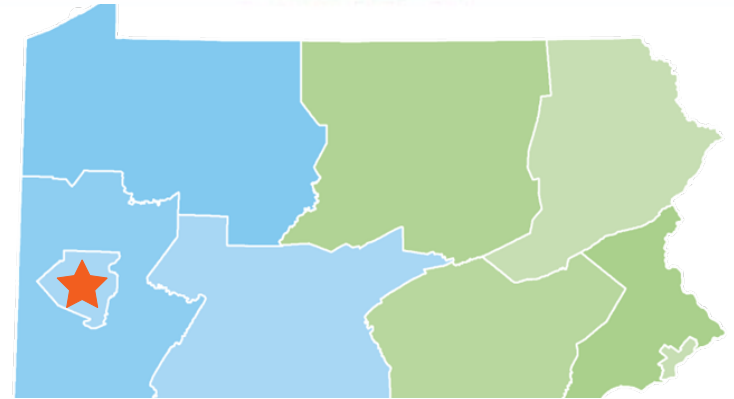




# FINANCIAL AID 101



# Your Presenter



## **Amy Sawdey**

Higher Education Access Partner

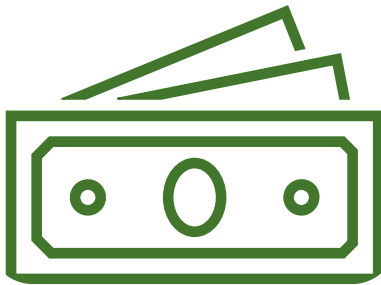
Allegheny County

PA Higher Education Assistance Agency (PHEAA)

[Amy.Sawdey@pheaa.org](mailto:Amy.Sawdey@pheaa.org)

# 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



## Self-Help

Work-Study



## Loans

Federal Student Loans,  
PLUS, Private Loans

# Funding Sources



**Federal Government**



**State Government**



**School or College**



**Scholarships**

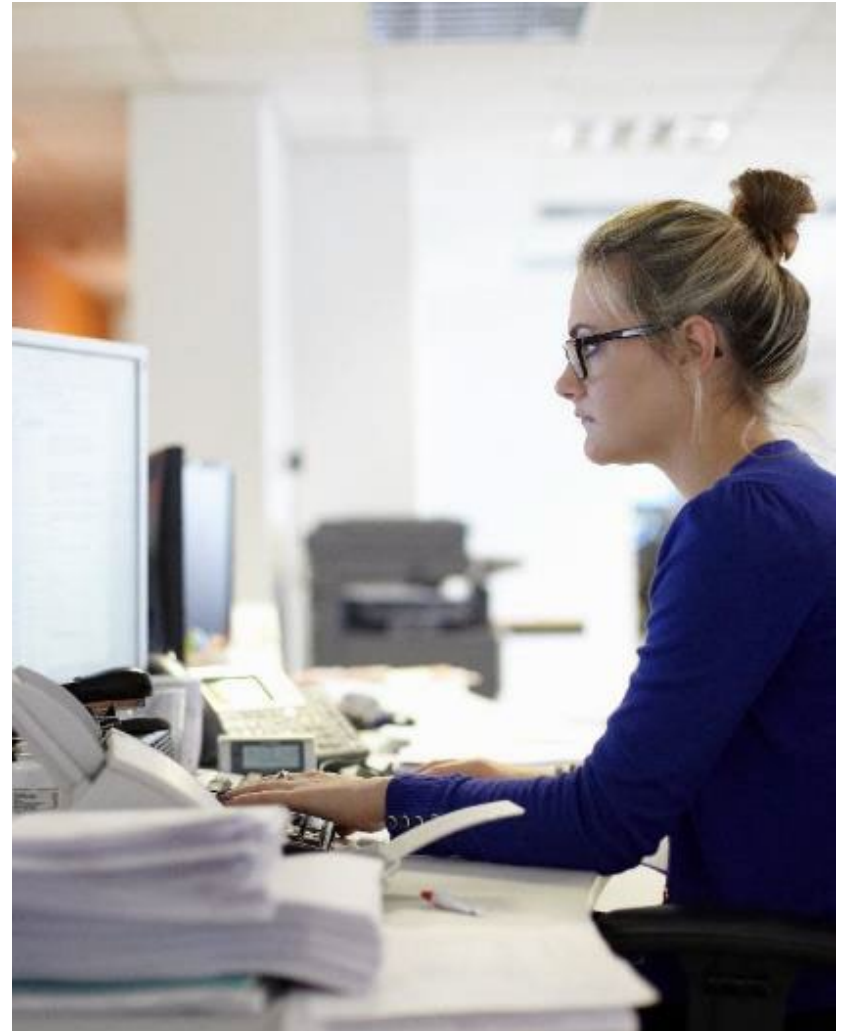
# Financial Aid Made Simple

## 5 Steps to Financial Aid



# Step 1: Look For Free Money First

- Start searching early
- Use FREE scholarship search sites
- Don't ignore scholarships with smaller award amounts
- Search for scholarships every year



# Types of Scholarships



Postsecondary  
Scholarships



Local and  
Regional  
Scholarships

[PittsburghFoundation.org](http://PittsburghFoundation.org)



National  
Scholarships

[Collegeboard.org](http://Collegeboard.org)

[Fastweb.com](http://Fastweb.com)

[Scholarshipamerica.org](http://Scholarshipamerica.org)

