



FINANCIAL AID 101

Welcome!

Your Presenter

Jayeann Harr

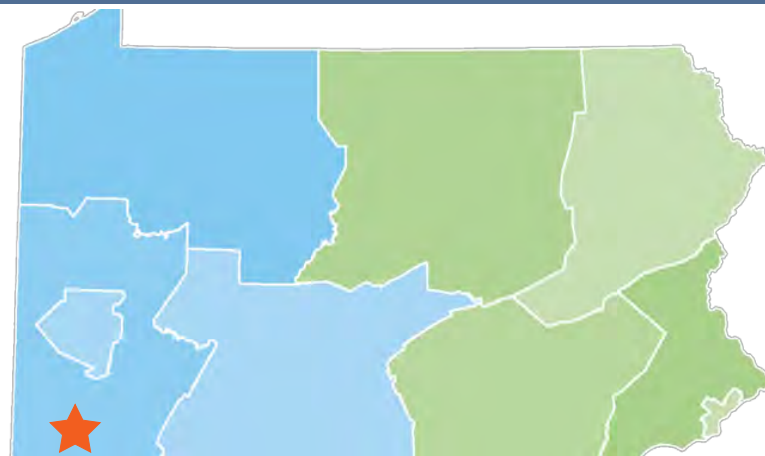
Higher Education Access Partner

Southwest Region

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Today's Agenda



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

What Is Financial Aid?



- Gift Aid
 - Scholarships and Grants (Free Money)
- Self-Help
 - Direct Student Loans (Must be paid back)
 - Parent PLUS Loans (Must be paid back)
 - Private Educational Loans (Must be paid back)
 - Work-study (Must work to earn a paycheck)
- Awarded based on Merit and/or Need

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.

How is the EFC Calculated?



- EFC formula considers a family's taxed & untaxed income, assets, family size, how many will be attending college, and age of oldest parent
 - Includes allowances for taxes and focuses mainly on income
- Asset Protection Allowance is applied against parent's reported assets
 - EFC calculation roughly uses 5.64% of parent asset contribution and 20% of student contribution
 - Student income contribution used in the calculation: 50% of amounts over \$6,660 (19-20)
 - Parent contribution divided by number of children in college at the same time
 - Parent + student contribution = EFC

What Assets are Included on the FAFSA

Not all families are required to report assets

- Cash, checking and savings accounts (account owner)
- Investments such as stocks, savings bonds, CD's, mutual funds, etc. (account owner)
- 529 plans (parents, regardless if student applying for aid owns account)
- UGMA and UTMA accounts (account owner not custodian)
- Real Estate and Rental properties (owner – other than family residence)

Do Not Include

- Your family home, if it's your principal place of residence
- Family Farm, if it's your principal place of residence and your family participates in the farm's operation
- Your family business, if your family owns and controls more than 50% of a small business that has less than 100 full-time employees
- 401k, 403b, non-educational IRS's, pension plans and qualified retirement plans
- Life insurance policies

Asset Protection for 2019-20

	Age of Older Parent	Allowance for 2 Parents	Allowance for 1 Parent
2018-19	50	22,300	13,500
2019-20	50	12,500	6,500

Funding Sources



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

Be a Smart Consumer



- Do your research.
- What is the net price that you will pay?
- 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?

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)
- **May not include scholarships**

MySmartBorrowing.org

- An interactive tool that helps students and families:
 - Estimate career salaries & college tuition
 - View the impact of savings on overall cost
 - Calculate loan repayment
 - Avoid over borrowing



Start with FREE Money First!



- Many postsecondary schools have internal scholarships
 - Check their websites (financial aid, admissions)
 - Note DEADLINES
- High school community scholarships
 - Check with your guidance counselor
- Check with employers and organizations
- Don't forget about national scholarships

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.



Recognize Scholarship Scams



- Application Fees
 - Should not pay a fee for a scholarship
- “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?

Federal Programs

- Pell Grant (2019-20 max award \$6,195)
- Max EFC is 5486 (18-19)
- Campus-based aid (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.

