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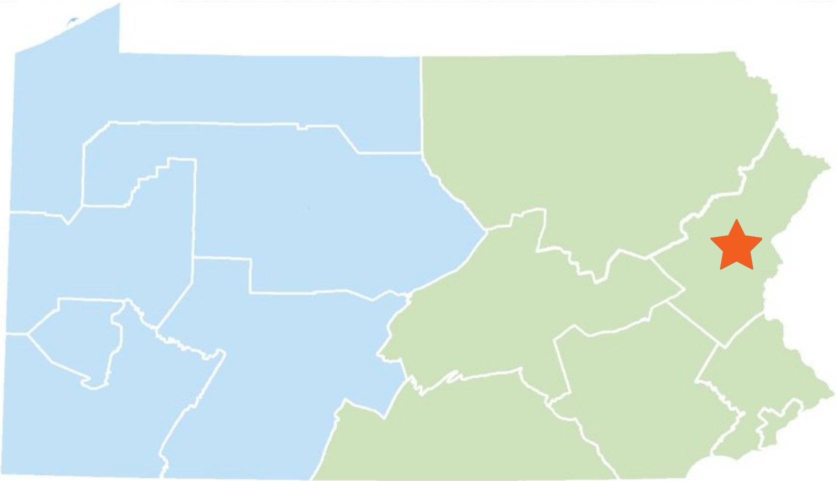
Thank you for being considerate to the people around you.

Pennsylvania Higher Education Assistance Agency


FINANCIAL
AID:
101

Your Presenter



Evelyn Disla-Hernandez

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Assisting:

Carbon, Lehigh, Monroe, Montgomery, Northampton, and Pike Counties

Topics

Financial Aid 101

- Financial Aid Basics
- Types and Sources of Aid

- Five steps to Financial Aid
- Applying for Aid
- What Happens Next?
- Final Thoughts
- Questions

Basic Principles

- **Paying is the joint responsibility of the student and parent(s), to the extent possible**
- **Eligibility criteria may apply in order to receive/maintain financial aid, such as:**
  - Student must maintain satisfactory academic progress
  - Additional criteria may be required based on the type and source of aid
- **Student should play an active role in the process**
  - Talk with the student about goals/plans **(review educationplanner.org & mysmartborrowing.org)**
  - Take advantage of college fairs & school visits (ask about cost and available aid)
- **Some students may not qualify for all forms of aid**. There is no guarantee that you will receive any free money to pay for higher education
- **Must apply every year to be considered**

Financial Aid – Gift Aid

Based on financial need or merit generally does not have to be repaid – **Free Money**

Scholarships and grants

- **Grants** - based on financial need subject to federal formula
- **Scholarships** - usually based on merit.

- Federal government, state government, schools and colleges
- Organizations, businesses, community, employers, FREE Internet search

Financial Aid – Self-Help Aid

- **Loans**
  - Loans are borrowed money. Must be paid back
- **Work-study awards**: Earned money
  - Wages earned and paid directly to the student for working, coordinated through the campus or state
- **Tuition reimbursement**
  - Employer sponsored education
- **US Military benefits**
  - Requires service commitment & satisfying criteria

Cost Of Attendance (COA)

Cost of Attendance (COA):

Costs that the student can expect to incur during the school year

- **Direct costs**: billed by the school
- **Indirect costs**: not included in bill but may be incurred
- School costs include:
    - Tuition and fees
    - Housing and food
    - Books, course materials, supplies, and equipment
    - Transportation
    - Personal expenses

Student Aid Index (SAI)

Student Aid Index (SAI)

A measure of a family's financial strength, namely its ability to pay for college. The SAI is calculated from a federal formula using information collected from the Free Application for Federal Student Aid (FAFSA)

The SAI can be as low as negative 1500 (-1500).

SAI values can be as high as 999,999.

It is not the amount a family is required to pay but instead helps the financial aid office determine how much financial support you may need.