## Step 2: Know Your Deadlines

- Applications for admission
- Deadlines for scholarships
  - Institutions, Outside Sources
- Free Application for Financial Aid (FAFSA)
  - Schools have priority deadlines





# PA State Grant Deadlines

- **May 1** – 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** – 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

**DON'T MISS THE DEADLINE!**

## Step 3: The FAFSA is Your Connection to Funding

The FAFSA is the primary federal form used to determine student eligibility for the following:

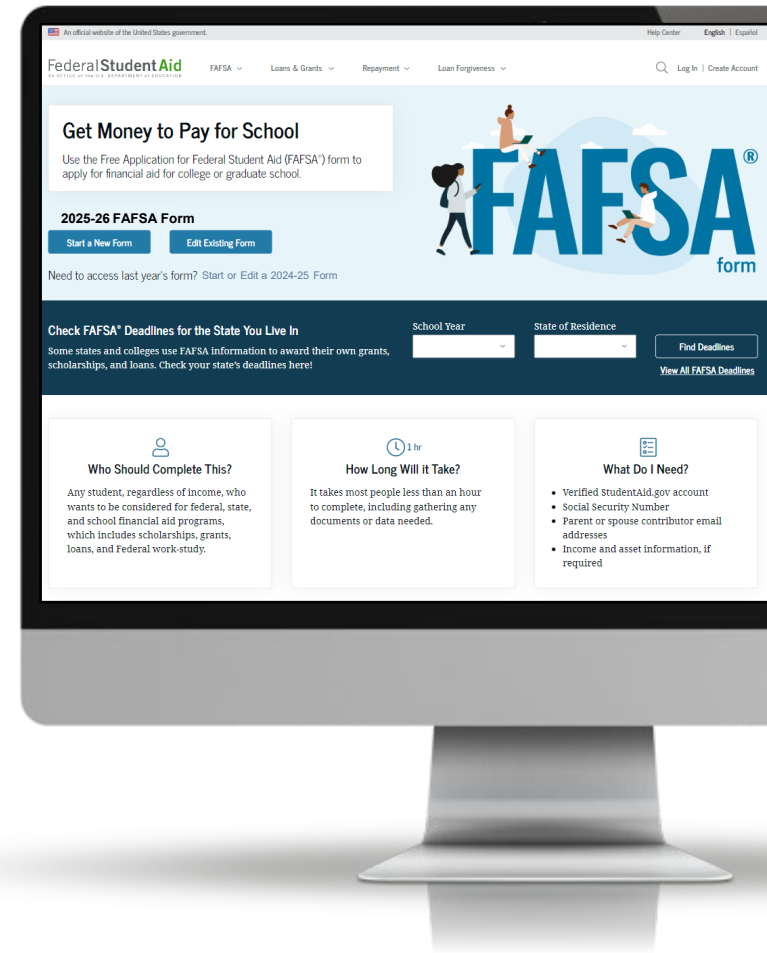
- Federal programs
- State programs
- School programs



# FAFSA (Free Application for Federal Student Aid) – StudentAid.gov/fafsa

11

- The FAFSA is the primary federal form for financial assistance to attend postsecondary school.
- Must file a FAFSA each year a student attends school to be eligible.
- **The 2025-26 FAFSA will be available on December 1<sup>st</sup>, 2024!**



# Create Your StudentAid.gov Account

- The student applying for aid and all contributors providing information on the FAFSA need to create a StudentAid.gov Account at <https://studentaid.gov/fsa-id/create-account>.
- Create at least 4 days prior to completing the FAFSA.
- Legal signature for student and contributors.
- Users without an SSN will be able to acquire a StudentAid.gov Account.

Social Security Number

Username

Email Address

Password

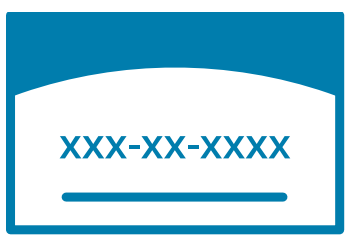
Mobile Phone

Security Questions

Enable Two-Step Verification

# 2025-2026 FAFSA Prep

## Information Needed for FAFSA



**Social Security Numbers**



**Email Addresses (Not high school email address)**



**2023 Federal Tax Returns (if applicable)**



**Current bank statements and records of other investment accounts (as of the FAFSA filing date including farm value and value of small business)**



