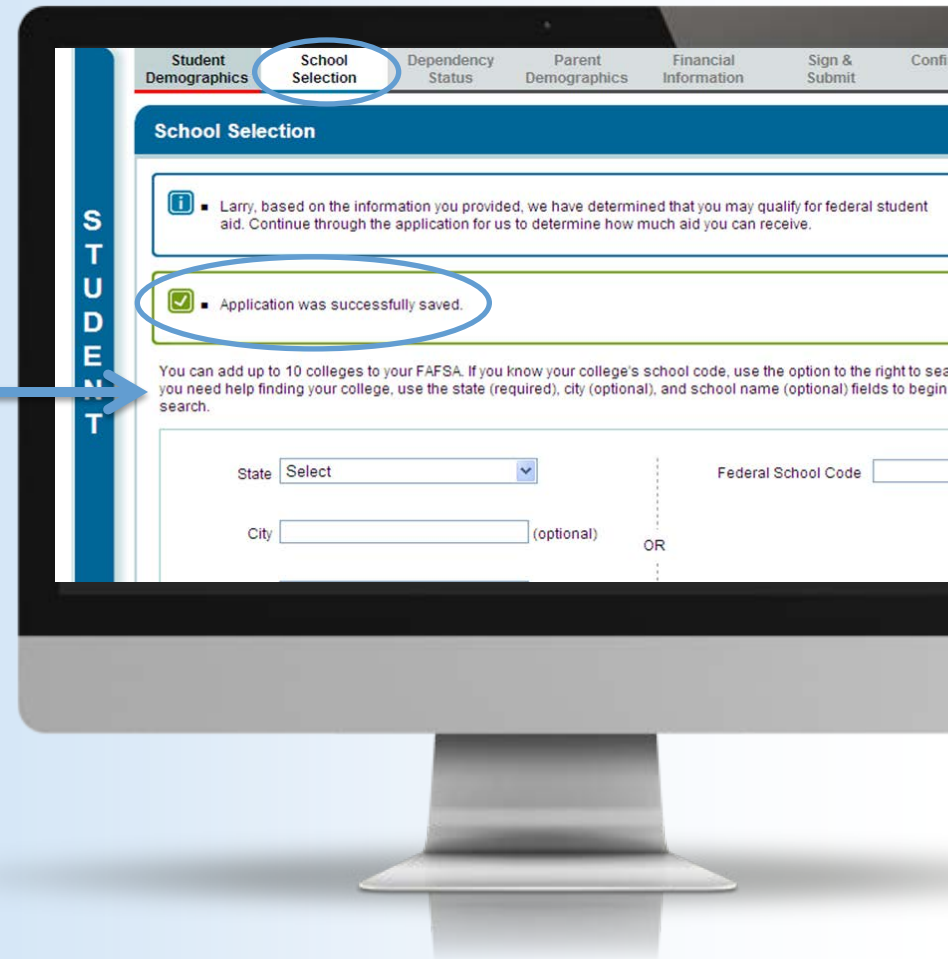
- The FAFSA is the primary federal form for financial assistance to attend postsecondary school
  - » It determines:
    - Expected family contribution (EFC)
    - Eligibility for need based financial aid programs
- Must file a FAFSA each year a student attends school to be eligible





# 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**

# FAFSA



For 2018-19:

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

# Who Is Independent?



- 24 or older on Jan 1<sup>st</sup> 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

# 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

# Income Question Tips

**The FAFSA always requires applicants to use prior-prior year income.**

Have tax returns and W2 forms available

Read the instructions

Do not leave anything blank

Provide estimated figures, if circumstances warrant

Review untaxed income, such as tax deferred savings and child support

Enter amounts in whole dollars only



## **Assets are reported as of the date the application is filed**

Some families do not have their assets included in the EFC

529 plans are reported as Parental Investments when the amount, along with other assets, totals more than the Asset Protection Allowance on the FAFSA

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 (AY 18/19)
  - Remaining amounts assessed at 50%
- Dependent students must report assets in their name
  - Student assets are assessed at 20%.
  - No Asset Protection Allowance



**Student Demographic Information**

Your last name: Lastnamerapp | Your first name: Harvey | Your middle initial: L

Your Social Security Number: 236-04-1006

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

Are you male or female?  Male  Female

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

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

Your ZIP code:

**Help and Hints**  
Does Student Want to Provide Driver's License Information?  
Select **Yes** if you want to provide your driver's license information.  
Select **No** if you do not have a driver's license or an identification card or do not want to provide your driver's license information.