Pennsylvania State Grant*

- In-state (PA) - Full-time: up to \$4,123
- In-state (PA) – Full-time Distance Education: up to \$2,061
- In-state (PA) – Part-time: 1/2 of the FT award
- Out-of-state - Up to \$526 in DC, DE, MA, OH, VT, WV. \$702 for veterans.
- Amount determined in part by the cost of the school.



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* Must be at least half-time to be eligible

Pennsylvania State Grant*



2018-19 Maximum Awards

Cost Tier	Final Maximum Award	Final DE Award
\$0 - \$12,000	\$2,193	\$1,096
\$12,001 - \$19,000	\$3,509	\$1,754
\$19,001 - \$29,000	\$3,772	\$1,886
\$29,001 - \$32,000	\$4,123	\$2,061

The maximum award for students attending an approved school in a reciprocal state is \$526, and \$702 for a veteran in an approved school in a reciprocal state.

* 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.

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Applying for Financial Aid



- Free Application for Federal Student Aid (FAFSA) – **every year**
- Pennsylvania State Grant Form (PA SGF) – **first year**

Financial Aid Forms – CSS PROFILE

CSS PROFILE Schools in Pennsylvania – Domestic Students (As of 7/1/2018)

Abraham L Buckwalter Fund
Bryn Mawr College
Bucknell University
Carnegie Mellon University
Dickinson College
Drexel University
Franklin & Marshall College
Gettysburg College
Haverford College

Lafayette College
Lehigh University
Muhlenberg College
Swarthmore College
Univ of Penn: Law School
Univ of Penn: Perelman Sch of Med
Univ of Pennsylvania
Univ of Pittsburgh: Sch of Med
Villanova University

<https://profile.collegeboard.org/profile/ppi/participatingInstitutions.aspx>

Don't Miss Deadlines



- **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, 2019** – First-time and renewal students attending colleges, universities & college transferrable programs (excluding community colleges)
 - **August 1, 2019** – 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.

Be Prepared

- A Federal Student Aid (FSA) ID (Student & one parent)
- Social Security Number (Student & Parents)
- Student's driver's license (if they have one)
- Student's Alien registration number
- 2017 Federal Tax Returns (Student & Parents)
- 2017 W-2's (Student & Parents)
- Records of 2017 untaxed income (Student & Parents)
- Current bank/investment statements (Checking, Savings, Stocks, Bonds, 529's and other investments)
- Email addresses (Student & Parents)

Whose Info Goes on the FAFSA?

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- 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

Who Is Independent?

- ✓ 24 or older on Jan 1st of award year
- ✓ Married
- ✓ Veteran (includes active duty personnel)
- ✓ Working on graduate level degree
- ✓ Emancipated minor or 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



Apply for FSA IDs

- Student and one parent will sign the FAFSA electronically - each needs a SEPARATE email address and ID
- Get your ID early
- **A FAFSA IS NOT COMPLETE UNTIL IT'S 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](https://www.nsls.ed.gov)

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FAFSA - Free Application for Federal Student Aid

- The FAFSA is the primary federal form for need based financial aid
 - It determines:
 - Expected family contribution, need
 - Eligibility for most aid programs
- Must file a FAFSA each year a student attends school to be eligible
- FAFSA Redesign
- FAFSA App available 10/1/18



FAFSA Help and Hints

FAFSA.gov

Help and Hints

ExitClear All DataView FAFSA SummarySaveHelp

Personal Information for Student

Student DemographicsSchool SelectionDependency StatusParent DemographicsFinancial InformationSign & SubmitConfirmation

STUDENT INFORMATION

i Because the FAFSA belongs to the student, "you" and "your" always (unless otherwise noted) refer to the student.

Your last name?
Student

Your first name?
Susan

Your middle initial?

Your Social Security Number

This is your proper last name, not a nickname, and it must match exactly the name on your Social Security card. Remember to only use letters (a-z), numbers (0-9), periods, hyphens, and slashes. No blanks (spaces), no other characters are allowed.

X

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

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

Required fields*

First Name*	<input type="text" value="Joe"/>
Last Name*	<input type="text" value="Smith"/>
Social Security Number*	*** - ** - 6789
Date of Birth*	<input type="text" value="01"/> / <input type="text" value="04"/> / <input type="text" value="1990"/>
Address* ?	
P.O. Box and/or Street Address	<input type="text"/>
	<input type="text"/>
Apt. Number (Required if it appears on your tax return)	<input type="text"/>
Country*	<input type="text" value="United States"/> v
City, Town or Post Office*	<input type="text"/>

Student Signature

Signatures

Student signature should be okay if signed in with FSA ID but will have to click agree to terms.