**Student & Contributor(s) StudentAid.gov Accounts**



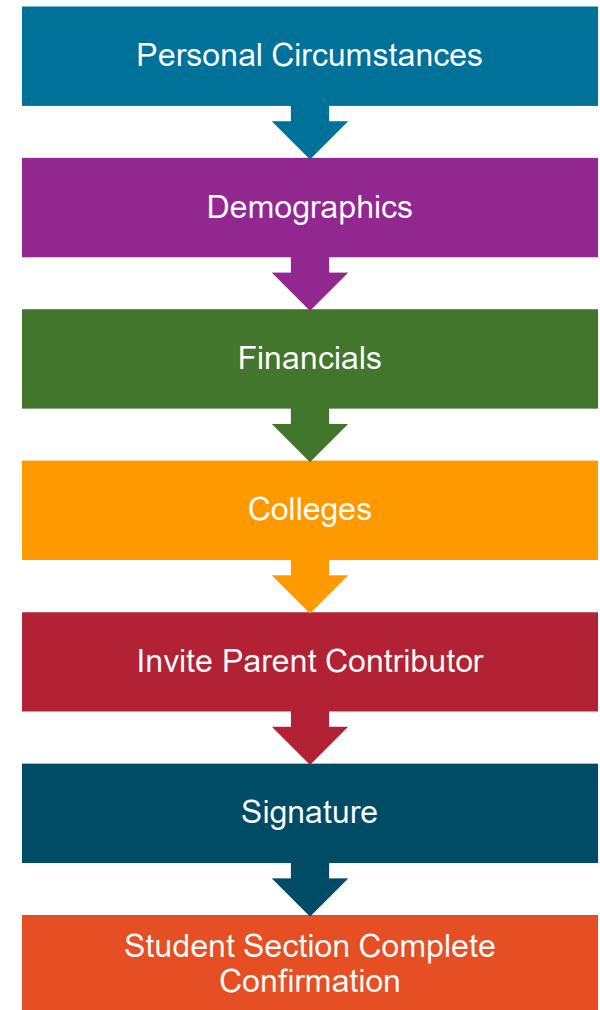
**Current Records of any stocks, bonds and other investments, including 529 for student for whom the FAFSA is being completed**



**Total child support from the most recently complete calendar year**

# FAFSA Steps – Dependent Student

- Login – dependent student
- Dependent Onboarding Steps
- Verify Student Identity Information
- Student Provides Consent



# Consent – IRS Direct Data Exchange

- Applicant and any required contributor on the FAFSA must provide consent. They are consenting to:
  - Direct Data Exchange to import applicant, parent, parent spouse, and/or student spouse Federal Tax Information (FTI).
  - Redisclose FTI to state entities, institutions, and scholarship organizations.
- **The data exchange with the IRS may not work for every student or parent.**



# When Is A Student Automatically Considered “Independent”?



- 24 or older on Jan 1st of 2025
  - Married
  - Veteran (includes active-duty personnel)
  - Working on graduate level degree
  - Legally emancipated minor or in a legal guardianship with someone other than their parent or stepparent, as determined by a court in state of residence
  - Orphan, in foster care or ward of the court at anytime since the student turned 13
  - Have legal dependents other than spouse
  - Student deemed homeless by proper authority
- (PA State Grant status can be different)



# For Dependent Students - Who Will be a Contributor on the 2025-26 FAFSA?

## YES

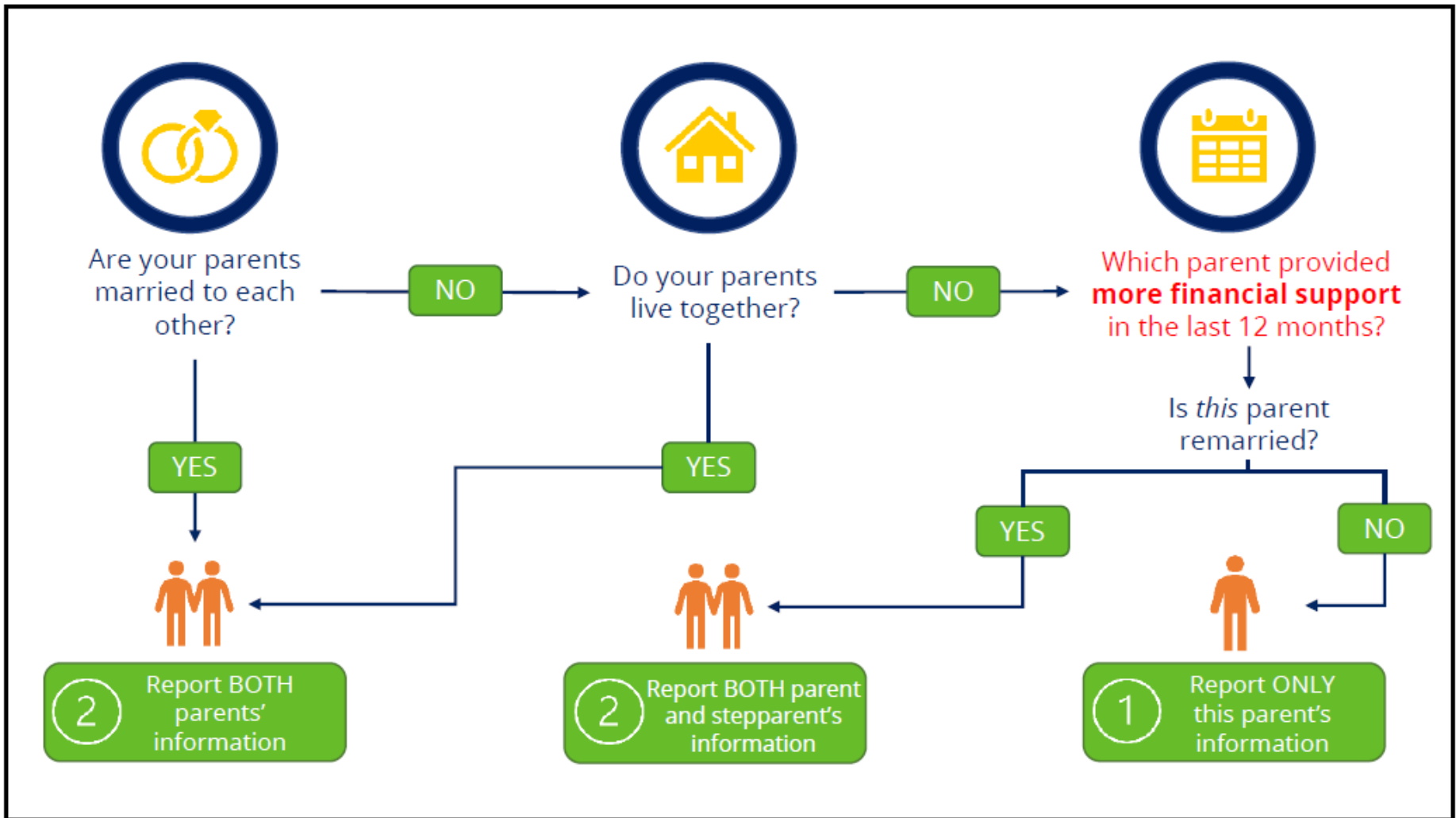
- Married parents living together
- Biological parents living together
- Divorced or separated parents:
  - The parent that provided the most financial support to student over the past 12 months
  - If equal, then student would invite the parent with the higher income and assets
- Stepparent – If part of the student's household
- Adoptive parents