**STUDENT SECTION:  
Dark Blue**

**PARENT**

Application was successfully saved.

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

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

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

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

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

**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.

**PARENT SECTION:  
Purple**

# THE FSA ID & PASSWORD

- 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!**

<https://studentaid.ed.gov/sa/fafsa/filling-out/fsaid>



# Using the FSA ID

- Apply for a FSA ID at [fsaid.ed.gov](https://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](https://NSLDS.ed.gov)

# 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

**Parent Tax Information**

**PARENT**

Application was successfully saved.

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

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?  
Select

What is your PIN?

[Apply For A PIN](#)  
[I Forgot/Don't 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

# IRS DRT Enhancements

## 2016 Federal Income Tax Information

### Gdit Data


Based on the information you provided, the Internal Revenue Service (IRS) located your income tax return. With your permission below, the IRS will securely transfer your tax information to the Department of Education (ED) to populate any applicable FAFSA® questions.

For your protection, the IRS will not display your tax information and will further encrypt any tax information transferred using the IRS DRT; therefore, ED is unable to display your tax information on your FAFSA.

The data retrieved from your tax return is limited to the items listed below as you reported to the IRS:

Tax Year	Type of Return Filed	Untaxed Pensions
Name(s)	Adjusted Gross Income	Untaxed IRA Distributions
Social Security Number	Income Earned from Work	Tax exempt Interest Income
Filing Status	Income Tax	IRA Deductions and Payments
IRS Exemptions	Education Credits	Status of Amended Returns Received

Refer to your tax records if you have a question about the values you reported.

 Print this page for your records before choosing an option below.

### Transfer My Tax Information into the FAFSA

- The tax information provided to FOTW will populate the answers to the appropriate FAFSA questions. After the FAFSA is populated your IRS session will end and you will return to your FAFSA. Check this box if you are choosing to transfer your information.

[Transfer Now](#)



### Do Not Transfer My Tax Information and Return to the FAFSA

- By clicking the "Do Not Transfer" button, you are choosing not to transfer your tax information electronically. Your IRS session will end and you will return to your FAFSA.

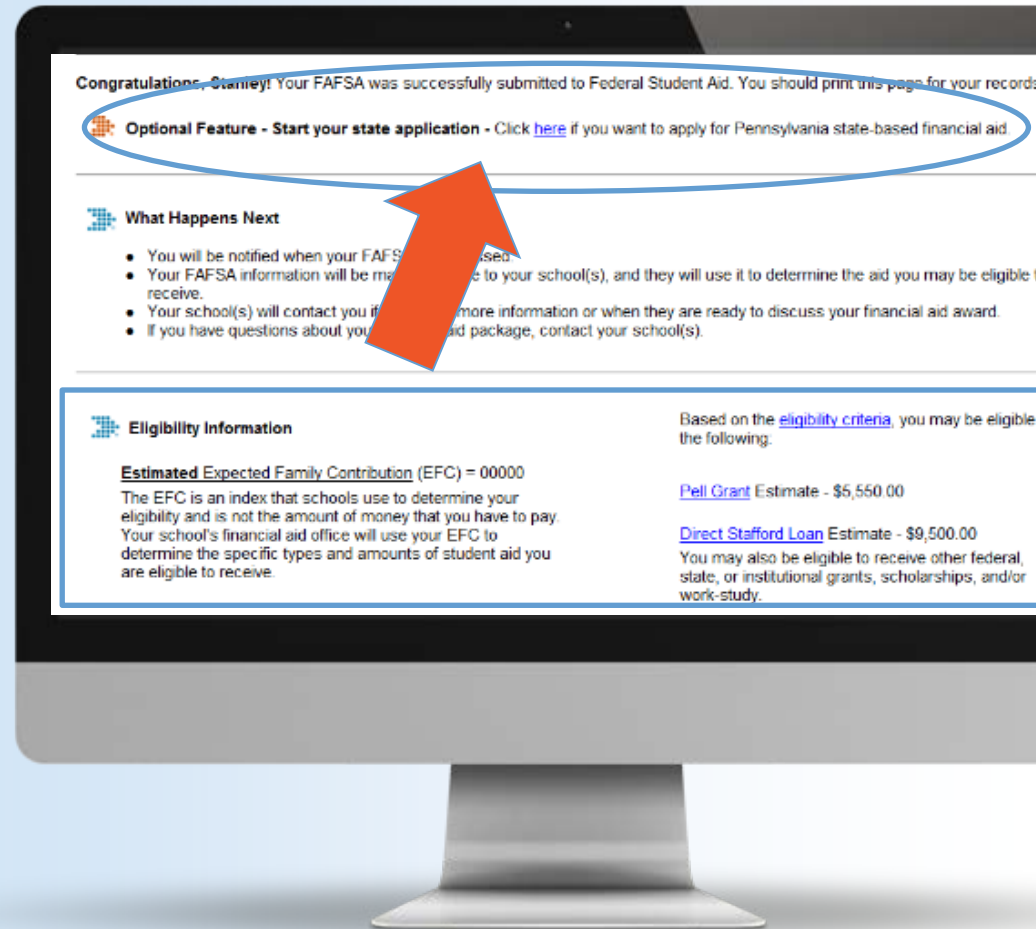
[Do Not Transfer](#)