The screenshot shows the 'Signature Status' page. At the top, a progress bar indicates the completion status of various sections: Student Demographics, School Selection, Dependency Status, Parent Demographics, Financial Information, Sign & Submit, and Confirmation. The first five sections are marked with green checkmarks, while 'Sign & Submit' is marked with a blue pencil icon. Below the progress bar, a blue box contains an information icon and text: 'A parent must sign the FAFSA. If you are a parent, click **Provide Parent Signature** to sign your child's FAFSA. Note: If you are the student and your parent is not present, click **Save** and then **Exit**. Your parent should log in to fafsa.gov using the student's identifiers and the "save key" to sign and submit your FAFSA.' Below this, there are two panels. The left panel, titled 'Student Signed With FSA ID' with a green checkmark, displays: 'Social Security Number: XXX-XX-1010', 'Last Name: Lastnamerapp', 'Date of Birth: 04/19/1995', and 'Signature Status: Signed Electronically'. The right panel, titled 'Parent Signature Needed' with a blue pencil icon, displays 'Signature Status: Unsigned' and a 'PROVIDE PARENT SIGNATURE' button with a pencil icon.

The screenshot shows the 'Agreement of Terms' page. At the top, a progress bar is identical to the one in the previous screenshot. Below the progress bar, a blue banner reads 'STUDENT INFORMATION' and 'READ BEFORE PROCEEDING'. The main content area contains a scrollable text box with the following text: 'By signing this application electronically using your FSA ID (username and password) and/or any other credential or by signing a signature page and mailing it to us, YOU, THE STUDENT, certify that you: 1. will use federal and/or state student financial aid only to pay the cost of attending an institution of higher education, 2. are not in default on a federal student loan or have made satisfactory arrangements to repay it, 3. do not owe money back on a federal student grant or have made satisfactory arrangements to repay it, 4. will notify your school if you default on a federal student loan, and 5. will not receive a Federal Pell Grant from more than one school for the same period of time. By signing this application electronically using your username and password, and/or any other credential or by...'. Below the text box, it says 'I, the student, agree to the terms outlined above.' with two radio buttons: 'Agree' (which is selected) and 'Disagree'. At the bottom right, there are 'PREVIOUS' and 'NEXT' buttons.

FOTW - School Selection

- List school most likely to attend first
- 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.

Exit Clear All Data View FAFSA Summary Save

Search for Colleges

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

STUDENT INFORMATION

1 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.

2 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.

3 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

Parent Signature

Which parent?

Who has the
FSA ID? Parent
1 or 2?

The screenshot shows a web form titled "Which Parent Signs?". At the top, a progress bar indicates the following steps: Student Demographics, School Selection, Dependency Status, Parent Demographics, Financial Information, Sign & Submit, and Confirmation. The first five steps are marked with green checkmarks, while "Sign & Submit" is marked with a pencil icon, indicating the current step.

Below the progress bar, a message box with an information icon asks: "Are you signing as the student's Parent 1 or Parent 2?".