Calculating Financial Need

- Schools and colleges receive FAFSA information and calculate financial need
- Financial Aid Office (FAO) “packages” student based on financial need and available funding (varies from school to school)
- Financial aid notification sent to student

COA
-SAI
-OFA
=NEED

Step 1: Look For Free Money First

- **National**
  - Most found on corporate websites, scholarship databases & HS guidance offices/webpages
  - Lots of competition
- **Local & Regional**
  - Check with HS Guidance office/webpage
  - Businesses, churches, local foundations, etc. (stay on the lookout)
  - Less competition
- **Post-Secondary:**
  - Check the school’s financial aid & admissions pages on website
  - Inquire with financial aid office about scholarships from alumni and endowment funds

Scholarship Search Tips

- Start Early and Search Often
- Create an Academic Resume:
  - Academic success
  - Extra Curricular Activities
  - Community Involvement/Volunteerism
- Create an Essay(s)- Write an essay, free from errors, that can be tweaked based on individual scholarships (be creative)
- Secure Letter of Recommendations early
- **Pay attention to deadlines and understand the terms**

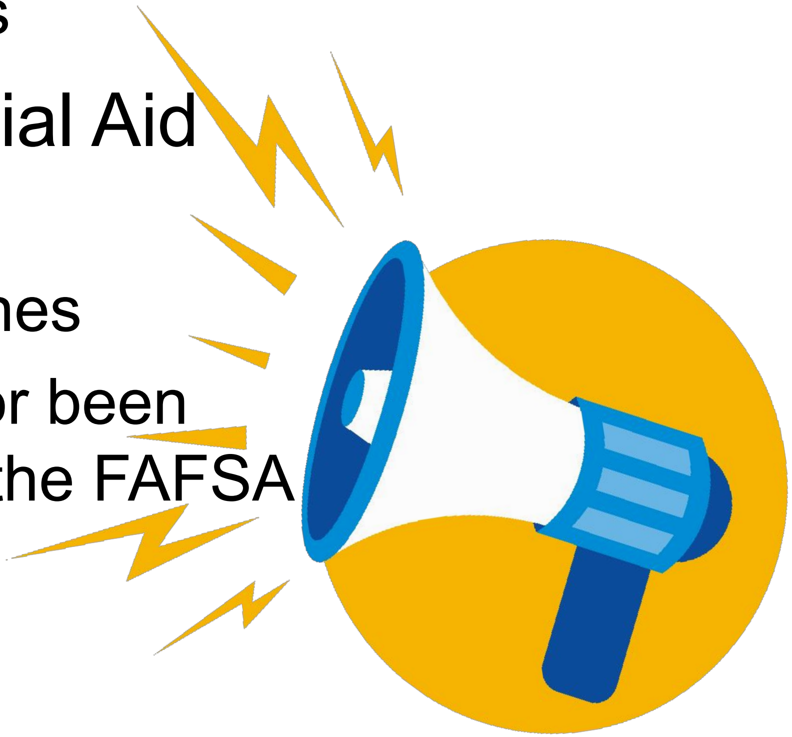
FastWeb.com
EducationPlanner.org
FinAid.org
BigFuture.Collegeboard.org
Scholarshipamerica.org

Recognize Scholarship Scams

- Application fees
  - Even if the fee is minimal or “only to encourage serious students to apply”
- “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

Step 2: Know Your Deadlines

- Applications for admission
- Deadlines for scholarships
  - Institutions, Outside Sources
- Free Application for Financial Aid (FAFSA)
  - Schools have priority deadlines
  - Don’t have to have applied or been accepted to list a school on the FAFSA



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PA State Grant Deadlines

You must complete your FAFSA by the deadline to be considered for the PA State Grant.