## NO

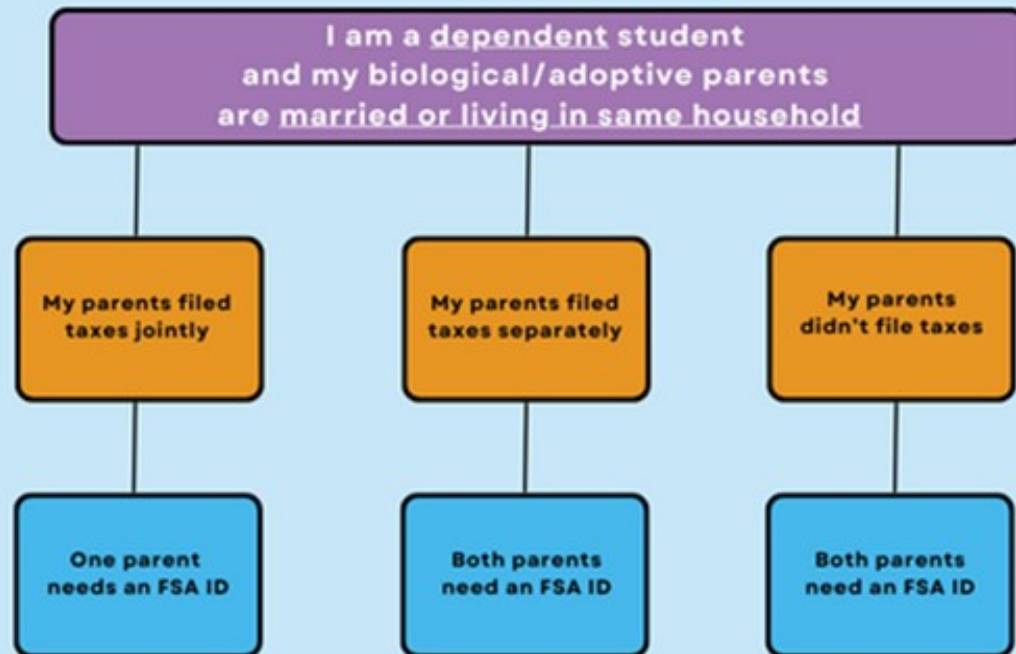
- Foster Parents
- Legal Guardians
  - By court order
- Anyone else the student is living with



# Which Parent(s) Reports Info on the 2024-25 FAFSA?



# Who Needs an FSA ID?



## An FSA ID graphic

Though the FAFSA won't be available until December, your Grade 12 students and their parents can, and should, get an FSA ID now, which they'll need to log in to the application. Who exactly needs an FSA ID? Every student will need to establish one as will at least one, and sometimes two, parents. Our graphic provides the details.

# Dependent Student Invites Parent

- The student is asked to enter personal information about their parents in order to send them an invite to their FAFSA® form. In this scenario, the student invites one parent.

FAFSA® FORM 2024-25 Student Raya Tran Save FAFSA Menu

1 Personal Circumstances 2 Demographics 3 Financials 4 Colleges 5 Signature

### Invite Parents to your FAFSA® Form

**You will need to provide information for your parents**  
Based on your answers in the previous section, you'll need to provide information about both of your parents on your FAFSA form. You can invite your family members to your form to help you complete all required sections.

Enter names of parents, identified on the prior page, and we'll send electronic requests on your behalf.  
*Please make sure to provide information that your parents would use to login to StudentAid.gov.*

| Parent  | Parent Spouse (optional)           |
|---|------------------------------------|
| First Name<br>Alcina                          | First Name                         |
| Last Name<br>Tran                             | Last Name                          |
| Date of Birth<br>Month: 05 Day: 05 Year: 1973 | Date of Birth<br>Month: Day: Year: |