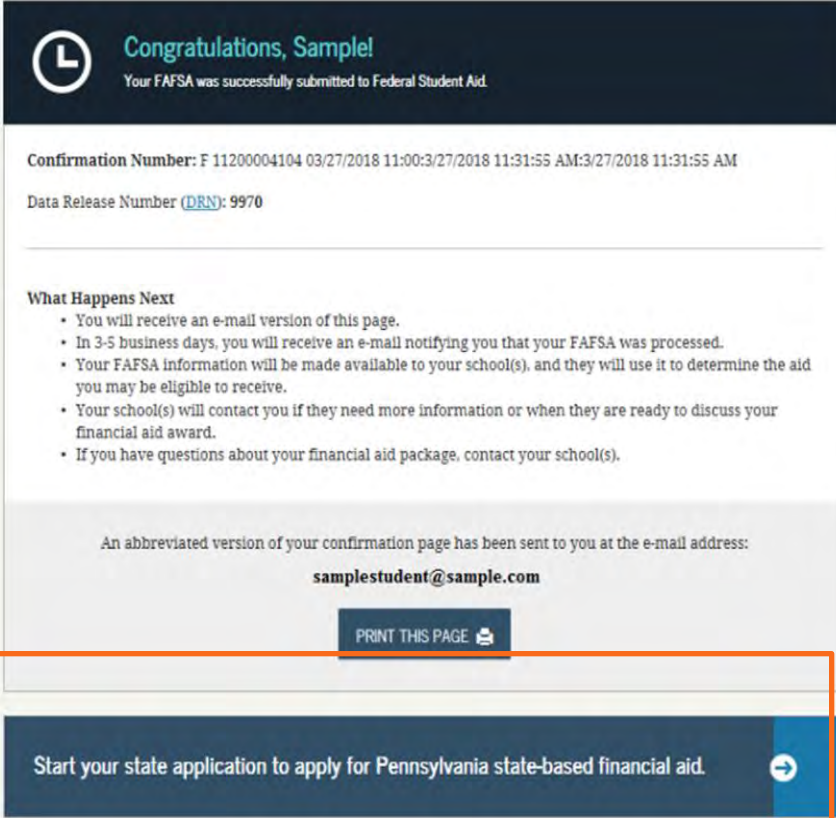
The form is divided into two columns for Parent 1 and Parent 2. Each column contains the following information:

- Parent 1:**
 - Social Security Number: XXX-XX-6789
 - Last Name: lastname
 - Date of Birth: 05/29/1950
 - Button: SIGN AS PARENT 1
- Parent 2:**
 - Social Security Number: XXX-XX-6677
 - Last Name: lastname
 - Date of Birth: 05/12/1936
 - Button: SIGN AS PARENT 2

At the bottom right of the form, there is a "PREVIOUS" button with a left-pointing arrow.

FAFSA Confirmation Page

- Estimated EFC and Federal Aid
- What Happens Next?
- Apply for your State Grant from the FAFSA Completion/Confirmation page
- TRANSFERS FOTW data to the State Grant Application



The screenshot shows a FAFSA Confirmation Page. At the top, a dark blue header contains a clock icon and the text "Congratulations, Sample! Your FAFSA was successfully submitted to Federal Student Aid." Below this, the "Confirmation Number" is displayed as "F 11200004104 03/27/2018 11:00:3/27/2018 11:31:55 AM:3/27/2018 11:31:55 AM". The "Data Release Number (DRN)" is "9970". A section titled "What Happens Next" lists five bullet points: receiving an e-mail version of the page, receiving an e-mail notification in 3-5 business days, FAFSA information being made available to the school, the school contacting the student for more information, and contacting the school for questions. Below this, it states that an abbreviated version of the confirmation page has been sent to "samplestudent@sample.com". A "PRINT THIS PAGE" button with a printer icon is visible. At the bottom, a dark blue bar contains the text "Start your state application to apply for Pennsylvania state-based financial aid." with a right-pointing arrow icon. An orange rectangle highlights the bottom section of the page, including the "PRINT THIS PAGE" button and the state application link.


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 financial aid award.
- If you have questions about your financial aid package, contact your school(s).

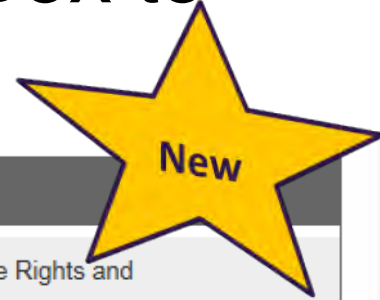
An abbreviated version of your confirmation page has been sent to you at the e-mail address:
samplestudent@sample.com

PRINT THIS PAGE 

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

PA State Grant Form (SGF)

✓ Check Rights and Responsibilities Box to electronically sign SGF



Rights and Responsibilities

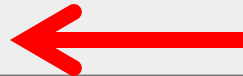
After reviewing your Rights and Responsibilities you must check the box at the bottom to confirm that you have read and agree to the Rights and Responsibilities.

