

Financial Aid 101

Paying for Postsecondary Education



Distance from home

Cost

**Admission
criteria**

Ideal fit?

Size

**Geographic
setting**

Atmosphere

Academics

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...price

cost



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

SENDING YOUR KID TO COLLEGE

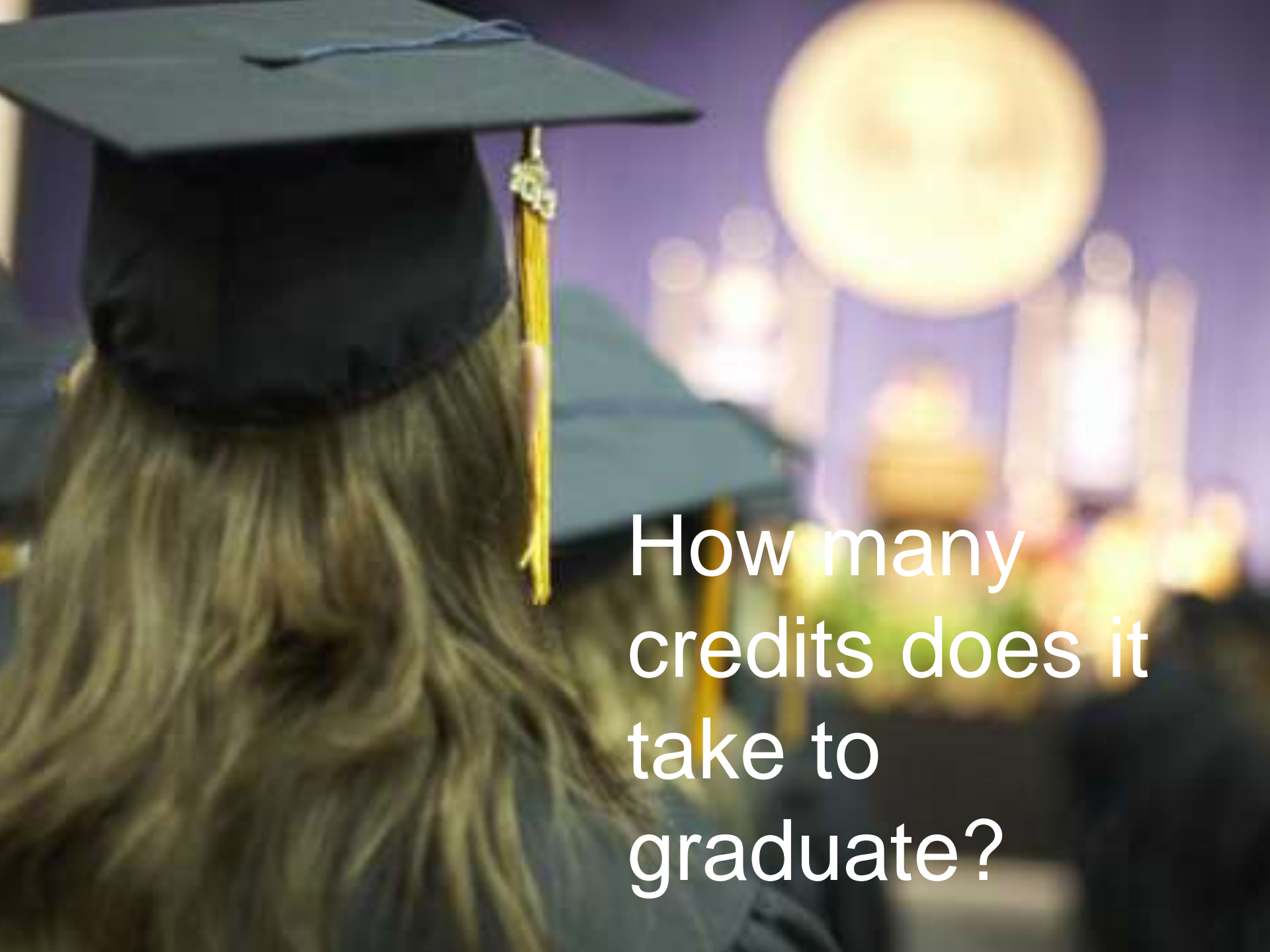
College Tuition			
4 @	\$23,712.00	=	\$94,848.00
Books			
4 @	\$1,300.00	=	\$5,200.00
Housing			
4 @	\$3,800.00	=	\$15,200.00
Meals			
4 @	\$8,000.00	=	\$32,000.00
Transportation			
4 @	\$2,400.00	=	\$9,600.00
Total			\$156,848.00

Cash

PAY TO THE ORDER OF

Bar
Mark
1324
Irvi
71

Pay for all of it



How many
credits does it
take to
graduate?

Financial Aid
Offers Aren't
Available
Indefinitely





GRADUATE ON TIME...