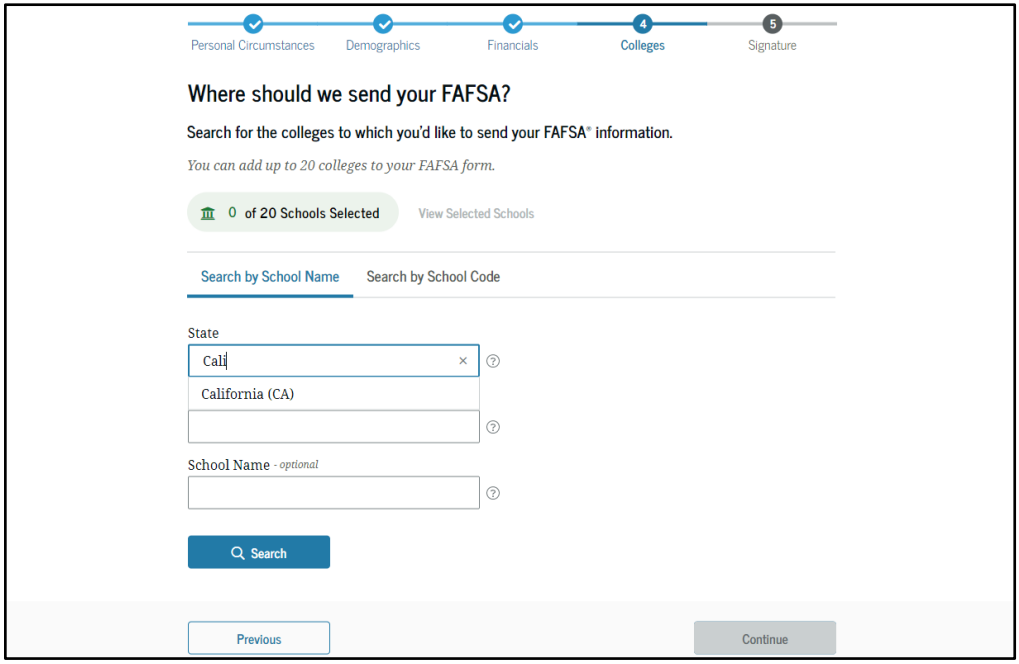
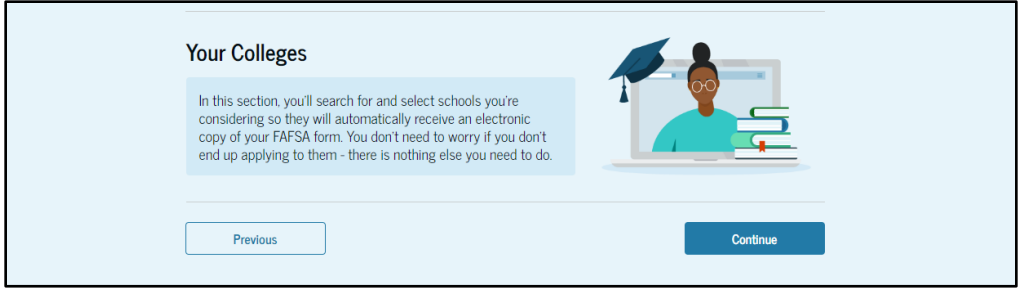
Social Security Number (SSN) [SHOW] ⓘ  
 My parent doesn't have a SSN  
Email Address: alcinatran@school.edu  
Confirm Email Address: alcinatran@school.edu  
[Invite Parent]

Social Security Number (SSN) [HIDE] ⓘ  
 My parent doesn't have a SSN  
Email Address  
Confirm Email Address  
[Invite Parent]

[Previous] [Continue]

# FAFSA – School Selection

- List more than one!
- Only schools that are listed will be able to see your FAFSA information.
- Students can list up to 20 colleges at a time
- Schools can be added or deleted at any time
- First school listed on FAFSA is used for PA State Grant eligibility purposes



# What is considered an asset?

## Report the current value at time of filing the FAFSA:

- ✓ Cash
- ✓ Checking
- ✓ Savings
- ✓ Stocks
- ✓ Bonds
- ✓ Certificates of deposit (CD)
- ✓ Bitcoin
- ✓ Mutual funds
- ✓ Net value of real estate

- Value of 529 accounts for the student owned by the parent(s) of a dependent applicant or owned by the student applicant
- Child support received for the most recently complete calendar year
- Net Worth of your businesses or for-profit agricultural operations.

## **Not reported on FAFSA as an asset:**

- Value of primary home
- Value of qualified retirement accounts
- Value of life insurance policies
- Value of personal property
- Value of 529 for any other family members (excluding applicant)

# Signing with the FSA ID

**FAFSA** FORM Student: Raya Tran Save FAFSA Menu

Personal Circumstances Demographics Financials Colleges **5** Signature

### Sign and Complete Your Part

**Summary**

This page confirms you understand the terms and conditions of the FAFSA form, and that you have filled it out accurately to the best of your ability.

The FAFSA form is a legal document you will electronically sign with your FSA ID. Because this is associated with your personal information, do not share it with anyone.

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

- will use f of higher
- are not in
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- will not r

By signing this application electronically using your username and password, and/or any other credential or by signing a signature page and mailing it to us, you certify that all of the information you provided is true and complete to the best of your knowledge and you agree, if asked to provide

- information that will verify the accuracy of your completed form, and
- U.S. or state income tax forms that you filed or are required to file.

You also certify that you understand that the secretary of education has the authority to verify information reported on your application with the Internal Revenue Service and other federal agencies.

If you sign this application or any document related to the federal student aid programs electronically using a username and password, and/or any other credential, you certify that you are the person identified by the username and password, and/or any other credential and have not disclosed that username and password, and/or any other credential to anyone else. If you purposely give false or misleading information, you may be fined up to \$20,000, sent to prison, or both.