[View Rights and Responsibilities](#)

[? Can't open document?](#)

By submitting this electronic Pennsylvania State Grant Form, I/we hereby affirm acceptance of the Statement of Certification and Authorization found in the Applicant's Rights, Responsibilities, Use of Social Security Number, and Certification for the Pennsylvania State Grant Program, which is incorporated herein by reference and which I/we have read, agree to, and certify. I/we further understand that if I/we provide an email address, communications regarding the State Grant Program may be sent to me/us through electronic communications methods. Additional certification and verification may be required following review of this application.

* ☐ I have read and agree to the Rights and Responsibilities of this application.

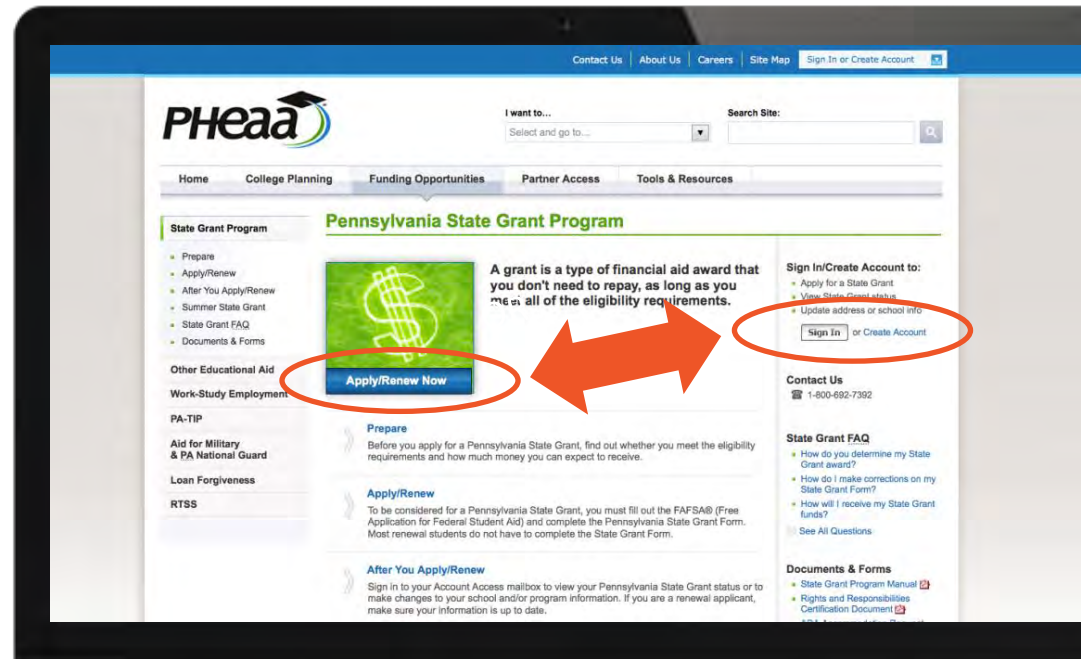


[Exit Application](#)

[Submit My Info >>](#)

Online State Grant Application

- Link off the FAFSA Application Confirmation Page
 - Missed the link or it wasn't available?
 - Link in an email sent to student/parent from PHEAA, OR
 - Go to PHEAA.org; State Grant Program; and complete the form
- Additional questions needed to determine PA State Grant eligibility:
 - Enrollment status (full-time/part-time)
 - Value of PA 529 College Savings Program
 - Program of study for students in vocational programs
 - Employment status



Help screens are available for all questions



Welcome to
myStudentAid

Need money for college?

Submitting the 2018-2019 FAFSA® form is quick,
and most importantly, it's FREE.

START HERE

Before You Start

myStudentAid is the official app of Federal
Student Aid (FSA), an office of the U.S.
Department of Education.

If you want to renew your 2018-19 FAFSA or use
the IRS Data Retrieval Tool, you need to
complete your FAFSA form on fafsa.gov.

FAFSA App

Tell us who you are.



I am the
Parent



I am the
Student



I am a
Preparer

← BACK



myStudentAid

FSA ID Username or E-mail

[Forgot username?](#)

FSA ID Password

[Forgot password?](#)

LOG IN

[Create an FSA ID account](#)

[Learn more about the FSA ID](#)

← BACK

myFAFSA



It looks like parent information is required for us to calculate your Expected Family Contribution (EFC) and determine your financial aid eligibility.

