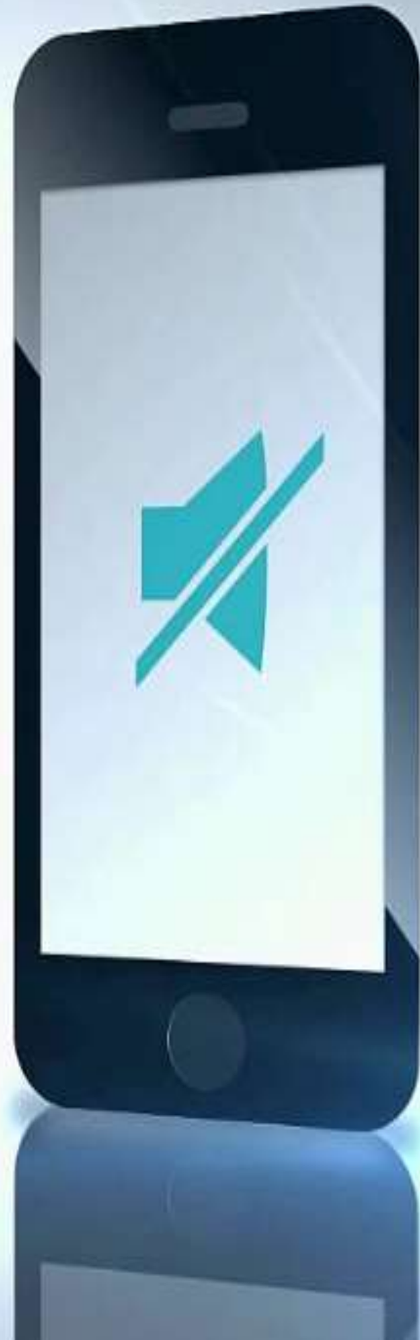
PLEASE SILENCE YOUR PHONE



PHEAA

Pennsylvania Higher Education Assistance Agency

Financial Aid 101

Paying for Postsecondary Education

Pennsylvania Higher Education Assistance Agency

Now

45 minutes from now


FEAR
REDUCTION
100%
KNOWLEDGE
INCREASE
100%

Distance from home

Cost

Admission criteria

Ideal fit?