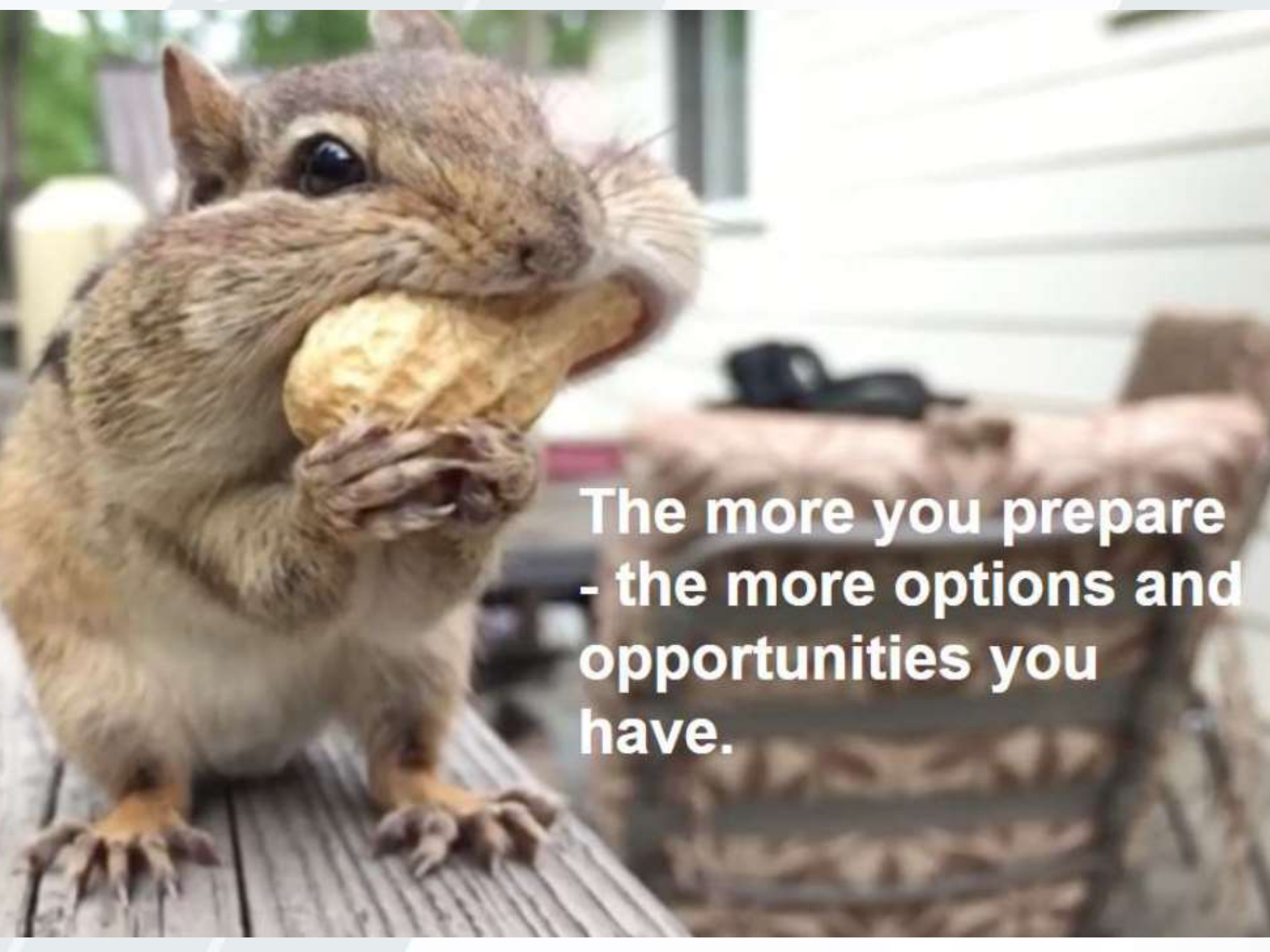


TAKE 15 CREDITS



The background features a light gray pencil pointing downwards on the left side. To the right, there are two interlocking gears of different sizes, rendered in a light gray, semi-transparent style. Dotted lines with arrowheads form a path that starts from the bottom left, loops around the larger gear, crosses over itself, loops around the smaller gear, and ends with a small black dot at the bottom right. Another dotted line with an arrowhead starts from the top left and points towards the center.

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?