Complete your FAFSA® form on fafsa.gov if special circumstances prevent you from providing parent information.

NEXT

← BACK

myFAFSA



Dependency Status



You're a rock star!

Let's learn more about the FAFSA® parent.

✓ Application was successfully saved.

Section 1. Student Information



Section 2. School Selection



Section 3. Dependency Status



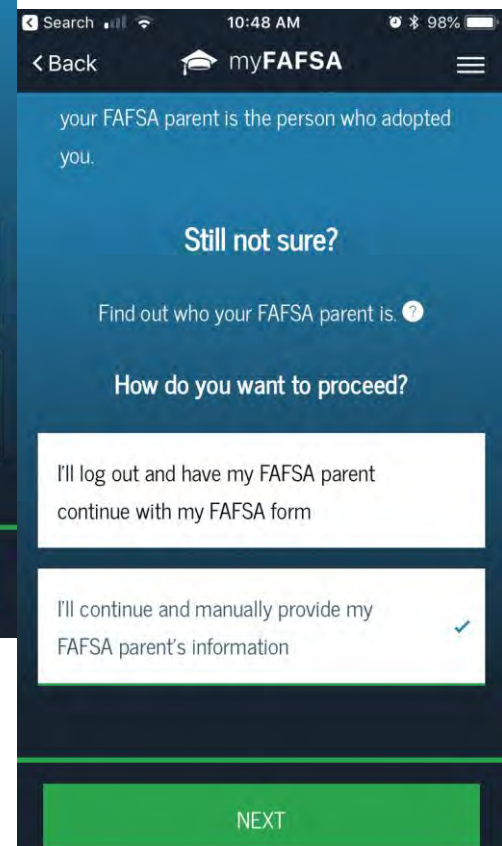
Section 4. Parent Information



Section 5. Parent Financials

Section 6. Student Financials

NEXT



FAFSA Summary

FAFSA Summary

FAFSA Summary

2018-2019 FAFSA SUMMARY

Student ID: XXX-XX-5002 TE

Here's a summary of the information you provided on the FAFSA® form. Select NEXT once you're ready to continue with the submission process.

EXPAND ALL

Student Information	Student Information
School Selection	School Selection
Dependency Status	Dependency Status
	Parent Information
	Parent Financials
	Student Financials

Dependency Status

Marital Status	MARRIED / REMARRIED
Marital Status Date	05/2016
Support Children?	NO
Support Other Dependents?	NO
Active Duty?	
Veteran?	
Ward of Court / In Foster Care / Parents Deceased?	
Emancipated Minor?	

PRINT

NEXT

PRINT

NEXT

PRINT

NEXT

← BACK

 myFAFSA

Student Signature


Ready to sign your FAFSA®
form?

Use the box below to record your
signature.



CLEAR SIGNATURE

SUBMIT

 myFAFSA

Student Signature Submitted



Student Signature Submitted

Your signature has been accepted

Here's What Happens Next:

- We saved your FAFSA® form so you can log out now and let your parent sign the form.
- After your parent completes this step, we will process your FAFSA® form

HOME

FAFSA APP (myStudentAid) Overview

myStudentAid—Overview of Features

Features	Summer Release (Beta-version)	Fall Release (2019–20 FAFSA®)
Initial (New) Applications	✓	✓
Renewal Applications	✗	✓
Viewing SAR, Corrections	✗	✗
IRS DRT	✗	✓
State API	✗	✓
Parent API	✗	✓
Special Circumstances Path	✗	✓
One Question per View	✗	✓

myStudentAid screenshots and table of features provided by U.S. Department of Education

FASFA TIPS

- ✓ Don't mix answers for student and parent information
- ✓ Ensure SSN accuracy
- ✓ Gender question is optional – answer it, for Selective Service purposes
- ✓ Answer Work-study question “yes”
- ✓ Have federal income tax and other related information to use as references
- ✓ It's **OK TO ESTIMATE** if 2017 taxes aren't filed yet
 - Updates/corrections can be done later using the IRS Data Retrieval Tool
- ✓ **Don't delay, don't miss deadlines**

FAFSA Completion Tips

- ✓ Answer all 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 FT employees
- ✓ Do not report a farm if you live on the farm
- ✓ Online help available on the form

Special Circumstances

If things change....