Size

Geographic setting

Atmosphere

Academics

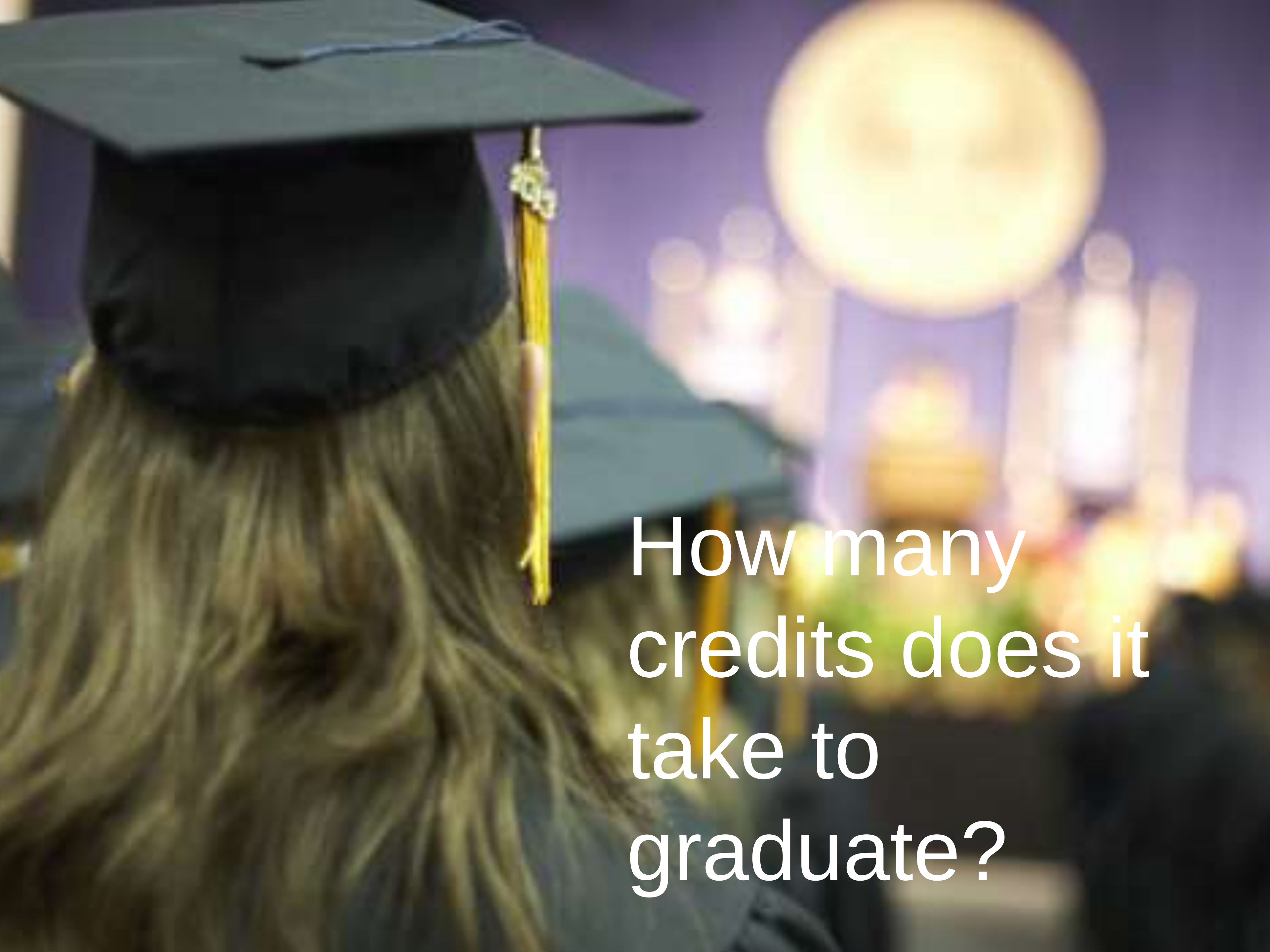

adv.
cost
cost·ing
price


Tuition, Fees, Dorm, Meal Plan,
Books, Living Expenses,
Transportation…

Estimate Costs

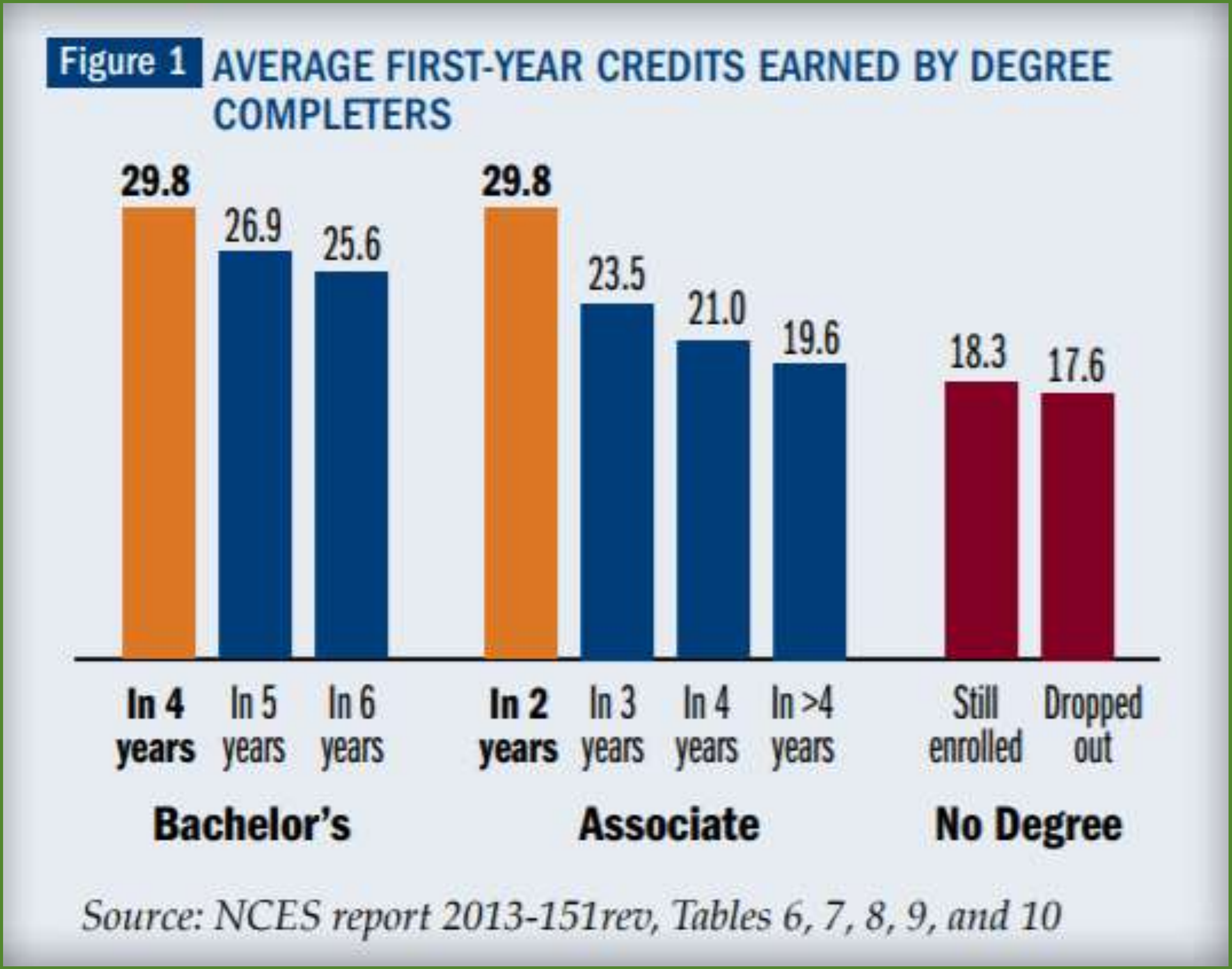
Pennsylvania Higher Education Assistance Agency

Pay for all of it



How many credits does it take to graduate?

Financial Aid Offers Aren’t Available Indefinitely



https://completecollege.org/wp-content/uploads/2017/11/CCA-Intensity-Brief-April3-1.pdf

Graphic from Step Up Utah

PLAN AHEAD


The more you prepare
- the more options and
opportunities you
have.

Higher Education Choices

- Four-year college or university
- Two-year colleges
- Business trade and tech schools
- Hospital schools of nursing

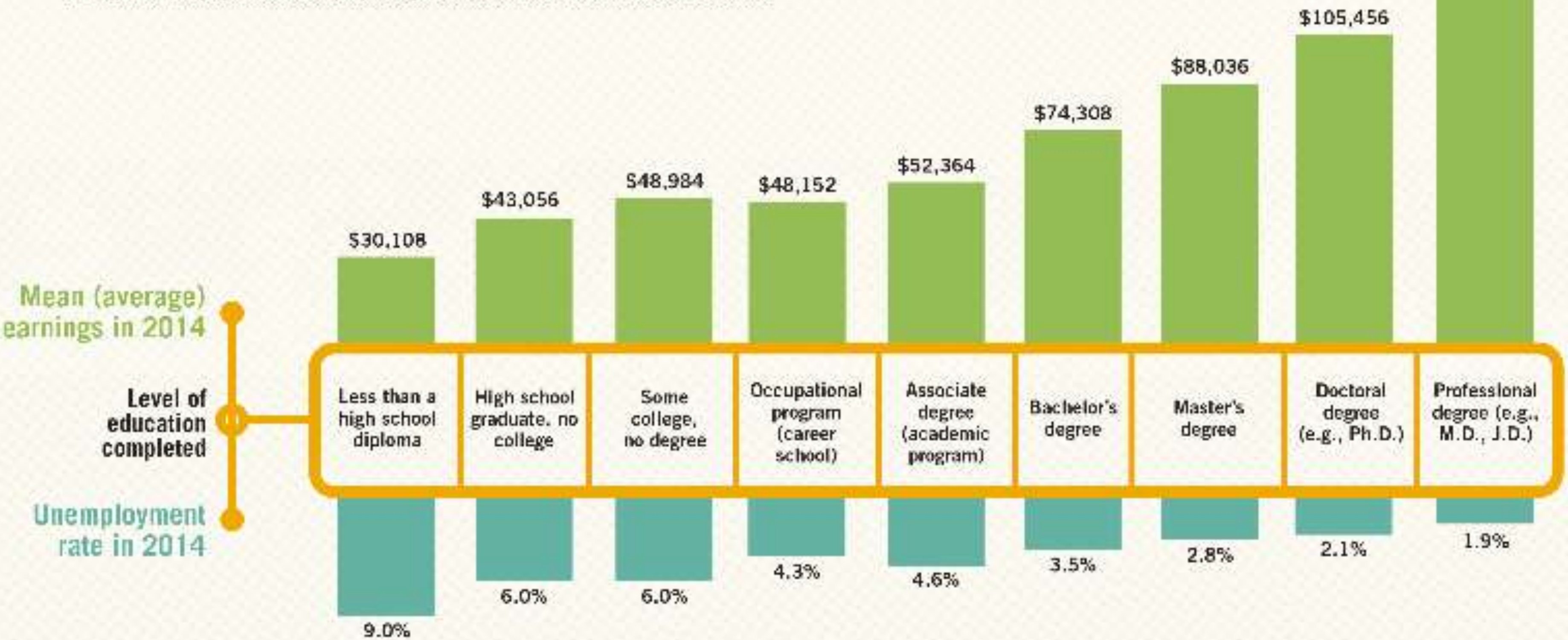
Does the student want to enter the job market quickly?

Is undergraduate work preparation for further education?

WHY GO TO COLLEGE?

THINK YOU CAN GET A GOOD JOB NOW?

Sure, maybe you could, but a college degree will make your chances even better. Check out the earnings and unemployment rates for people 25 years and older with different levels of education:



Source: Bureau of Labor Statistics, Current Population Survey, unpublished tables 2015


Affordability


ROI

Resources

- **EducationPlanner.org**
- **MySmartBorrowing.org**
- **CollegeResults.org**
- **Collegecost.ed.gov**
  - **Net-price calculators**
  - **College Scorecards**

SCHOLARSHIPS

Many qualifications to receive scholarships

High School Seniors apply for an average of 0 scholarships

- Don’t leave free money on the table
  - Employers, bank, credit union, church
- Larger scholarships due in the fall
  - Intel Science Talent Search, Burger King Scholars Program, Live Mas Scholarship- Taco Bell, Cameron Impact Scholarship (juniors), AXA Achievement Scholarship, Coca Cola Scholars, ThanksUSA
- Local, smaller scholarships in spring
- Apply to many – set a goal of 25!

Increase your scholarship options

Scholarship Sites

- Fastweb.com
- ScholarshipAmerica.org
- **Peerlift.org**
- CollegeBoard.org
- PittsburghFoundation.org
- Tfec.org (HR)
- ThePAFoundation.org (SS)

Unusual Scholarships

- StuckatProm.com
- Afsascholarship.com
- Google “left-handed scholarships”

- ❖ **Academics**
- ❖ **Athletics**
- ❖ **Community and Volunteerism**
- ❖ **After school or summer jobs**
- ❖ **Special interests (hobbies, clubs, activities, church, etc.)**

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® Tape. The winners receive a $5,000 scholarship.