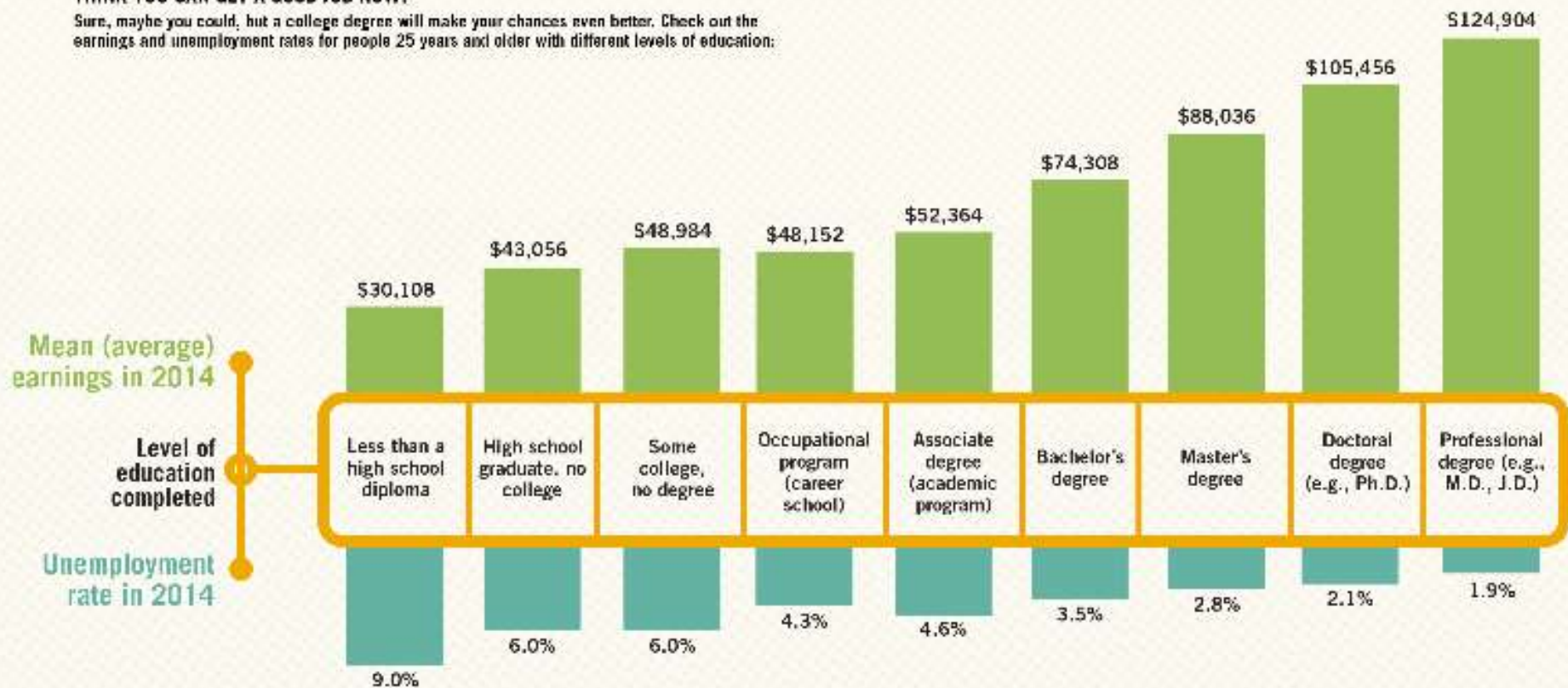


WHY GO TO COLLEGE?



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



Resources

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



The background features a light gray pencil on the left side, pointing downwards. To the right, there are two interlocking gears of different sizes. Dotted lines form a path that starts from the bottom left, loops around the pencil, then connects to the larger gear, loops around it, crosses itself, loops around the smaller gear, and finally ends with a small black dot at the bottom right. The overall aesthetic is clean and technical.

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



[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

Federal Student Aid | FAFSA.gov
An OFFICE of the U.S. DEPARTMENT of EDUCATION

English | Español

Need money for college?

Complete the FAFSA® (*Free Application for Federal Student Aid*) form to apply for financial aid for college, career school, or graduate school.

NEW TO FAFSA.GOV?

Submitting the FAFSA form is quick, and most importantly, it's FREE. Get started today.

[START HERE >](#)

RETURNING USER?

- Make a correction
- Add a school
- View your *Student Aid Report (SAR)*

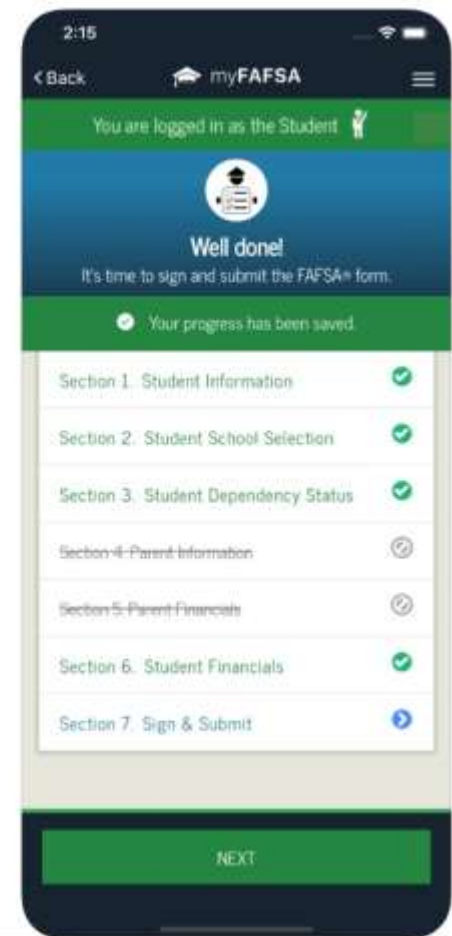
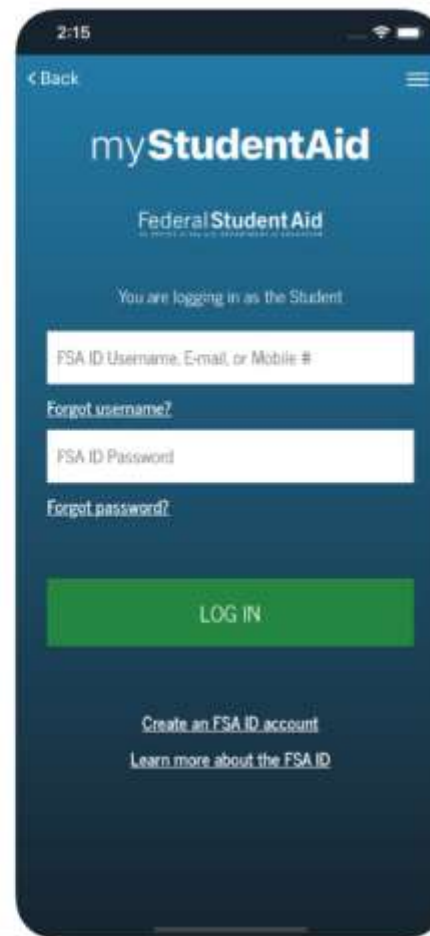
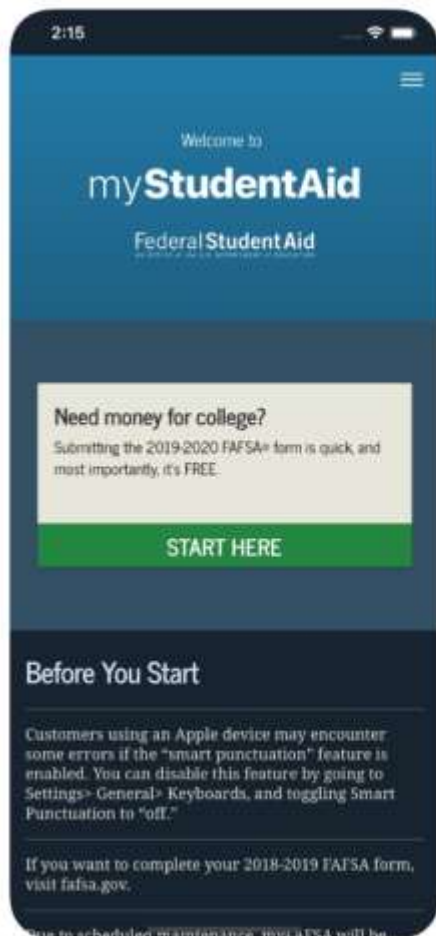
[LOG IN >](#)