**Sign Your FAFSA Form**


I, Raya Tran, agree to the terms outlined above


Cancel Submit


- On this page, the student acknowledges the terms and conditions of the FAFSA® form and signs their section. After agreeing and signing, the student is able to submit their section of the FAFSA form.
- Since parent information has not been provided, the FAFSA form is not considered complete and can't be processed yet.

# Dependent Student Section Complete




25  Student Raya Tran


FAFSA Menu 



## You're Almost There!







The Student Section is complete!



 Parent Contributors

**Requirements for Dependent Students**

Your FAFSA form is not complete until your parents complete the contributor section of the form and sign it. Once completed, your FAFSA form will be submitted for processing.

| Parent Contributors   | Date Request Sent | Status   |
|---|-------------------|--|
|  Alcina Tran   | 07/13/2024        |  <a href="#">Edit</a>      |
|  Travis Tran | 07/13/2024        |  <a href="#">Edit</a>  |

**Track and Manage Your FAFSA Application and Your Contributors**

This application has been added to My Activity in your StudentAid.gov account. Go there to:

- Review, edit, or cancel any FAFSA application information.
- Revise your household size, contact your schools.
- Start your state application to apply for state-based financial aid

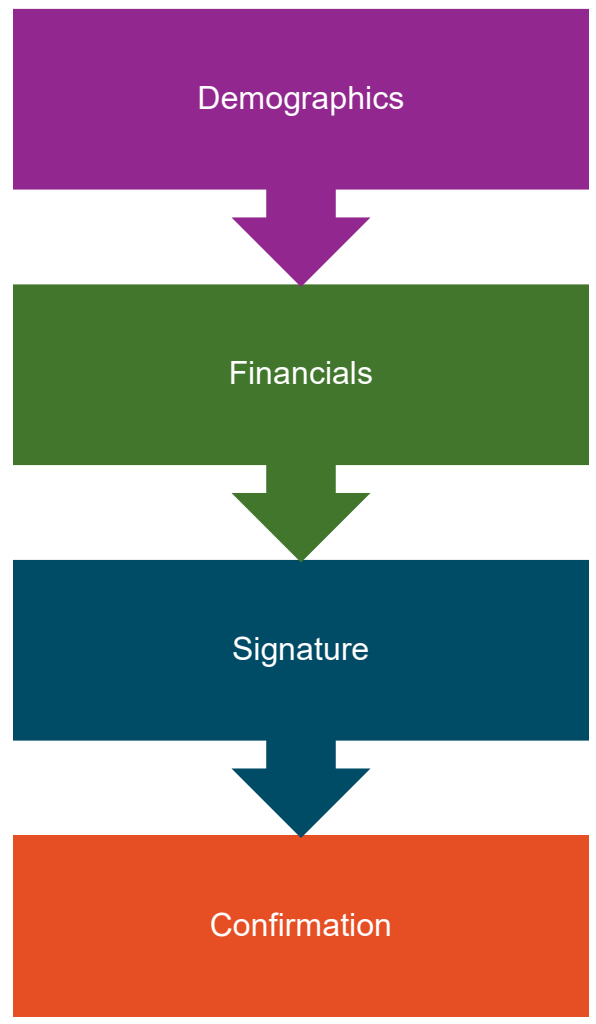
View Status



# FAFSA Steps – Parent Contributor

1. Following link in email invite – Parent Log In
2. Parent Onboarding Steps
3. Verify Parent Identity Information
4. Parent Provides Consent

Once all required data has been provided and all sections have been signed, any role can submit the FAFSA form



# How is the SAI Calculated?

- Primarily income-driven
- Major factors for dependent student:
  - Parental & student - income and assets
  - Family size
- It is not the amount you are required to pay. It helps the financial aid office determine how much financial support you may need.

**A student's SAI remains the same no matter which school the student attends.**



# PA State Grant Forms

- Students will be able to complete a State Grant and High School form **after** PHEAA receives the FAFSA information
  - These forms cannot be completed prior to completing FAFSA
- FAFSA information will automatically be sent to PHEAA
- PA State Grant Account will need to be set up:
  - Email to activate an account will come from [noreply@grantus.pheaa.org](mailto:noreply@grantus.pheaa.org)

GrantUs  
by PHEAA

Login

Email

Password

I have read & consent to the Acceptable Use Agreement.

Log In

Forgot Password?

Learn more about our

Privacy & Security policies

New to the System?

Register

# College Scholarship Service (CSS) Profile

- Used by some schools to award need based & institutional aid
- Does NOT replace the FAFSA
- There is a cost to complete



# Special Circumstances

If things change....

- Recent death or disability
  - Reduced Income
  - Divorced or separated parents
- ... Contact Financial Aid



# FAFSA is Filed... Now What?



Student completes the FAFSA



Schools receive FAFSA and calculate financial aid



Schools send Financial Aid Notifications to student

## Step 4: Compare Schools' Financial Aid Notices Carefully

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- There is no required standard format
- If you receive a scholarship, do you know if there are conditions for maintaining it?
- Do you understand what is free money vs money that has to be paid back?



**Bottom Line: What are your out-of-pocket costs?**



# Reviewing the Financial Aid Package

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? GPA requirement?

Will awards increase as tuition increases?

Will awards change from year to year?

Will loans be needed?