American Fire Sprinkler Association Scholarship Program

- The American Fire Sprinkler Association has scholarships totaling $20,000 that are awarded to students who submit the required documents, including an essay on automatic fire sprinklers.

Unique Scholarships

Chick and Sophie Major Memorial Duck Calling Contest

- Stuttgart, Arkansas awards scholarships at the Chick and Sophie Major Memorial Duck Calling Contest. First place wins a scholarship of $2,000, second place wins $1,000, third receives $750, and 4th receives $500.

The Fountainhead Essay Contest

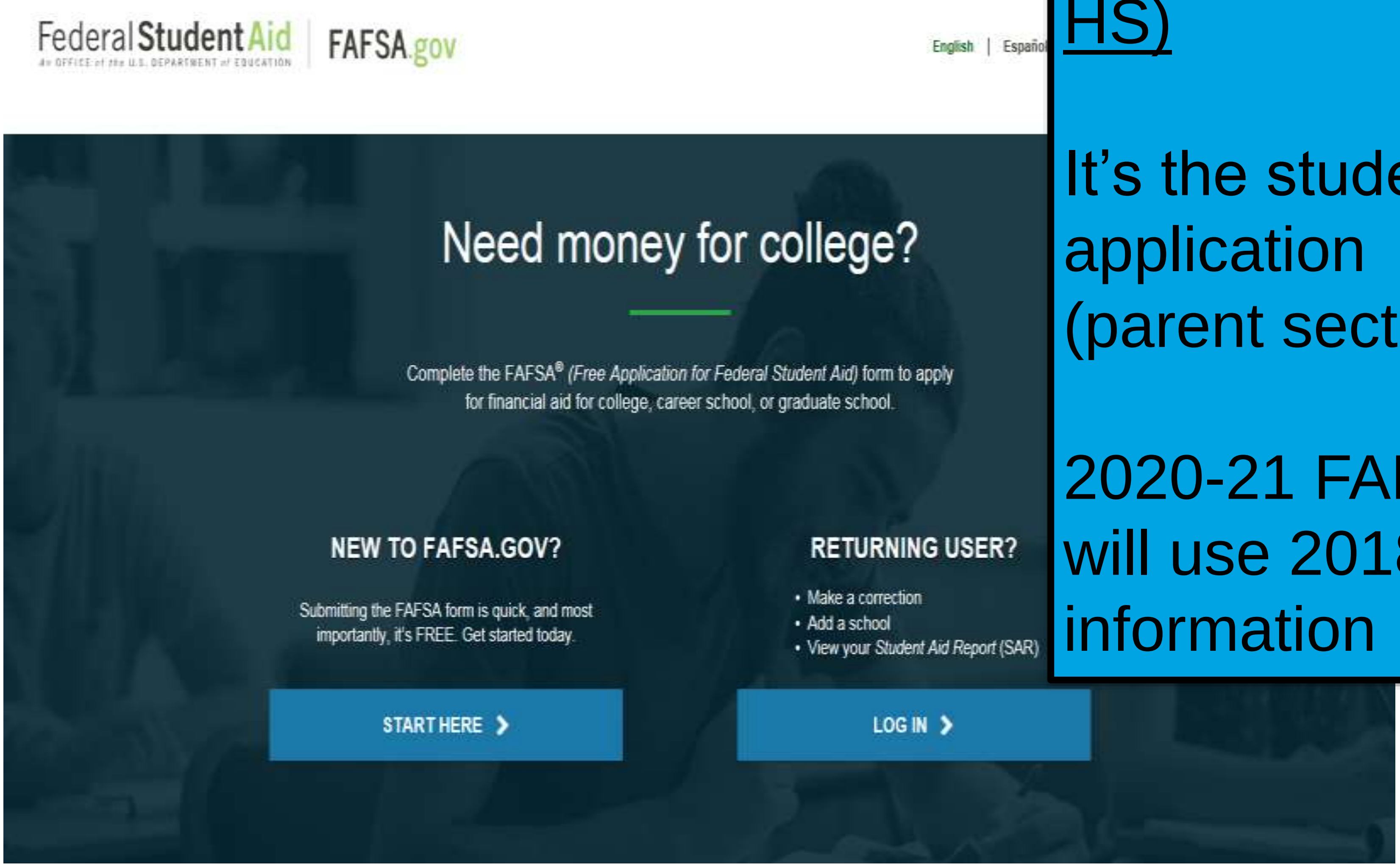
- Ayn Rand Novels, a site specializing in the writings of author and philosopher Ayn Rand, has an annual essay contest awarding between $50 and $10,000 to over 200 students who write essays on chosen topics about Rand's well-known work, The Fountainhead. While not strictly a scholarship, these contests are only open to 11th and 12th grade students.

$2,500 "Advice to Your High School Self" Scholarship

- Unigo (Campus Discovery) has a scholarship for $2,500 called the "Advice to Your High School Self" Scholarship. Students approaching graduation from college or recent college grads who finished an associate's or bachelor's degree are eligible.