Apply after
October 1 (of
senior year in
HS)

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

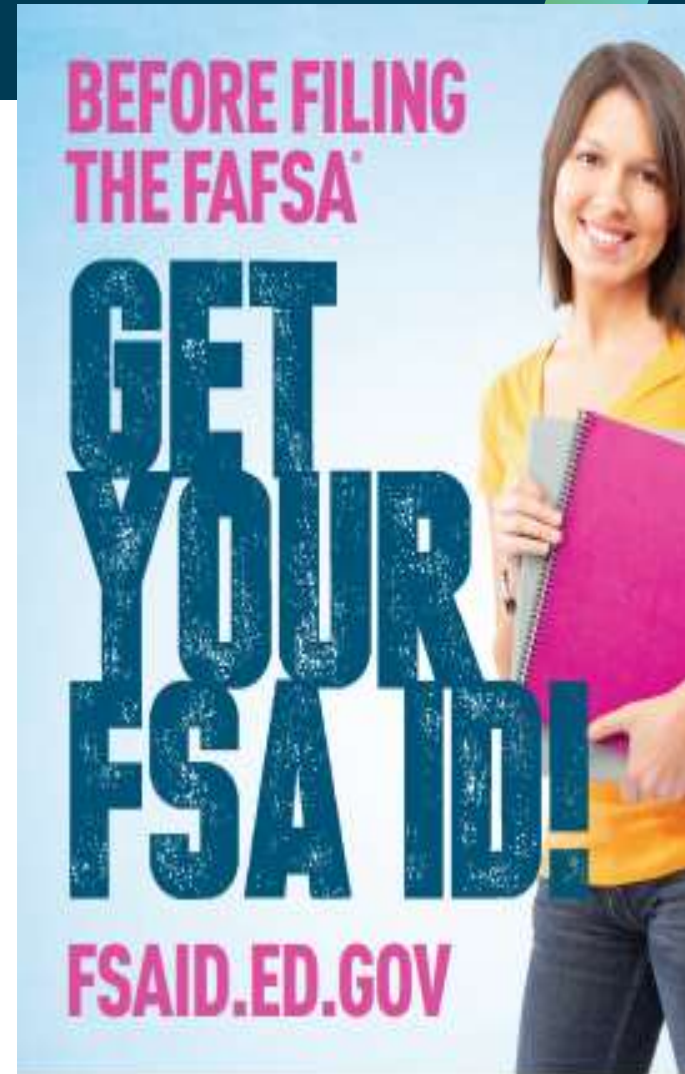
2020-21 FAFSA
will use 2018 tax
information

myStudentAid mobile app



FSAID.ed.gov

- Sign the FAFSA electronically
- The student and one parent (if the student is dependent) will need an FSA ID Username and Password
- DO NOT lose it
- DO 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**