# Federal Programs



## Need-Based Aid:

- Pell Grant (max grant \$7,395)
  - Supplemental Educational Opportunity Grant (FSEOG)
- Work-Study
- Federal Subsidized Loan

## Non Need-Based Aid:

- Federal Unsubsidized Loan

# PA State Grant Program

- Award amount determined in part by the cost of the school
- **Reciprocal states:** Delaware, DC, Massachusetts, Ohio, Vermont, West Virginia
  - Up to \$600 for full-time students (\$800 for veterans)

2023-24 In-state maximum grant amount for eligible students based on cost of school

| Cost Tier           | Maximum Award |
|---------------------|---------------|
| \$0 - \$13,000      | \$3,058       |
| \$13,001 - \$20,000 | \$4,894       |
| \$20,001 - \$29,000 | \$5,260       |
| \$29,001 - \$32,000 | \$5,750       |

# Work-Study

- You must have financial need in order to qualify for work-study
- A work-study position is not guaranteed and may even require an interview
- Work-Study income removed from FAFSA eligibility calculation



# Federal Student Loans

- Available to ALL students REGARDLESS of need
- In student's name, no collateral or credit check, must sign MPN
- Interest rate is 6.533%. There is a 1.057% fee deducted from loan amount at disbursement
- No payments required while attending school & six-month grace period
- Subsidized – No interest charged to student while enrolled or in grace period
- Unsubsidized – Interest accrues in school and during grace period





# Student Loan Borrowing Limits

| <b>Dependent Students<br/>(excluding students<br/>whose parents cannot<br/>borrow PLUS)</b> | <b>Base Stafford Loan<br/>Amount<br/>Subsidized/Unsubsidized</b> | <b>Additional<br/>Unsubsidized Stafford<br/>Loan Amount</b> |
|---|--|---|
| <b>Freshmen</b>   | <b>\$3,500</b>   | <b>\$2,000</b>  |
| <b>Sophomores</b>   | <b>\$4,500</b>   | <b>\$2,000</b>  |
| <b>Juniors, Seniors</b>   | <b>\$5,500</b>   | <b>\$2,000</b>  |
| <b>Graduate or Professional</b>   | <b>\$8,500</b>   | <b>\$12,000</b>   |

## Step 5: Be Sure You Have The Money You Need

- Have you considered annual out of pocket costs **beyond the first year?**
- Do you understand your actual costs?
- Do you have a strategy for handling out of pocket costs?



# Federal Direct PLUS Loan



- For parents of dependent undergraduate or graduate level students
- In parent's name for student costs
- Interest rate is 9.083%. There is a 4.228% fee deducted from loan amount at disbursement
- If denied - student is eligible for an additional \$4,000 unsubsidized loan
- Must file a FAFSA

# Private/Alternative Loans

- From private lenders or financial institutions
  - In student's name/co-signer usually required
  - Terms vary by lender – compare before making choices