FAFSA

FAFSA.gov

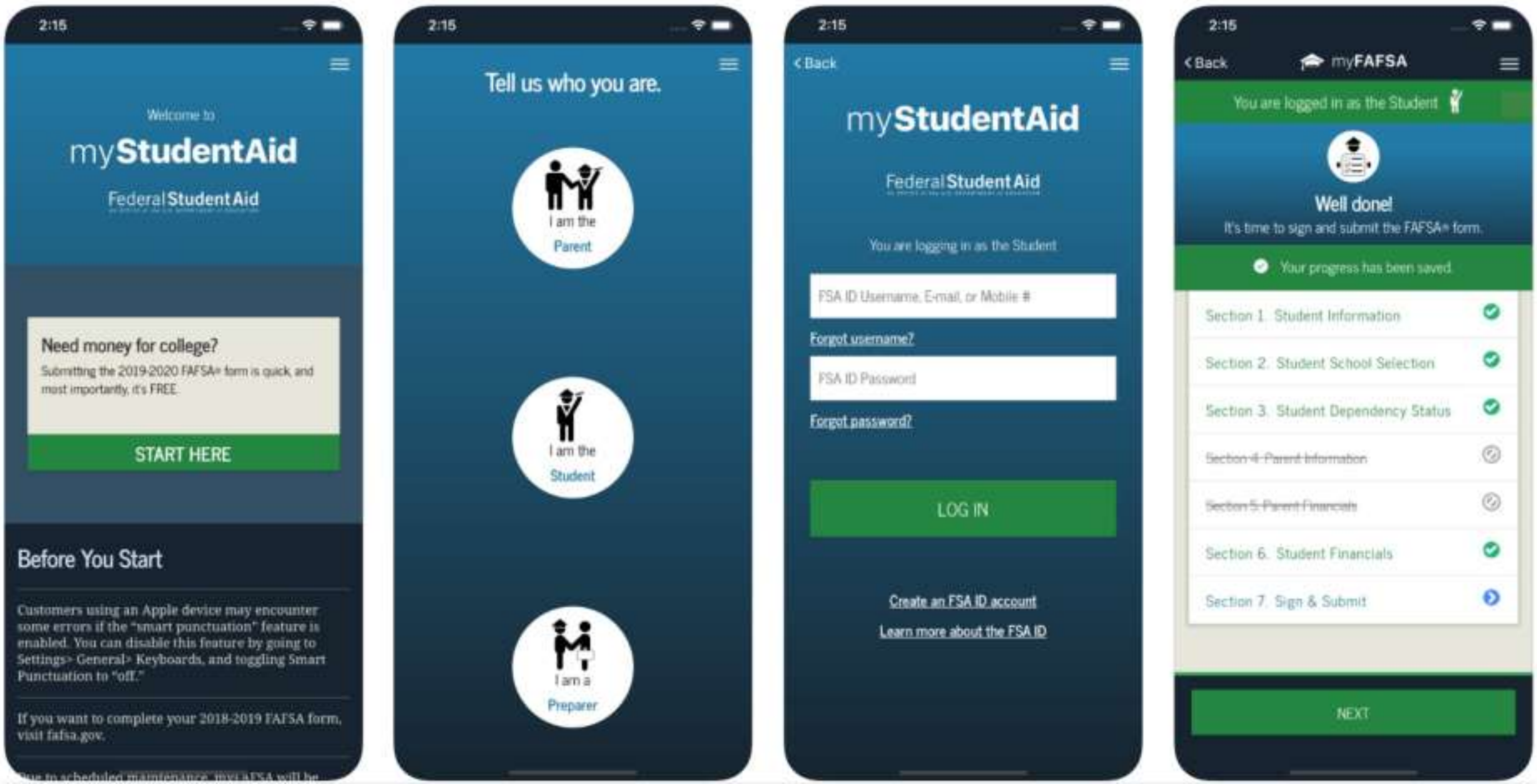


<u>Apply after October 1 (of senior year in HS)</u>

It's the student's application (parent sections)

2020-21 FAFSA will use 2018 tax information

myStudentAid mobile app



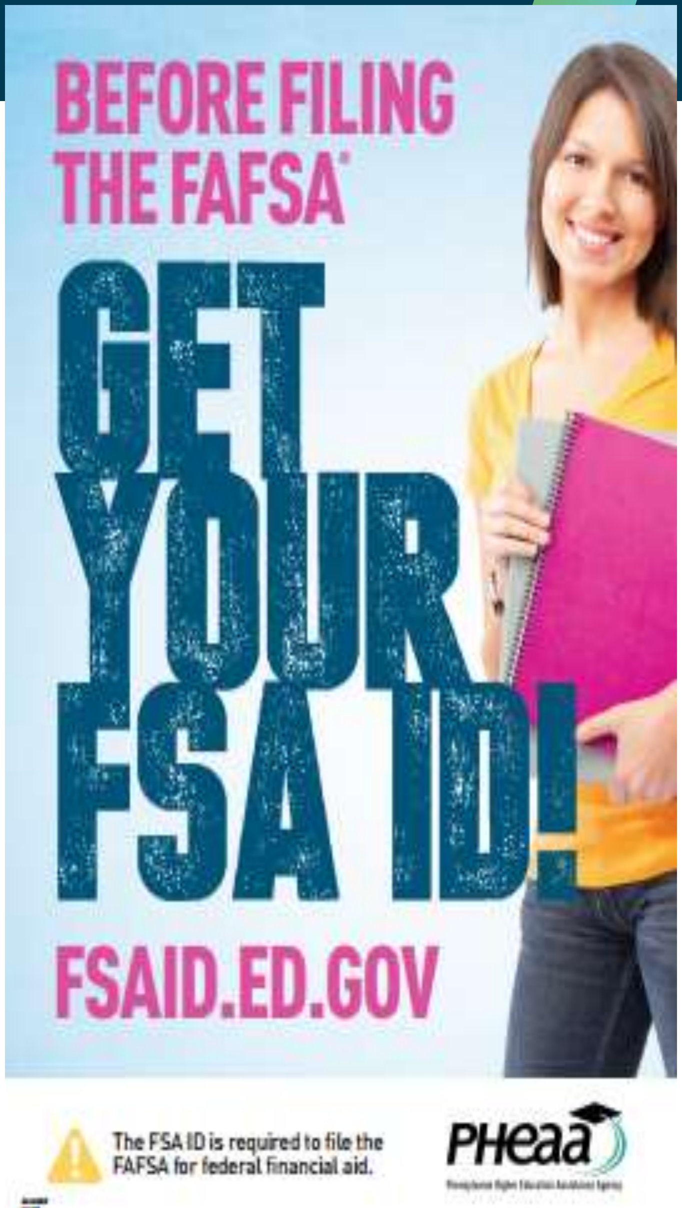
FSAID.ed.gov

- **Sign the FAFSA electronically**

- **<u>The student and one parent </u>(if the student is dependent) will need an FSA ID Username and Password**

- **DO NOT lose it**

- **<u>DO</u> write it down – You will need to file a FAFSA every year you are enrolled**



Whose information is included on the FAFSA?

- **Student Applicant and parent info if dependent**
- **Divorced or separated parents – choose the parent that provides more than 50% of the student's support**

Whose information is included on the FAFSA?

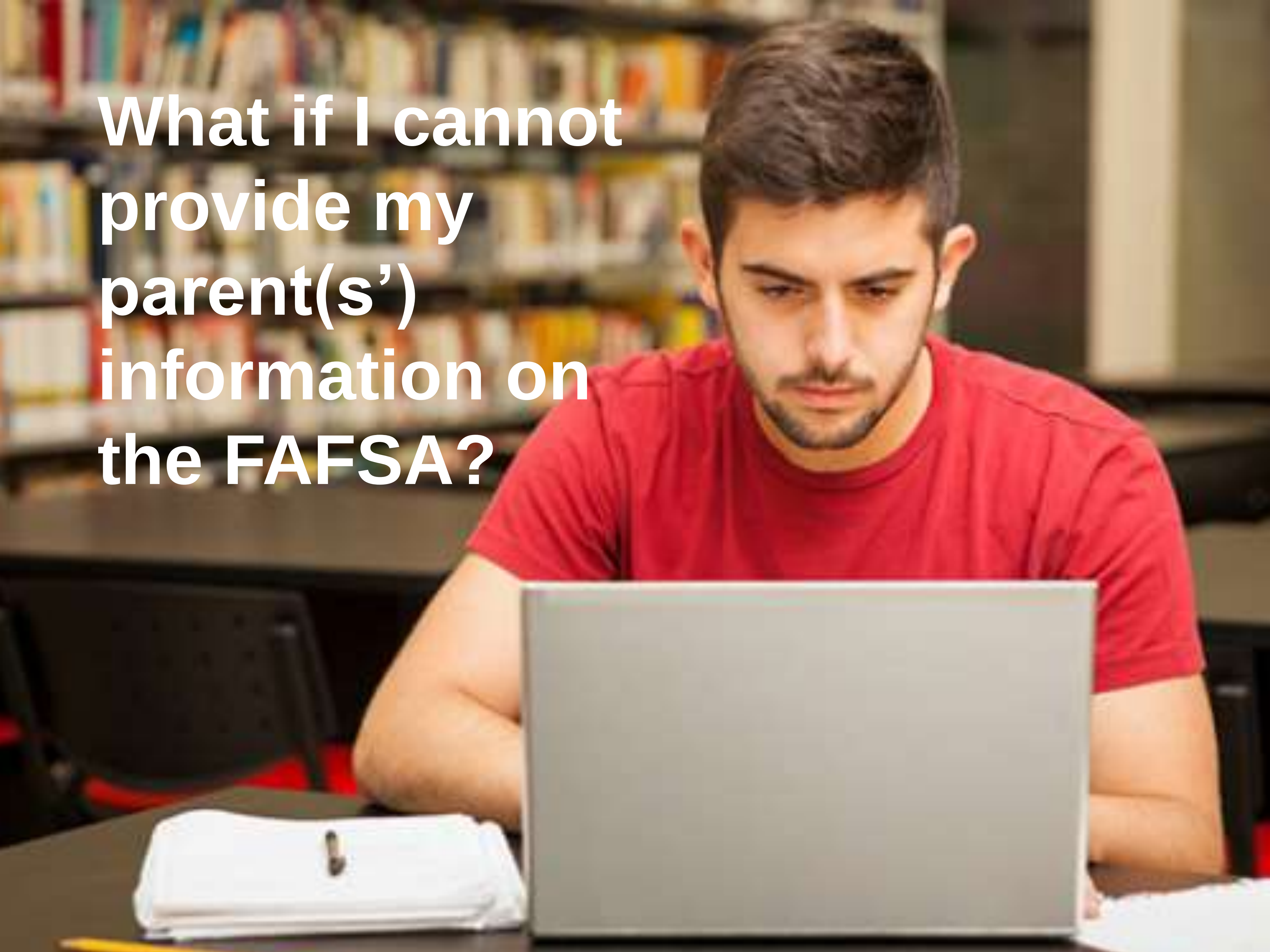
- Adoptive parents - yes
- Grandparents – no
- Foster parents - no
- Legal guardians - no
- Anyone else the student is living with - no