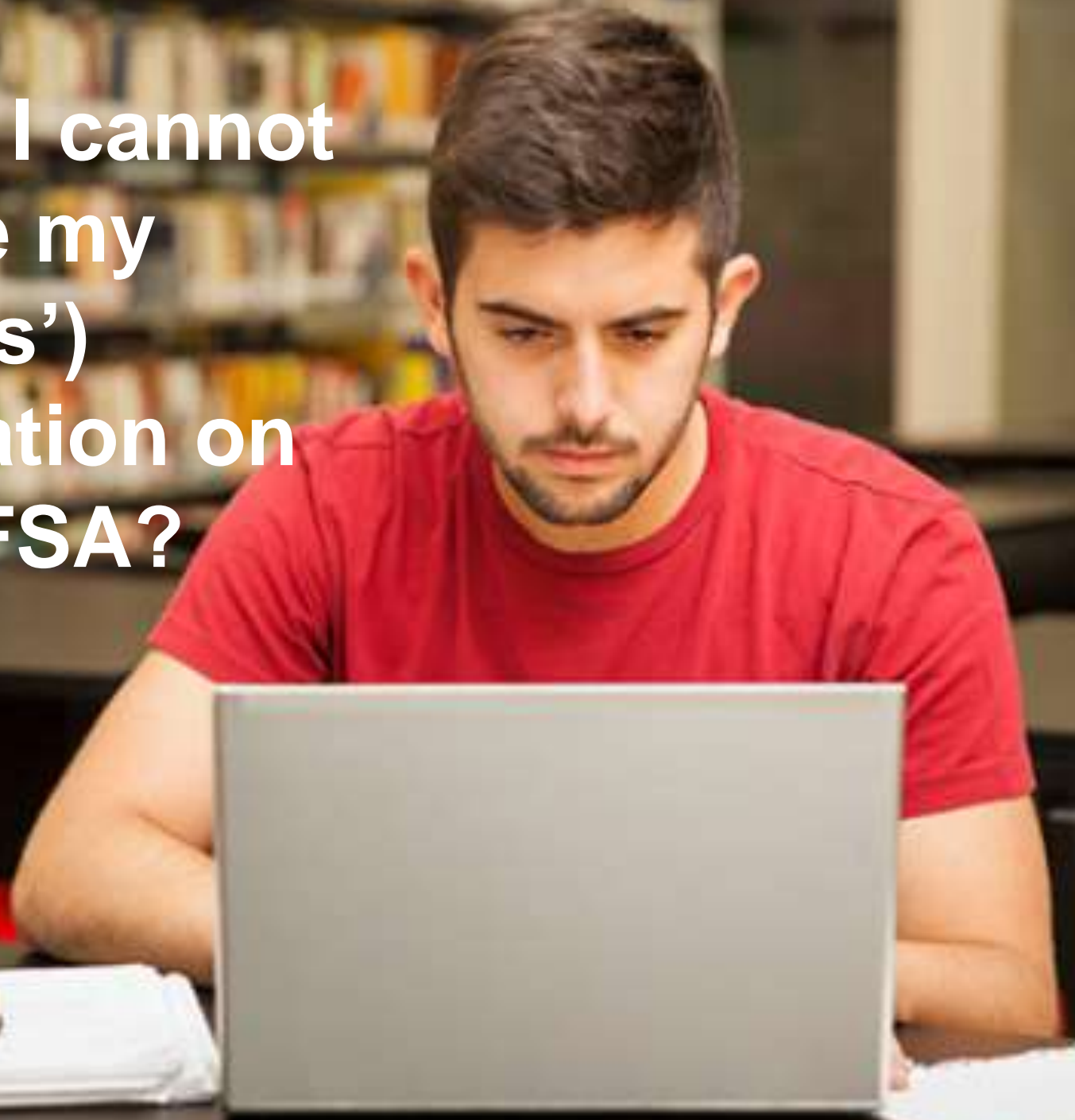
Independent Students are:

- 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!

Schools have priority filing deadlines.

ASK THEM!

State Grant deadline is:

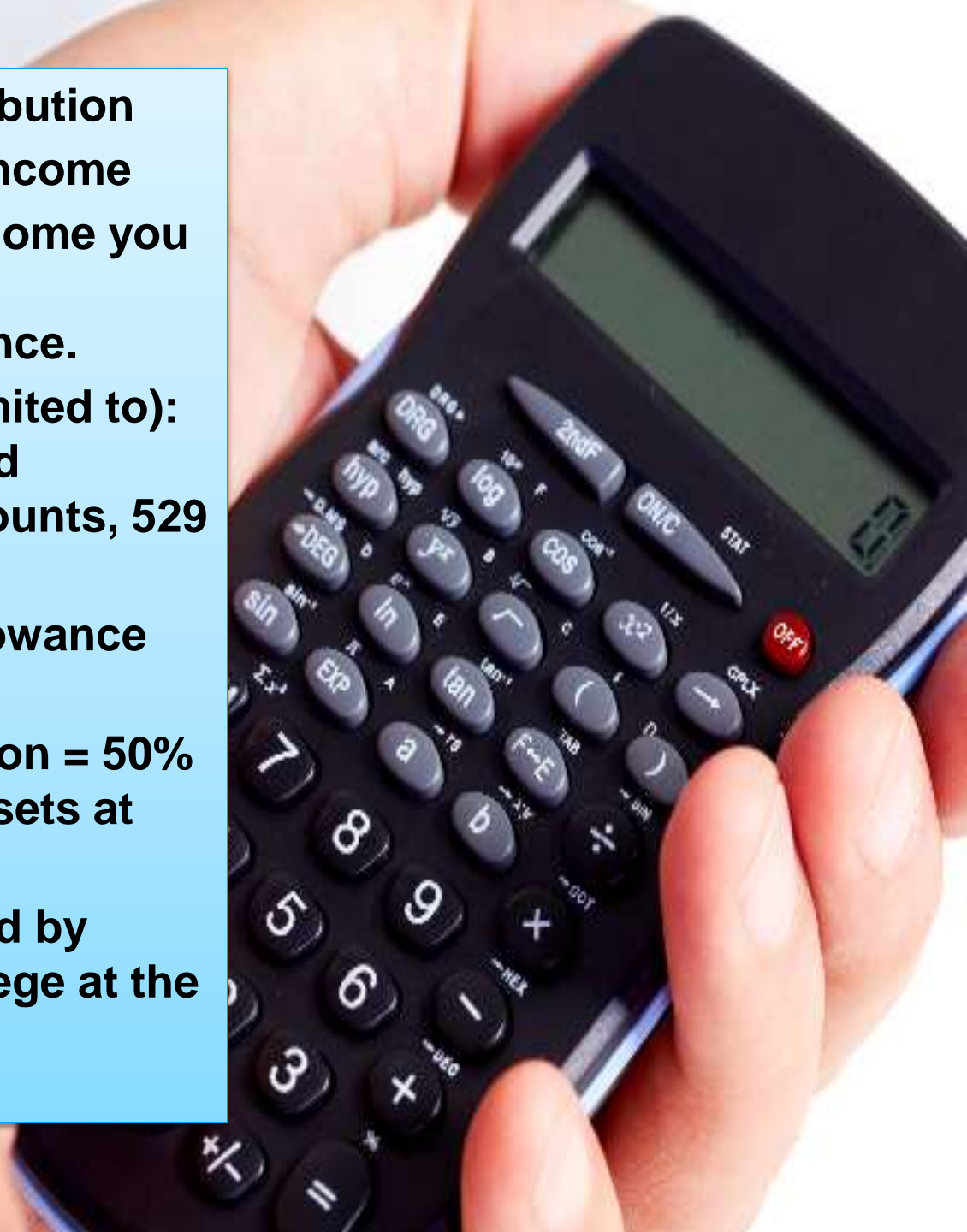
May 1 - First Time and Renewal Applicants that plan to enroll in a degree program or a college transferable program at a junior college or other college or university