- **May 1**—If you plan to enroll in a degree program or a college transferable program at a 2-year private college or other college or university
- **August 1**—If you plan to enroll in a community college; a designated Pennsylvania Open-Admission institution; a business, trade, or technical school; a hospital school of nursing; or a 2-year program that is not transferable to another institution

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Step 3: The FAFSA is Your Connection to Funding

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

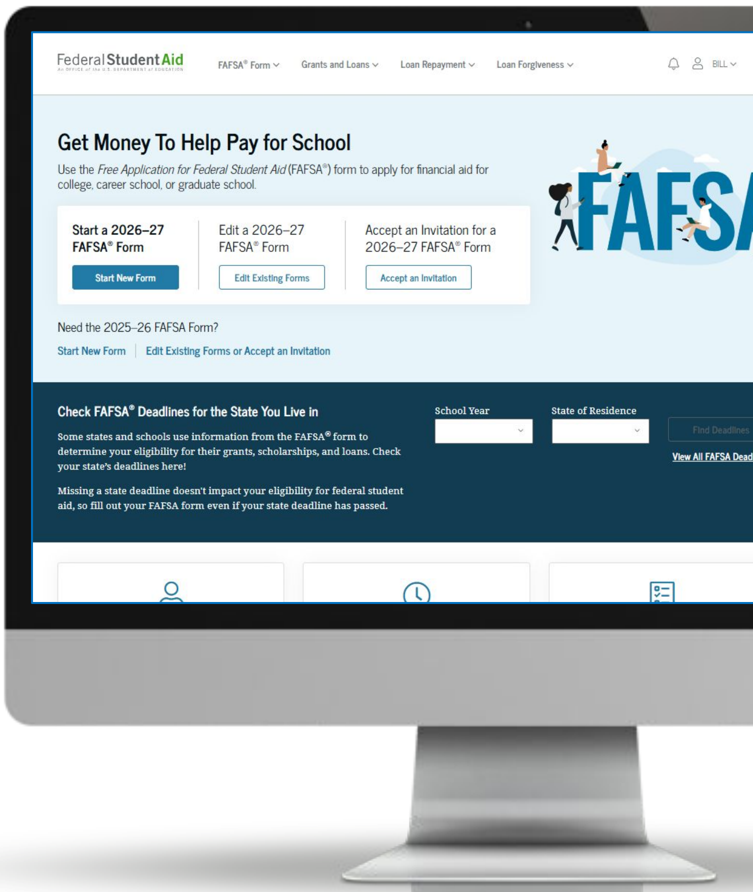
- Federal programs
- State programs
- School programs

Pgs. 20-23

FAFSA (Free Application for Federal Student Aid)

- The FAFSA is the primary federal form for financial assistance to attend a postsecondary school.
- Must file a FAFSA each year a student attends school to be eligible.
- File online—Fast, Secure, SKIP LOGIC and Built-in Edits.
- While filing the FAFSA online is preferred, a printable PDF version is available at **StudentAid.gov**.

StudentAid.gov/fafsa



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 **StudentAid.gov/fsa-id/create-account** .
- Create at least 1 day 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

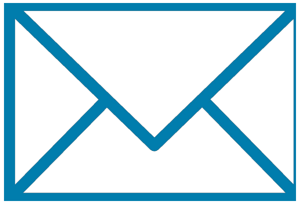
Security Questions

Enable Two-Step Verification

2026-2027 FAFSA Prep

Information Needed for FAFSA

Social Security Numbers



Email Addresses (Not high school email address)

2024 Federal Tax Returns and W-2's

Current bank statements and records of other investment accounts (as of the FAFSA filing date)

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 - Consent

Applicant and any required contributor on the FAFSA must provide consent.

They are consenting to:

- Direct Data Exchange to import applicant, parent, parent and/or student spouse Federal Tax Information (FTI) to the FAFSA.
- Redisclose FTI to state entities, institutions, and scholarship organizations.

For Dependent Students, Who Reports Info on the 2026-27 FAFSA (contributors)?

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

When Is A Student Automatically Considered “Independent”?