Independent Students are:

- 24 or older on Jan 1st of award year
- Veteran (includes active duty personnel)
- Working on graduate 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


What if I work
and have my own
place to live?

What if I cannot provide my parent(s') information on the FAFSA?



Know your deadlines!

<u>Schools have priority filing deadlines</u>.
ASK THEM!

<u>State Grant deadline is</u>:

<u>May 1</u> - First Time and Renewal Applicants that plan to enroll in a degree program or a college transferable program at a junior college or other college or university

<u>August 1</u> - First Time applicants that 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

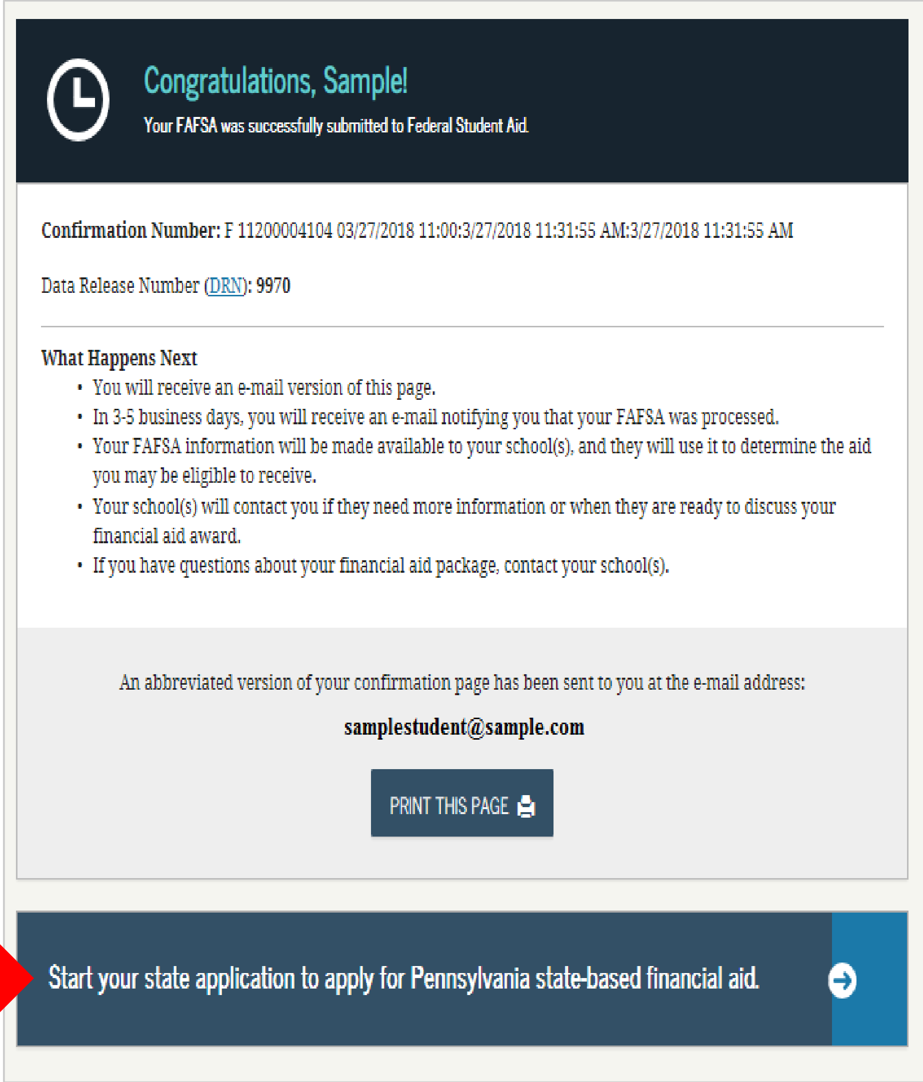
Expected Family Contribution (EFC)

- Student and Parent Contribution
- Bulk of EFC comes from income
- Assets exclude: value of home you live in, personal property, retirement, and life insurance.
- Assets include (but not limited to): value of cash, savings, and checking, investment accounts, 529 plans, rental property, etc.
- Small asset protection allowance for parents this year.
- Student income contribution = 50% of amount over $6,840; assets at 20%.
- Parent contribution divided by number of children in college at the same time

Confirmation Page

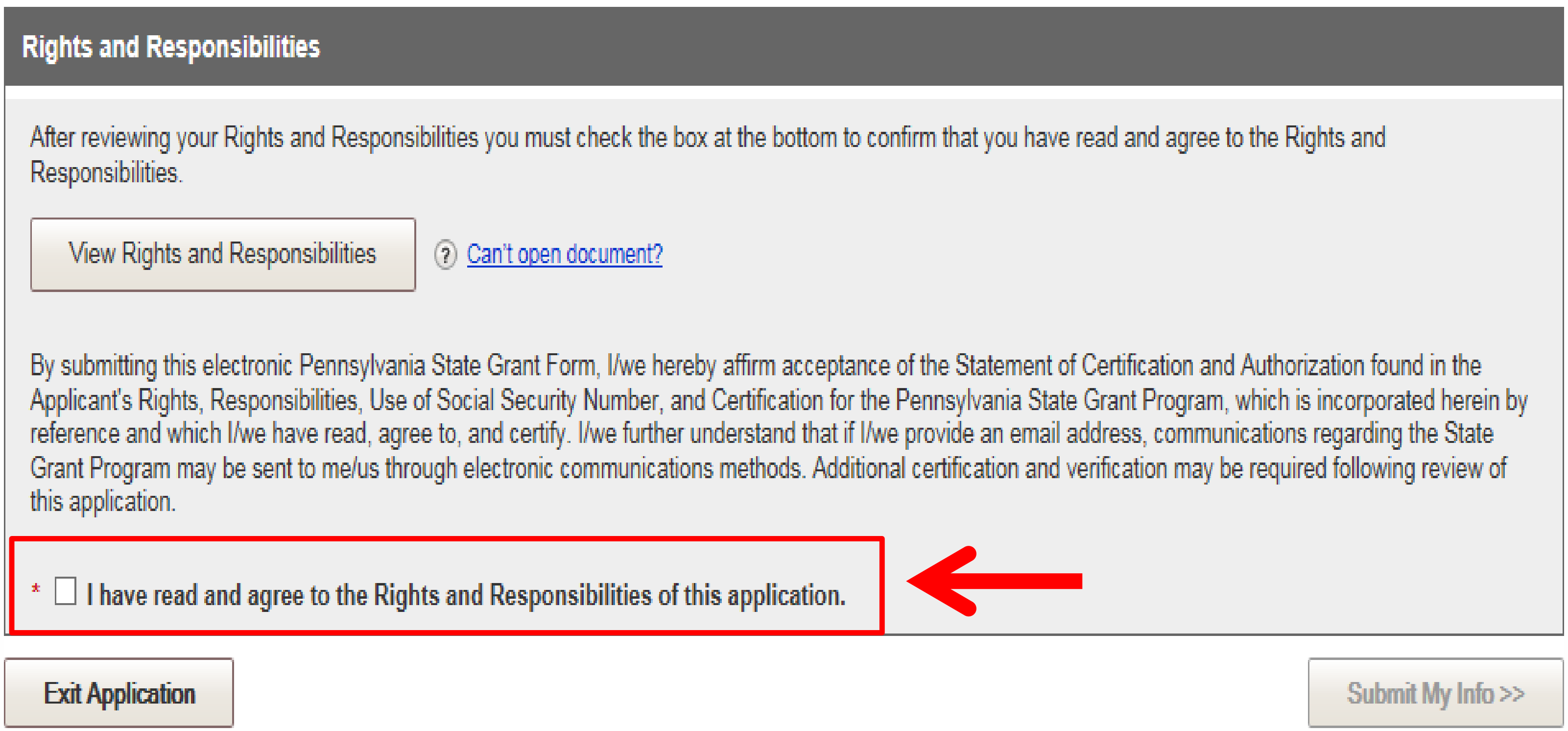
At the bottom of the confirmation page, you will find the link to the State Grant Form and the EFC