August 1 - 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)



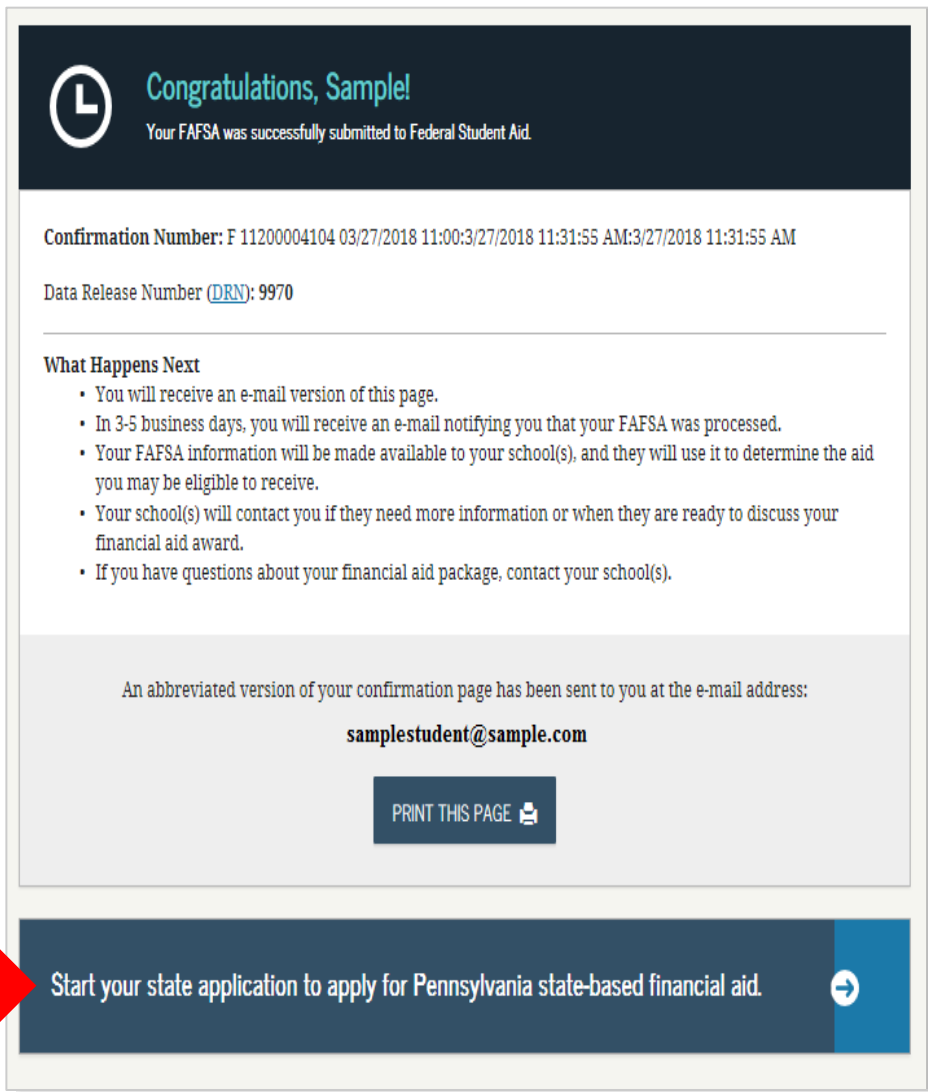
- **Student and Parent Contribution**
- **Bulk of EFC comes from income**
- **Assets exclude: value of home you live in, personal property, retirement, and life insurance.**
- **Assets include (but not limited to): value of cash, savings, and checking, investment accounts, 529 plans, rental property, 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**



PA State Grant Form (SGF)

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



The screenshot shows a confirmation page for a FAFSA submission. At the top, there is a dark blue header with a clock icon and the text "Congratulations, Sample!" followed by "Your FAFSA was successfully submitted to Federal Student Aid." Below this, the "Confirmation Number" is listed as "F 11200004104 03/27/2018 11:00:32/2018 11:31:55 AM:3/27/2018 11:31:55 AM" and the "Data Release Number (DRN)" is "9970". A section titled "What Happens Next" contains a bulleted list of instructions. Below this, a message states that an abbreviated version of the confirmation page has been sent to the email address "samplestudent@sample.com". A "PRINT THIS PAGE" button with a printer icon is located below the email address. At the bottom of the page, 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. A large red arrow points from the left towards this bottom bar.