- 24 or older on Jan 1st of 2026
- 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

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

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)

Student Unusual Circumstances

A student may be experiencing an **unusual circumstance** that prevents them from contacting their parents or contacting parents would pose a risk to student. This may include but is not limited to students who:

- Left home due to an abusive or threatening environment;
- Are abandoned by or estranged from their parents, and have not been adopted;
- Have refugee or asylee status and are separated from their parents, or their parents are displaced in a foreign country;
- Are a victim of human trafficking;
- Are incarcerated, or their parents are incarcerated, and contact with the parents would pose a risk to the student; or
- Are otherwise unable to contact or locate their parents and have not been adopted.

FAFSA Tips

- Ensure SSN accuracy on StudentAid.gov Account and FAFSA
- Don’t mix student and parent information – SSNs, Email addresses, phone numbers
- Have federal tax and other related information to use as a reference – w-2’s
- Review asset questions
- 529 Plans for applicant must be reported as a parent asset
- Assets do NOT include home, retirement or insurance
- Some can skip asset questions

After Filing

Information will be shared with PHEAA and all college choices.

In a few days, an email will be sent to the student regarding the processing of their FAFSA and their FAFSA Submission Summary.

PHEAA will send you an email to instruct you on how to activate your GrantUs account and apply for the PA State Grant.

Students should monitor the email account provided on the FAFSA and respond to requests from Federal Student Aid, PHEAA and the colleges.

Other Forms You May Need to Complete

- ✔ Check with your school

College Scholarship Service (CSS) Profile → College Specific Form

CSSProfile.CollegeBoard.org

- Required at **some** institutions to award need based & institutional aid
- Used in addition to the FAFSA, not a replacement
- CSS Profile costs $25.00 + $16.00 for additional schools

Domestic undergraduate students may submit CSS Profile for free if:

The student is eligible for an SAT fee waiver

OR

Family adjusted gross income is $100,000 or less

OR

Student is an orphan or ward of the court under the age of 24

Special Circumstances

If things change…

- Divorced or separated parents
- Stepparents
- Adoptive parents
- Foster parents
- Legal guardians
- Living with others
- Recent death or disability
- Reduced income

FAFSA is Filed… Now What?

Student completes the FAFSA

Schools receive FAFSA and calculate financial aid

Schools send Financial Aid Notifications to student

Financial Aid Notification

- Official notification from school about financial aid, terms and conditions
- Lists the type and amount of aid to be received
- Describes what must be done to accept or reject any aid
- Discloses students' rights, responsibilities and academic requirements

Step 4: Compare Schools' Financial Aid Offers Carefully

- 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 Offer

- 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?

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Comparing Financial Aid Offers

Cost	$20,000	$30,000	$50,000
SAI	$ 3,000	$ 3,000	$ 3,000
Need	$17,000	$27,000	$47,000
Free Money	$ 6,000	$ 8,000	$18,000
Loans	$ 5,500	$ 7,000	$ 8,000
Work-Study	$ 0	$ 2,000	$ 3,000
TOTAL AID	**$11,500**	**$17,000**	**$29,000**
Gap = (Cost – Aid)	**$ 8,500**	**$13,000**	**$21,000**
Actual Cont. = (Cost – Free $)	**$14,000**	**$22,000**	**$32,000**

Federal Grant Programs

- Pell Grant—max award $7,395*
  - Eligibility is the same for every postsecondary institution
- Federal Supplemental Educational Opportunity Grant (FSEOG)—max award $4,000
  - Eligibility determined by Financial Aid Office at each potential school
  - Student must be enrolled at least half-time
  - **Awarded to most financially needy students**

*for the 2025-26 academic year

PA State Grant Program

In-state - max award **$5,750** (full-time)

Award amount determined in part by the cost of the school

Cost Tier	Maximum Award	Minimum Award
$0 - $13,000	$3,058	$500
$13,001 - $20,000	$4,894	$500
$20,001 - $29,000	$5,260	$500
$29,001 - $32,000	$5,750	$500

Reciprocal states:

Delaware, DC, Massachusetts, Ohio, Vermont, West Virginia

- Up to $600 for full-time students ($800 for veterans)

Must be at least half-time to be eligible

Other State Programs

- PA Active Volunteer Tuition & Loan Assistance Program
- PA Blind or Deaf Higher Education Beneficiary Grant Program
- Chafee Education and Training Grant Program
- PA Fostering Independence Tuition Waiver Program
- Grow PA Scholarship Grant Program
- PA Mental Health Education Learning in Schools
- PA Partnerships for Access to Higher Education Program

New Program!