- ✓ Divorced or separated parents
- ✓ Living with others
- ✓ Recent death or disability
- ✓ Reduced income

What Happens Next?

- Student Aid Report or Acknowledgment sent to student (review and make necessary corrections)
- Information is sent to PHEAA. Account Access (PHEAA) - Create an account at PHEAA.org to view PA State Grant
- Information is sent to schools/colleges.

The Process Continues

- EFC is calculated
- Financial Aid Eligibility is determined
- Once accepted - schools produce Award Letters (aid packages)
- You compare Award Letters
- Determine true costs of school and make choices

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

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	\$ 5,500	\$ 5,500
Work-Study	\$ 0	\$ 2,000	\$ 3,000
TOTAL AID	\$11,500	\$15,500	\$26,500
Gap = (Cost – Aid)	\$ 8,500	\$14,500	\$23,500
Actual Cont. = (Cost – Free \$)	\$14,000	\$22,00	\$32,000

Reviewing the Financial Aid Package

After reviewing their packages, students should be sure they know and understand the following:

1. How much of the financial aid is free money?
2. Which awards are based on need, and which are based on merit?
3. Are there any conditions on the free money; in particular, is there a GPA requirement?
4. Will awards change from year to year?
5. Will institutional awards increase as tuition increases?
6. Will loans be needed? If so, how much? Is it enough?

Ways to Reduce the Need for Financial Aid

- Graduate on Time (reduces debt by about 25%, on average)
 - 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)

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

Smart Borrowing Tip



- 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.

Federal Direct Loan Program

- Available to ALL students REGARDLESS of need
- In student's name, no collateral or credit check, must sign MPN
- Additional unsubsidized funds available for Independent & Parent PLUS denials
- 5.05% interest rate (AY 18-19)
- 1.062% fee – deducted from disbursement
- Rates set every July 1st for the life of that year's loan
- No payments required while attending school & six-month grace period

Based on FAFSA, students have a combination of:

- **Subsidized:**
govt pays interest in school and grace status
- **Unsubsidized:** interest accrues in school and grace

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StudentLoans.gov & school's website!

Student Loan Borrowing Limits

	Dependent Students (excluding students whose parents cannot borrow PLUS)	Independent Students and Dependent Students whose parents are denied a PLUS Loan
Freshmen	\$5,500	\$9,500
Sophomores	\$6,500	\$10,500
Juniors, Seniors	\$7,500	\$12,500
Graduate or Professional	NA	\$20,500

Federal Direct Loan: Aggregate Limits

Undergraduate Education (Dependent Student)	\$31,000 (\$23,000 maximum Subsidized Loan)
Undergraduate Education (Independent Student OR Dependent Students whose Parents were denied PLUS Loan)	\$57,500 (\$23,000 maximum Subsidized Loan)
Graduate / Professional Education	\$138,500

Federal Direct PLUS Loan

- For parents of dependent undergraduate or graduate level students
- Parent PLUS Loan - in parent's name for student costs
 - 7.6 % variable/fixed interest rate; 4.248% fees (AY 18/19)
- Rates set every July 1st
- Can borrow up to the Cost of Attendance
- MUST apply for loan each year
- Principal payment can be deferred
- No debt to income test
- Can have co-signer
- If denied, student is eligible for additional \$4,000

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Parent PLUS DENIAL

Loan will be denied if:

You have one or more debts with a total combined outstanding balance greater than \$2,085 that are 90 or more days delinquent as of the date of the credit report, or that have been placed in collection or charged off (written off) during the two years preceding the date of the credit report;

OR....

Parent PLUS DENIAL

Loan will be denied if:

During the five years preceding the date of the credit report, you have been subject to a:

- default determination
- discharge of debts in bankruptcy
- foreclosure
- repossession
- tax lien
- wage garnishment or
- write-off of a federal student aid debt

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 usually 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**

What Can You Do Now?



- Visit websites with free information about college, 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 to estimate EFC and eligibility for federal financial aid
 - fafsa4caster.ed.gov
- Student and parent apply for a FSA ID at:
- StudentAid.ed.gov/fsaid

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



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QUESTIONS?