Congratulations, Sample!
Your FAFSA was successfully submitted to Federal Student Aid.


Confirmation Number: F 11200004104 03/27/2018 11:00:32/2018 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. 

The background features a light gray gear on the left and two smaller gears on the right, all rendered in a semi-transparent style. Dotted lines form loops and paths around the gears and across the page. A large, light gray diagonal shape is on the left side.

FINANCIAL AID OFFERS

Financial Need

Cost of Attendance (COA)

- Expected Family Contribution (EFC)

= Financial Need

	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

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

Total Awards

ANYTOWN UNIVERSITY
OFFICE OF FINANCIAL AID

Office of Financial Assistance
NORTHERN New Mexico College



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

NOTIFICATION OF FINANCIAL AID

After careful consideration, the Financial Aid Office has offered you financial assistance for the award period. If a decision was made after careful consideration that you are eligible for this award, you must complete, sign, and return the award form within four weeks of receipt and by May 15th. If you do not respond by the stated deadline, your financial aid will be cancelled. If you decline any part of this offer, please place a checkmark in the area for the corresponding part of the package. The conditions of the award as described in the award letter are enclosed.

**SAMPLE AWARD LETTER
FOR 20XX -20XX Award Year**

Joe Bloggs
123 Main Street
Sometown, SS 12345

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**

DECLINED

FALL 20?? SPRING 20??

Anytown University Scholarship	\$1,000	\$1,000
Federal Pell Grant	\$ 800	\$ 800
Federal Perkins Loan	\$ 650	\$ 650
Federal Subsidized Stafford	\$1,100	\$1,100
Federal Unsubsidized Stafford	\$1,200	\$1,200
Federal Work-Study Program	\$1,550	\$1,550
University and Alumni Award	\$1,600	\$1,600
Federal Stafford Loans	\$ 800	\$ 800
Federal Work-Study	\$1,600	\$1,600

Sorting it all out

WERE OFFERED WORK STUDY AS PART OF YOUR AWARDS.

(___) PLUS Loan

Total Aid: \$20,600

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

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

WORK STUDY DECLINE OR ACCEPTANCE;

STUDENT: Bobby Mo

We are pleased to notify you of the following award(s) to help you finance your education for the 2015-16 academic year at Morris University (RMU). Actual 2015-16 tuition and fee charges, as well as information regarding other loan 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 SCHOLARSHIP	\$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 financial aid package, including scholarships and loans, will not exceed \$41,992 for the 2015-16 academic year.

Student Loan(s) - Repayment Necessary

	FALL	SPRING	TOTAL
GUARANTEED 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 contact the Entrance Counseling Master Promissory Note at www.studentloans.gov.

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

The RMU Grant has been provided to assist you with a portion of your unmet financial need. If you become ineligible for any form of aid, not listed above, we are required to re-evaluate your eligibility for all or a portion of this grant. Significant changes in 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 during the verification process, your enrollment status, satisfactory academic progress, athletic and other institutional scholarship requirements, and the assumed availability of funds from federal, state, institutional and other sources. Eligibility and renewal information for 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 a full-time, Undeclared Business major, living On Campus. Standard charges were assumed. A change in status or major 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?

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 Gratuities Program
- PATH
- PA TIP
- RTSS

For more information: studentaid.ed.gov,
americorps.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.

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

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

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the AMERICAN MIND™

StudentLoans.gov

English | Español

My Account

Getting Loans

Tools and Resources

Managing Repayment

FAQs

Contact Us

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



As of May 10, 2015 you must have a verified FSA ID (Username & Password) instead of a PIN to log in to StudentLoans.gov.

[Create an FSA ID.](#)

If you have a verified FSA ID, log in to StudentLoans.gov.

Log In



Undergraduate Students



Graduate/Professional Students



Parent Borrowers



Repayment and Consolidation

Student Loan Process

Complete the Free Application for Federal Student Aid (FAFSA®) at www.FAFSA.gov.

This is your **first** step in getting student aid. You must do this every year.

What Can I Do When I Log In?

- ▶ Complete Entrance Counseling
- ▶ Complete Direct Subsidized/Unsubsidized Loan Master Promissory Note (MPN)
- ▶ Complete Financial Awareness Counseling
- ▶ Complete Exit Counseling
- ▶ Use the Repayment Estimator
- ▶ Complete TEACH Grant Agreement to Serve and TEACH Counseling

Watch to Learn More!



- Myths About Financial Aid
- Overview Of The Financial Aid Process
- Budgeting
- Responsible Borrowing

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:

- $\text{Interest rate} \times \text{current principal balance} \div \text{number of days in the year} = \text{daily interest}$

Example:

Sara Student has a \$2,000 current principal balance and 4.53% interest rate this year. Using the formula:

- $.0453 \times \$2,000 \div 365 = \0.25 (~\$23 quarterly interest)

What if she borrowed \$10,000?