For details, see the PA Student Aid Guide, or visit pheaa.org

Other State Programs

- PA Postsecondary Educational Gratuity Program
- PA Ready to Succeed Scholarship Program
- PA State Work-Study Program
- PA Student Teacher Support Program
- PA Targeted Industry Program
- PA National Guard Educational Assistance Program
- PA National Guard Military Family Education Program

For details, see the PA Student Aid Guide, or visit pheaa.org.

Federal 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 is not considered as income on the FAFSA

Federal Direct Loan - Student

Subsidized

No interest charged to student while enrolled or in grace

- Based on financial need
- There is a 1.057% fee deducted from loan amount at disbursement
- Interest will not be charged during the grace period, if the loan was first disbursed after June 30, 2014

Unsubsidized

Interest accrues in school and grace

- Any interest not paid during grace will be capitalized at repayment
- There is a 1.057% fee deducted from loan amount at disbursement

Interest Rate: 6.39%

Federal Direct Loan Borrowing Limits

Undergraduate Students			Graduate Students
Annual Limits	Dependent Students	Independent or dependent students whose parents are unable to borrow a PLUS Loan	Graduate or Professional Studies
First Year	**$5,500** Total No more than $3,500 may be subsidized	**$9,500** Total No more than $3,500 may be subsidized	**$20,500** each academic year For graduate students **$50,000** each academic year for professional students *Graduate and professional students are no longer eligibility for subsidized loans*
Second Year	**$6,500** Total No more than $4,500 may be subsidized	**$10,500** Total No more than $4,500 may be subsidized	
Third Year and beyond	**$7,500** Total No more than $5,500 may be subsidized	**$12,500** Total No more than $5,500 may be subsidized	
Aggregate Limits	**$31,000** Total No more than $23,000 may be subsidized	**$57,500** Total No more than $23,000 may be subsidized	**$100,000** Graduate students **$200,000** Professional students No more than $65,000 may be subsidized

Federal Direct PLUS Loan

- In parent's name for dependent's student costs
- Rates set every July 1st for the life of that year's loan; fees are deducted from disbursement
  - 8.94% variable/fixed interest rate; 4.228% fees
- MUST apply each year
- Principal can be deferred while student is in school; Interest will continue to accrue
- If denied - student is eligible for an additional $4,000 unsubsidized loan

Parents are limited to $20,000 per year with $65,000 as the aggregate limit **per dependent!**

Private/Alternative Loans

- From private lenders or financial institutions
- In student's name/co-signers usually required
- Can borrow up to the Cost of Attendance
- Based on credit scores and debt-to-income
- Principal can be deferred while student is in school; Interest will continue to accrue
- Terms vary by lender – compare before making choices

Read the Fine Print!

Undergraduate and Graduate Loans

PA FORWARD Student Loans by PHEAA

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

Low, Fixed Rates

3.29–10.45% APR[1,2]