**READ THE FINE PRINT**







# PA's Low-Cost Way to Pay for College!

Low, Fixed Rates

**4.49–10.06%**<sup>1,2</sup>  
APR

Effective as of 05/10/24

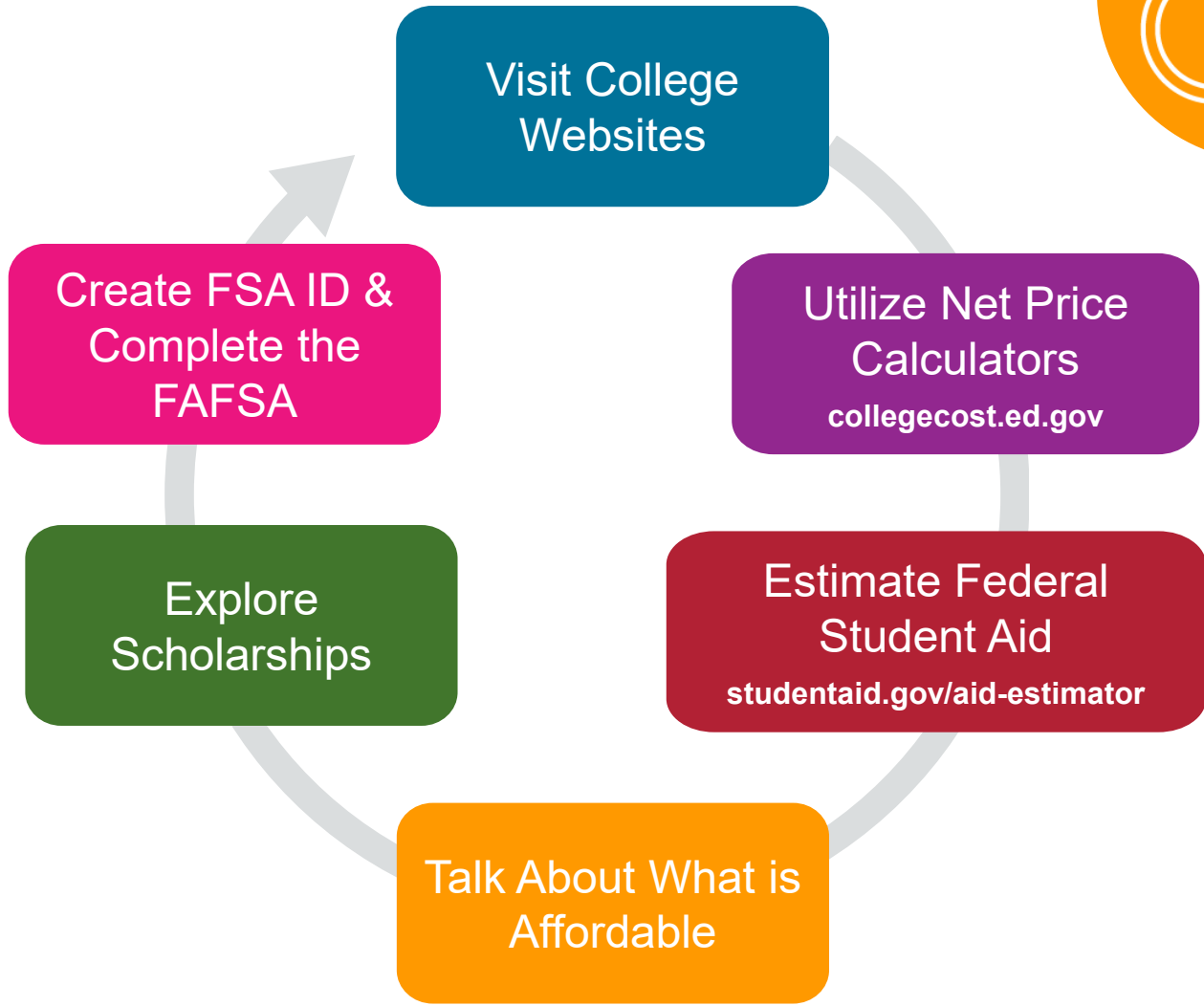


Learn more at [pheaa.org/PAForward](https://pheaa.org/PAForward)

1) **Annual Percentage Rate (APR) Calculations** – The lowest APR is based on the following assumptions: a loan of \$10,000 made in a single disbursement, a borrower who selected an Immediate Repayment Plan and a repayment term of 60 months, monthly payments of \$186.52 and a final payment \$178.29, a fixed periodic interest rate of 4.77%, and total payments of \$11,183.03. The borrower in this sample qualified for a 0.25% Direct Debit benefit for the entirety of the repayment period and a 0.50% Graduation benefit was applied 47 months into repayment. The highest APR is based on the following assumptions: a loan of \$10,000 made in a single disbursement, a borrower who selected an Interest Only Repayment Plan and a repayment term of 180 months, monthly payments of \$108.07, a fixed periodic interest rate of 10.1%, and total payments of \$23,829.83. The borrower received an in-school deferment of 46 months and a grace period of 6 months. The borrower in this sample did not qualify for any interest rate discounts. These APRs are estimates and may differ from the actual rates received.

2) The provided rate range includes Undergraduate, Graduate, and Parent loans and may change based on loan type, loan term, repayment plan, and applicable discounts (not all discounts apply to all loan products). See individual loan programs for more specific information. PHEAA uses applicant credit scores to determine eligibility and interest rates. Higher credit scores may mean an applicant is offered a lower interest rate. Applicants, including co-signers, are subject to credit qualifications, completion of an application and credit agreement, and verification of application information. PHEAA reserves the right to discontinue all programs or benefits without prior notice.

# What Can You Do Now?





# ***Important Resources***

[PHEAA.org](http://PHEAA.org)

[StudentAid.gov](http://StudentAid.gov)

[MySmartBorrowing.org](http://MySmartBorrowing.org)

[EducationPlanner.org](http://EducationPlanner.org)

[CollegeCost.ed.gov](http://CollegeCost.ed.gov)

## ***Scholarship Sites***

[Collegeboard.org](http://Collegeboard.org)

[Fastweb.com](http://Fastweb.com)

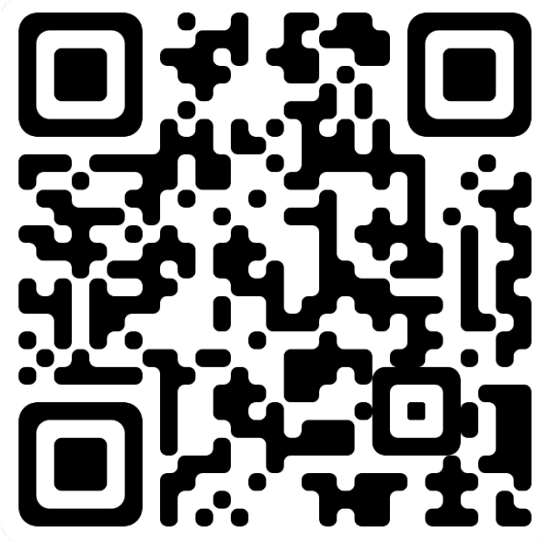
[Scholarshipamerica.org](http://Scholarshipamerica.org)



# Stay Up to Date with PHEAA

**Sign up for more information on our programs and services!**

*Would you like to learn more about funding you or your student's higher education dreams? Sign up to get emails from PHEAA and we will send you information about loans, grants, and more!*



**Scan the QR to sign up!**

# Additional Webinar Opportunities



Creating your Federal  
Student Aid Account  
(FSA ID)

November 13, 2024  
6 – 7 PM



FAFSA Overview  
Presentation

December 5, 2024  
6:30 – 7:30 PM



# Your Presenter



**Amy Sawdey**

PHEAA

Higher Education Access Partner

**[Amy.Sawdey@pheaa.org](mailto:Amy.Sawdey@pheaa.org)**