- $.0453 \times \$10,000 \div 365 = \1.24 daily (~\$112 quarterly interest)

Loan Servicer



myfedloan.org

NAVIENTSM

navient.com



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 borrow 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.
- Fees, interest rates, loan amounts, and repayment provisions vary by lender and are generally higher than federal student loans.
- Compare loans before making choice and read the fine print!

DECIDE

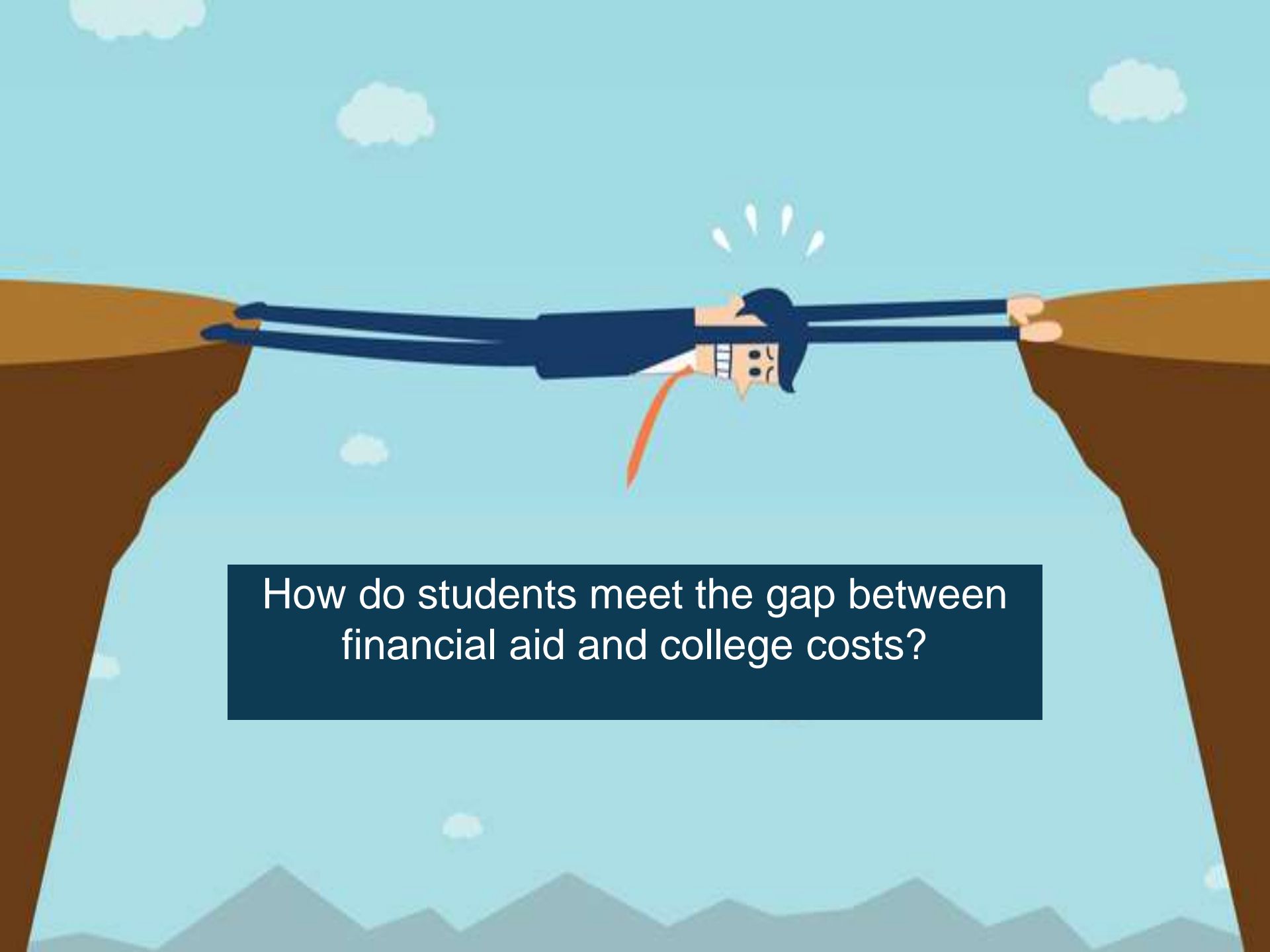




Review and consider all options.
Sometimes the best fit is not the first
school choice.

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).***

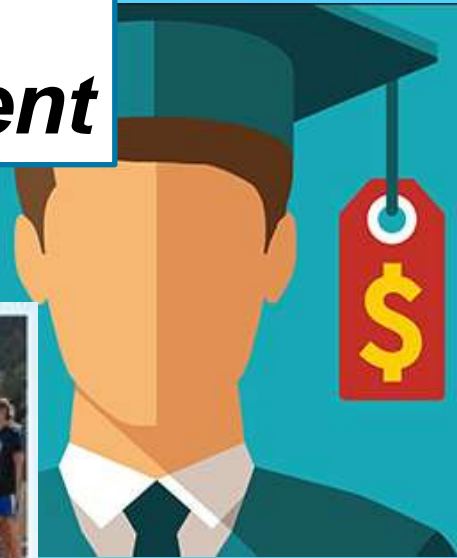
Ways to Save

Dual Enrollment

Commute!



ROTC



Plan ahead to graduate on-time!



Ask about a cheaper meal plan.



RAs



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



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](https://www.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