First-time filers only – can also access at www.pheaa.org



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 >>

FINANCIAL AID OFFERS

Financial Need

Cost of Attendance (COA)

<u>- Expected Family Contribution (EFC)</u>

= Financial Need

Sorting it all out

Federal Pell Grant	$0
State Scholarship Grant	$1,000
Institutional Grant	$6,000
Federal Perkins Loan	$0
Federal Stafford Loans	$2,625
Federal Work-Study	$2,375
Total Award	$12,000

	Fall 2011	Spring 2012	TOTAL
Federal Pell Grant	$750.00	$750.00	$1,500.00
Federal Perkins Loan	$1,000.00	$1,000.00	$2,000.00
Federal Subsidized Stafford	$2,750.00	$2,750.00	$5,500.00
Federal Unsubsidized Stafford	$1,001.00	$999.00	$2,000.00
Federal Work-Study Program	$1,300.00	$1,300.00	$2,600.00
University and Alumni Award	$16,250.00	$16,250.00	$32,500.00
Total Awards			

Office of Financial Assistance

NORTHERN New Mexico College

SAMPLE AWARD LETTER
FOR 20XX-20XX Award Year

une 18, 20XX

ohn Doe
PO Box 00
Espanola, NM 87532

STUDENT ID: A 000
ESTIMATED COLLEGE COST: B 177
[SEE ATTACHED FOR EXPLANATION]
STUDENT/FAMILY CONTRIBUTION C 0
OTHER AID: D 0
FINANCIAL NEED: E 177
UNMET NEED: F 289

We are pleased to offer you the following financial aid awards for the 2013-14 academic year to

WERE OFFERED WORK STUDY AS PART OF YOUR AWARDS.

TO CANCEL AID:
will NOT attend Northern: ☐ Summer 20XX ☐ Fall 20XX ☐ Spring 20XX ☐ Summer

☐ I will NOT attend Northern for the entire 20XX XX academic year and would like to cancel my

WORK STUDY DECLINE OR ACCEPTANCE:

ANYTOWN UNIVERSITY
OFFICE OF FINANCIAL AID

Academic Year: 20??-20??
Budget Assumptions: Resident Dependent Single
ID#: 123-45-6789
Award Date: April 7, 20??

Joe Bloggs
123 Main Street
Sometown, SS 12345

NOTIFICATION OF FINANCIAL AID

After careful consideration, the Financial Ai
offer of financial assistance for the award p
decision was made after careful considerat
this award, you must complete, sign, and re
within four weeks of receipt and by May 1st
cancellation if you do not respond by the s
decline any part of this offer, please place
area for the corresponding part of the pack
and conditions of the award as described i
enclosed.

DECLINED		FALL 20??	SPRING 20??
(____)	Anytown University Scholarship	$1,000	$1,000
(____)	Federal SEOG Grant	$ 800	$ 800
		$ 650	$ 650
		$ 1,100	$ 1,100
	nt	$1,200	$1,200
	ount	$1,550	$1,550
		$1,600	$1,600
		$ 800	$ 800
(____)	PLUS Loan	$1,600	$1,600

Total Aid: $20,600

Cost Of Attendance (Tuition, Room, Board, Transportation, Books, Supplies, Fees):	$23,400
Less Family Contribution:	- 2,602
Less Financial Aid:	- 20,600
Remaining Need:	$ 198

April 28, 2015 RMU ID: 111111

STUDENT: Bobby Mo

We are pleased to notify you of the following award(s) to help you finance your education for the 2015-16 ... Morris University (RMU). Actual 2015-16 tuition and fee charges, as well as information regarding other lo... options ... can be found by accessing the RMU website at www.rmu.edu/finaid.

Grants and Scholarships - Free Money!

	FALL	SPRING	TOTAL
Institution Grant(s)			
JUSTICE ...	$3,500	$3,500	$7,000
RMU GRANT	$1,950	$1,950	$3,900
Federal Grant(s)			
PELL GRANT	$2,713	$2,712	$5,425
SEOG	$750	$750	$1,500
State Grant(s)			
EST PHEAA GRANT	$2,000	$2,000	$4,000
Total Grant(s)	$10,913	$10,912	$21,825

Your overall fin... package, includi... scholarships and lo... exceed $41,992 for... academic y...

Student Loan(s) - Repayment Necessary

	FALL	SPRING	TOTAL
SUBSIDIZED DIRECT LOAN	$1,750	$1,750	$3,500
UNSUB DIRECT LOAN	$1,000	$1,000	$2,000
Total	$2,750	$2,750	$5,500

Don't forget to ... Entrance Counselin... Master Promisso... www.studentlo...

In addition, you are eligible to earn up to $3,000, half each semester, through the Federal Work Study Program. ... be forthcoming from the Career Center. Work Study funds are not guaranteed and should not be counted on for ... balance. Students employed through the Federal Work Study Program will be paid monthly based on the ... worked.

The RMU Grant has been provided to assist you with a portion of your unmet financial need. If you become ... forms of aid, not listed above, we are required to re-evaluate your eligibility for all or a portion of this grant. Signi... financial need or a change in housing status can impact eligibility for this award.

Your financial aid eligibility is based on information you reported on the FAFSA. Awards are subject to change d... verification process, your enrollment status, satisfactory academic progress, athletic and other institutional schol... the assumed availability of funds from federal, state, institutional and other sources. Eligibility and renew... institutional grants and scholarships can be found online at www.rmu.edu/finaid.

Your anticipated charges and aid are based upon the assumption that you will be full-time, Undeclared Business major, living On Campus. Standard charges were assumed. A change in status must be reported and may result in an adjustment to your aid eligibility and to the information presented below. Please note that Federal student loan eligibility, minus applicable loan origination fees, will be included in this calculation.