# 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

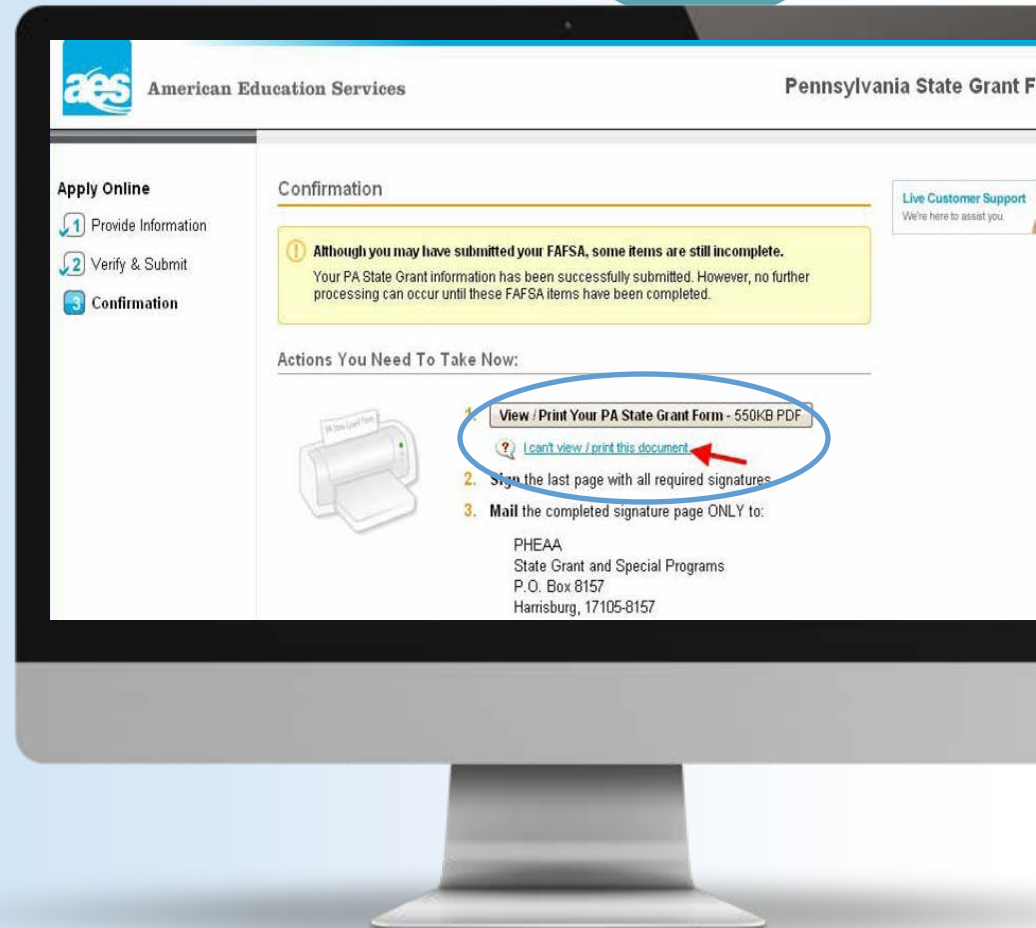




# State Grant Form

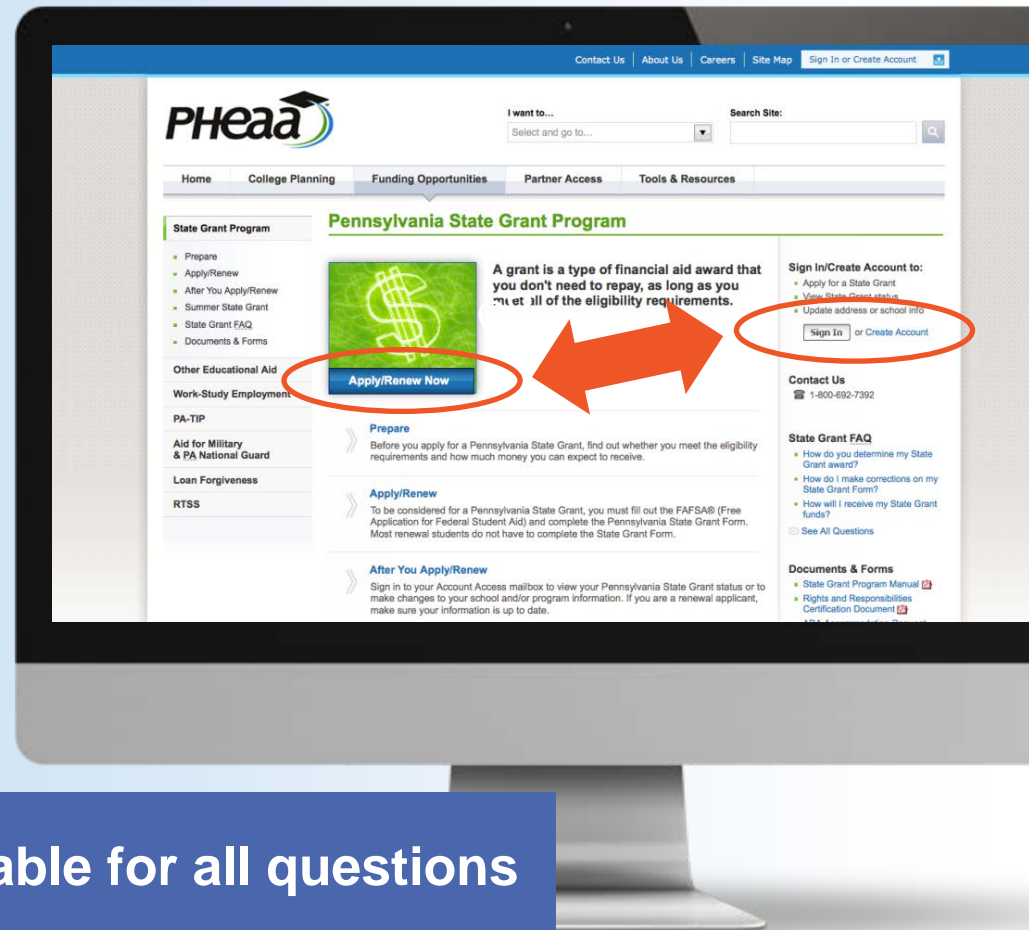


You **MUST**  
print, sign &  
mail in the  
grant  
confirmation  
page



# Online State Grant Application

- Missed the link or it wasn't available?
  - Link in an email sent to student/parent from PHEAA, OR
  - Go to [PHEAA.org](https://www.pheaa.org); State Grant Program; and complete the form



Help screens are available for all questions

# Special Circumstances

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



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

# 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
- 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

# 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

# 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?

# How to Cover Unmet Financial Need

- 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

# Borrowing for Higher Education

- » Stafford Loan (currently 4.45 % fixed) – student
- » PLUS Loan (currently 7.0 % fixed) – parent and graduate student
- » Alternative Loan (variable/fixed rates)



# 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 <sup>st</sup> Year	\$3,500	\$2,000	<b>\$5,500</b>	\$4,000 <sup>1</sup>	\$9,500
2 <sup>nd</sup> Year	\$4,500	\$2,000	<b>\$6,500</b>	\$4,000 <sup>1</sup>	\$10,500
3 <sup>rd</sup> Year	\$5,500	\$2,000	<b>\$7,500</b>	\$5,000 <sup>1</sup>	\$12,500
4 <sup>th</sup> Year	\$5,500	\$2,000	<b>\$7,500</b>	\$5,000 <sup>1</sup>	\$12,500
Certification	\$5,500	\$0	<b>\$5,500</b>	\$7,000 <sup>2</sup>	\$12,500
Graduate	\$8,500	\$0	<b>\$8,500</b>	\$12,000 <sup>2</sup>	\$20,500

<sup>1</sup> Must be an independent student OR a dependent student whose parents were denied the PLUS Loan.

<sup>2</sup> 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

# 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.

# 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](https://StudentAid.ed.gov/fsaid)

# Use Your Resources

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

# Contact Information

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Pennsylvania Higher Education Assistance Agency



**QUESTIONS?**