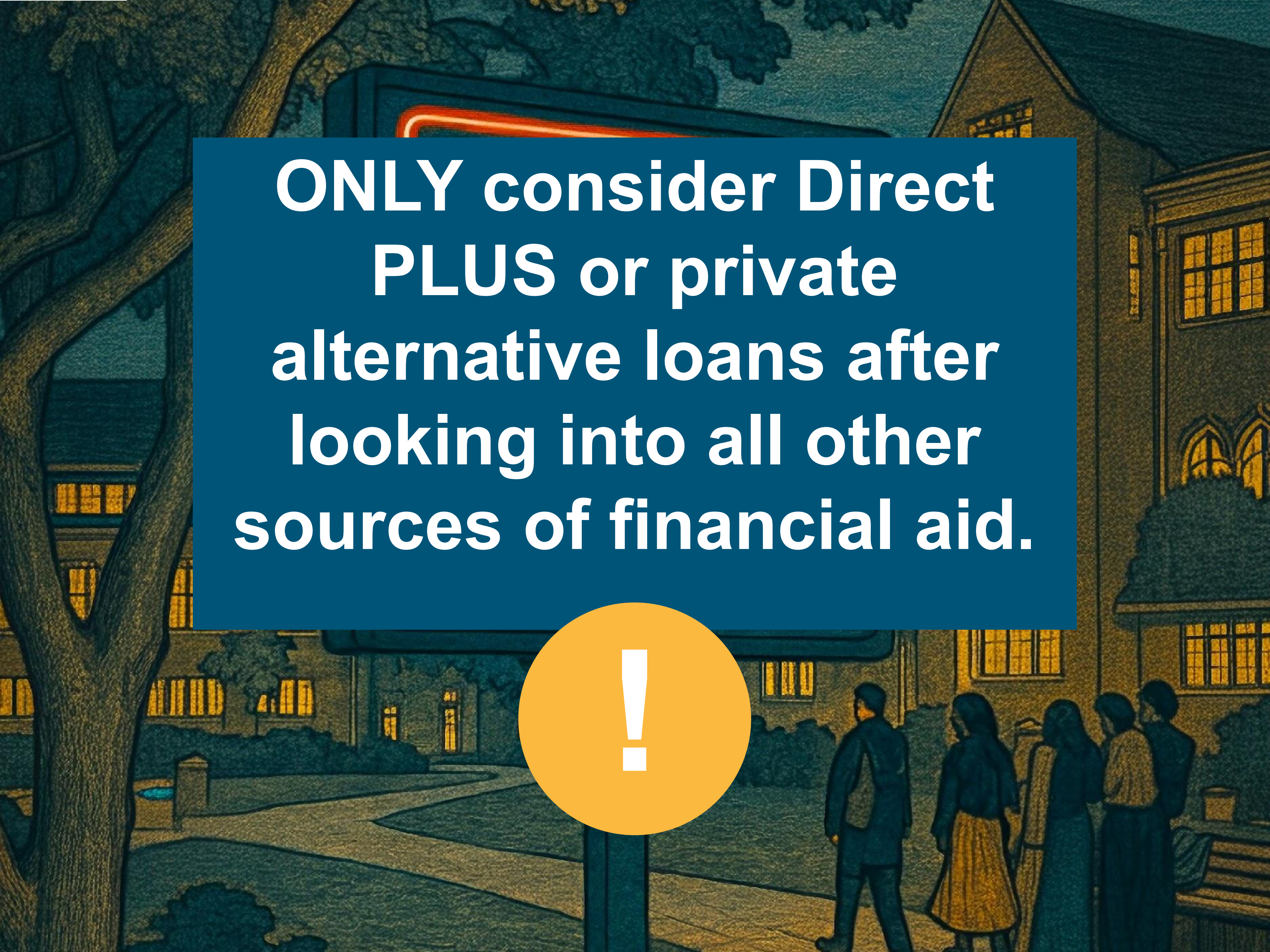
Effective as of 6/5/25

Learn more at 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 $181.11 and a final payment of $173.14, a fixed periodic interest rate of 3.57%, and total payments of $10,858.78. 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 $87.42 for 52 months and monthly payments of $110.48 for the remainder of the repayment term, a fixed periodic interest rate of 10.49%, and total payments of $24,431.69. 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.

Benefits of Paying Interest

- Paying now will reduce what is capitalized!
- Interest accrues on your unsubsidized student loan and Federal PLUS Loan:
  - Every day, from the day the loan is disbursed until you make the last payment
  - Even if your loan is not in repayment
- Interest accrues on your subsidized student loan:
  - Every day, from the day the repayment period starts until you make the last payment



ONLY consider Direct PLUS or private alternative loans after looking into all other sources of financial aid.

!

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?