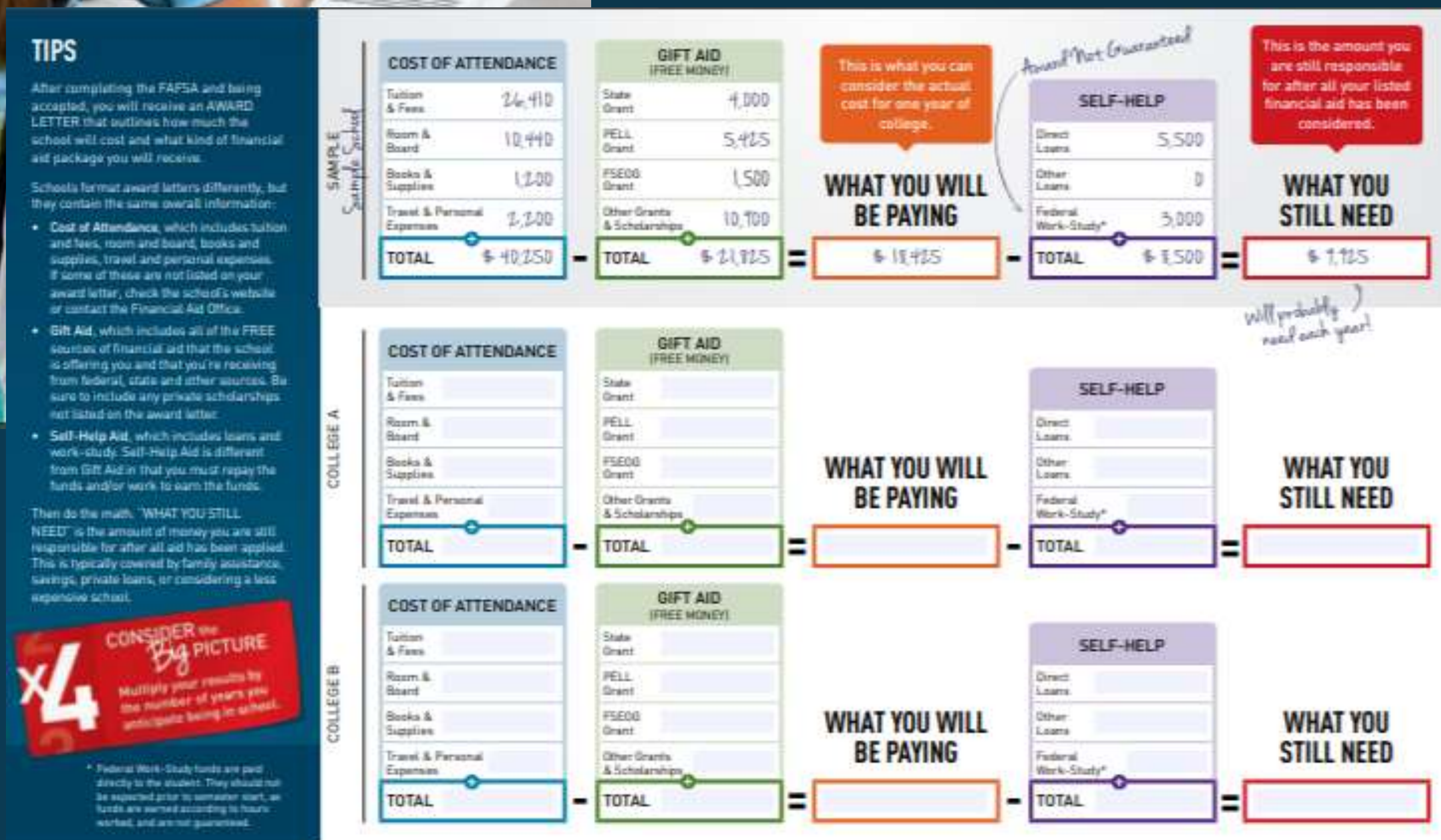
$27414	+	$10440	-	$27270	=	$10584
Tuition and Fees		Room and Board		Total Aid		Estimated Balance

How much is gift aid? – I don't have to pay it back.

How much is self-help aid? – I will have to pay it back or earn it.

What are the total costs and how much will I owe the school?

Compare Offers



Where does the money come from?

Family resources

Private scholarships or grants

Educational Loans

Money from colleges

Federal or State financial aid

Gift aid (do not repay)

- Pell Grant (max $6,195)
- SEOG
- TEACH Grant
- Iraq and Afghanistan Service Grant
- Children of Fallen Heroes
- Americorps
- GI Bill
- PA State Grant (max $4123)
  - (OH, DE, MA, VT, WV, and DC)
- EAP/FMEP
- Chafee Grant
- Blind or Deaf Beneficiary Grant
- Postsecondary Educational Gratuity Program
- PATH
- PA TIP
- RTSS

For more information: studentaid.ed.gov, americacorps.gov, pheaa.org, or gibill.va.gov

Self-help aid (must work to earn or repay)

- Work Study
  - Say "yes" to work study question on the FAFSA
- Loans
  - Federal Direct Stafford Loans
  - PLUS Loans
  - Private/Alternative Education Loans


STUDENT
LOANS

$37,000




Average student indebtedness for graduates of the class of 2016.

Repayment Examples

Loan Balance:	$37,000.00
Adjusted Loan Balance:	$37,396.02
Loan Interest Rate:	4.53%
Loan Fees:	1.06%
Loan Term:	10 years
Minimum Payment:	$50.00
Enrollment Status:	In Repayment
Degree Program:	Bachelor's Degree
Total Years in College:	4 years
Average Debt per Year:	$9,250.00
Monthly Loan Payment:	**$388.11**
Number of Payments:	120
Cumulative Payments:	$46,572.82
Total Interest Paid:	$9,572.82

It is estimated that you would need an annual salary of $46,573 to be able to afford this loan payment.

Source: finaid.org

Repayment Examples

Loan Balance:	$18,500.00
Adjusted Loan Balance:	$18,698.01
Loan Interest Rate:	4.53%
Loan Fees:	1.06%
Loan Term:	10 years
Minimum Payment:	$50.00
Enrollment Status:	In Repayment
Degree Program:	Bachelor's Degree
Total Years in College:	4 years
Average Debt per Year:	$4,625.00
Monthly Loan Payment:	**$194.05**
Number of Payments:	120
Cumulative Payments:	$23,286.57
Total Interest Paid:	$4,786.57

It is estimated that you would need an annual salary of $23,286 to be able to afford this loan payment.

Source: finaid.org

Studentloans.gov

Log in with your FSA ID and complete your Master Promissory Note (MPN) and Entrance Counseling.

Direct Stafford Loans

- **Subsidized** – no interest while in school
  - Interest will be charged after an interest-free, 6-month-grace period
  - 4.53% fixed rate for loans between 7/1/19 and 6/30/20
  - *1.059% origination fee deducted at disbursement

- **Unsubsidized** – interest accrues in school and grace
  - 4.53% fixed rate for loans between 7/1/19 and 6/30/20
  - *1.059% origination fee deducted at disbursement

  - *Gross loan amount of $5500 will be $5441.76
  - Interest rate adjusted annually and capped at 8.25%

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 $2,000 current principal balance and 4.53% interest rate this year. Using the formula:

- **.0453 x $2,000 ÷ 365 = $0.25 (~$23 quarterly interest)**

What if she borrowed $10,000?

- **.0453 x $10,000 ÷ 365 = $1.24 daily (~$112 quarterly interest)**

Loan Servicer

fedloan SERVICING

myfedloan.org

NAVIENT

navient.com

GREAT LAKES

mygreatlakes.org

nelnet

nelnet.com

Undergraduate Loan Limits

Dependent UG Annual Loan Limits (not including students whose parents are unable to borrow under the PLUS Program)	
First Year	**$5,500** of which no more than **$3500** may be subsidized
Second Year	**$6,500** of which no more than **$4,500** may be subsidized
Third Year and Beyond	$**7,500** of which no more than $**5,500** may be subsidized

Undergraduate Loan Limits – cont'd.

Independent UG Annual Loan Limits and Dependent Students whose Parents cannot borrower PLUS	
First Year	**$9,500** of which no more than **$3,500** may be subsidized
Second Year	**$10,500** of which no more than **$4,500** may be subsidized
Third Year and beyond	**$12,500** of which no more than **$5,500** may be subsidized
Graduate or Professional Students	All Unsub: $20,500

Direct PLUS Loans

- Parent is the borrower
- Credit check is required
- Cost minus financial aid received (max)
- Repayment begins 60 days after disbursement
  - Parent can choose to defer payments while student is enrolled

- **Interest/Fees:** 7.6% rate and 4.264% fee (19/20)
- Apply at www.studentloans.gov

Private Loans

- Nonfederal loans, made by a *lender* such as a bank or other business.
- Student borrows in his or her own name usually with a cosigner.
- <u>Fees, interest rates, loan amounts, and repayment provisions vary by lender</u> and are generally higher than federal student loans.
- <u>Compare loans before making choice and read the fine print!</u>

PA FORWARD℠ Student Loans

www.pheaa.org/paforward

Loan Tips

- Never borrow more than what you need
- Look at loan repayment calculators on studentloans.gov or finaid.org to determine what payments will look like
- If you’re a parent, ensure you can sustain the loan borrowing (i.e. years, other students, own retirement goals, etc.)

DECIDE

Review and consider all options. Sometimes the best fit is not the first school choice.

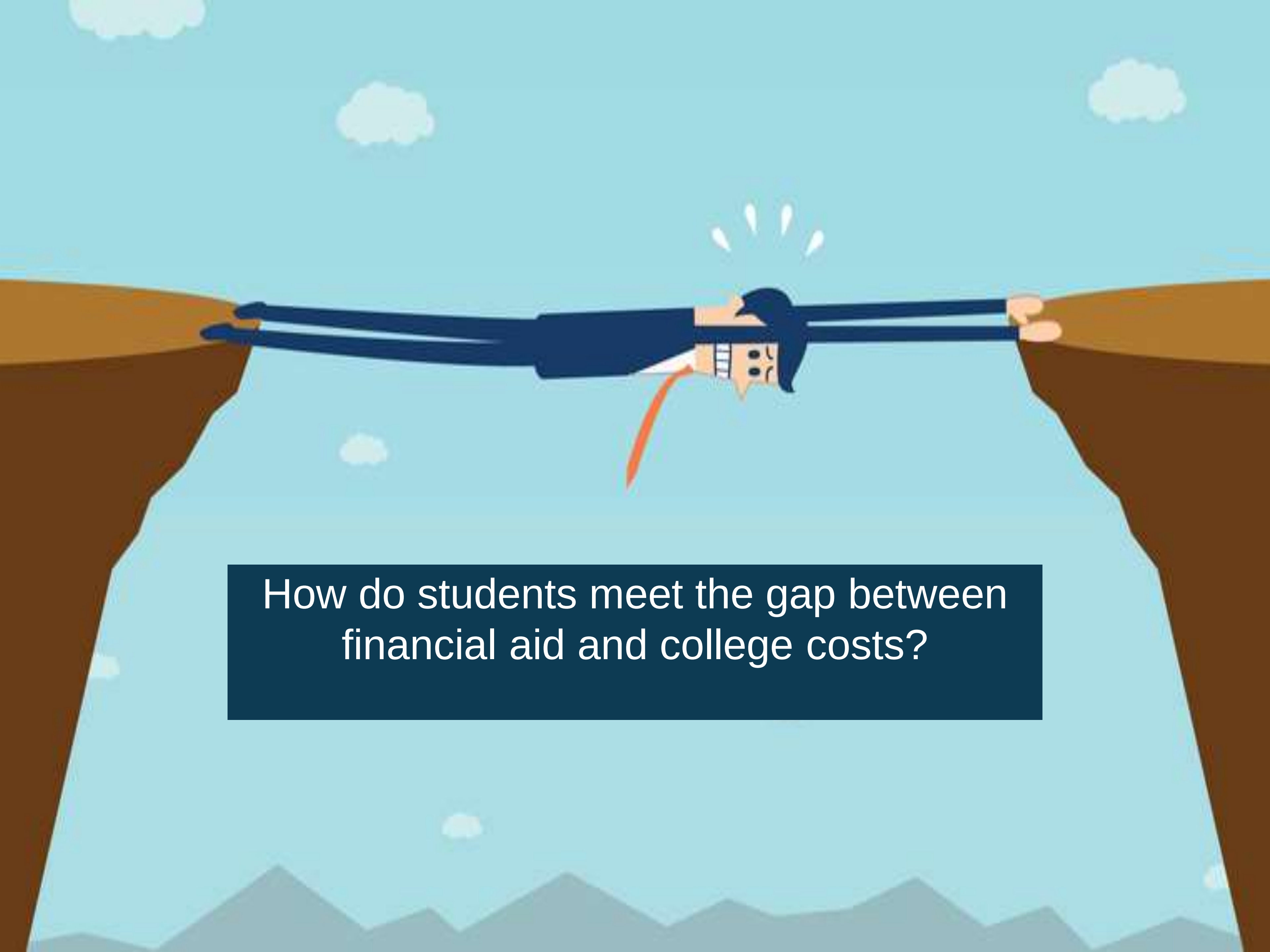
Determining Affordability

- Approach this process as **you are buying an EDUCATION**.

- Apply everywhere you want, but be open minded and give yourself options.

- Think in terms of yesterday’s money, today’s money, and tomorrow’s money.

- **Have discussions as a family**.



How do students meet the gap between financial aid and college costs?

Ways to Pay

- *Out-of-pocket?*
- *Expendable income/sign up for a payment plan?*
- *Scholarships?*

- *Parent loans? (*home-equity line of credit)*
- *Double check with the school (additional institutional money, scholarship opportunities, institutional loans).*

Ways to Save

Dual Enrollment

Commute!

ROTC

Plan ahead to graduate on-time!

Ask about a cheaper meal plan.

Buy used text books, rent them or go online to find them cheaper!

RAs

Beware of the 5 or 6 year plan!

- 5th year may cost 20-25% more than your first year
- Loss of institutional funds after 4 years
- Loss of State Grant eligibility after 4 years
- Run out of federal loan eligibility (capped at $31,000 for undergraduate students)

What should you do now?

- ✓ Apply for FSA IDs.
- ✓ Complete a practice FAFSA on the FAFSA4Caster on FAFSA.gov to see if you might qualify for grants.
- ✓ Apply for scholarships!
- ✓ Visit mysmartborrowing.org to start budget planning for each school choice.
- ✓ Retake SATs or ACTs.

Timeline

- Admission applications start in September of senior year in hs
- FAFSA - October 1 of senior year in hs
- Decide by May 1 of senior year in hs
- Pay deposit

- Billing in July for fall; Payment usually due in August
  - How are you going to pay the balance?
    - Payment plans; PLUS or alternative loans; 529 Plan or other savings?
- Has anything changed since you filed the FAFSA? (divorce, job loss, death of parent)

Resources

- **FAFSA.gov**
  - Questions about FAFSA or FSA ID
    - 800.433.3243
- **PHEAA.org**
  - Questions about the State Grant Form
    - 800.692.7392
- **Studentloans.gov** – information on federal loans
- **Nslds.ed.gov** – information on *your* specific federal loans

Contact Information

Dr. Kimberly McCurdy

kmccurdy@pheaa.org

Pennsylvania Higher Education Assistance Agency

PHEAA℠

Pennsylvania Higher Education Assistance Agency