Financial Aid Made Simple

5 Steps to Financial Aid

Step 1
Look for FREE money first

Step 2
Know your specific deadlines

Step 3
Fill out the FAFSA

Step 4
Compare schools financial aid offers carefully

Step 5
Be sure you have the money you need

Use Your Resources

- **pheaa.org**
- **EducationPlanner.org**
- **MySmartBorrowing.org**
- **YouCanDealWithIt.com**
- PHEAA toll free: 1-800-692-7392
- PHEAA's Higher Education Access Corner Podcast (Available on Spotify, Amazon Music, iHeartRadio, and PHEAA's YouTube channel, PHEAAStudentAid)
- Federal Student Aid Info Center: 1-800-433-3243
- **StudentAid.gov** – The one-stop shop site for all financial aid information.
- **StudentAid.gov/FAFSA** – Direct link to the FAFSA

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!

What Can You Do Now?

Visit College Websites

Utilize Net Price Calculators
collegecost.ed.gov

Estimate Federal Student Aid
studentaid.gov/aid-estimator

Talk About What is Affordable

Explore Scholarships

Create StudentAid.gov Account & Complete the FAFSA

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Social Media Outreach

PHEAA

American Education Services

@PHEAAaid

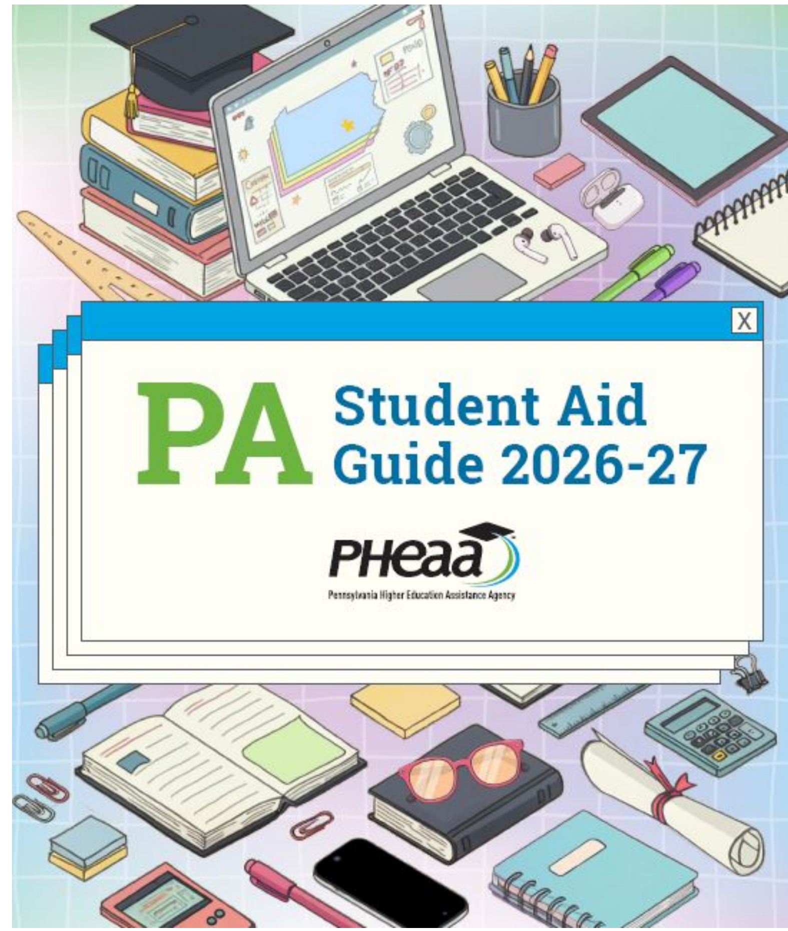
@aesSuccessorg

@PHEAAaid

PHEAA

Student Aid Guide

- The **page numbers** in top left of this presentation refers to where in the Student Aid Guide (SAG) you can review for more information.
- To view the electronic version of the SAG, go to: https://www.pheaa.org/college-planning/student-aid-guide or scan the Code



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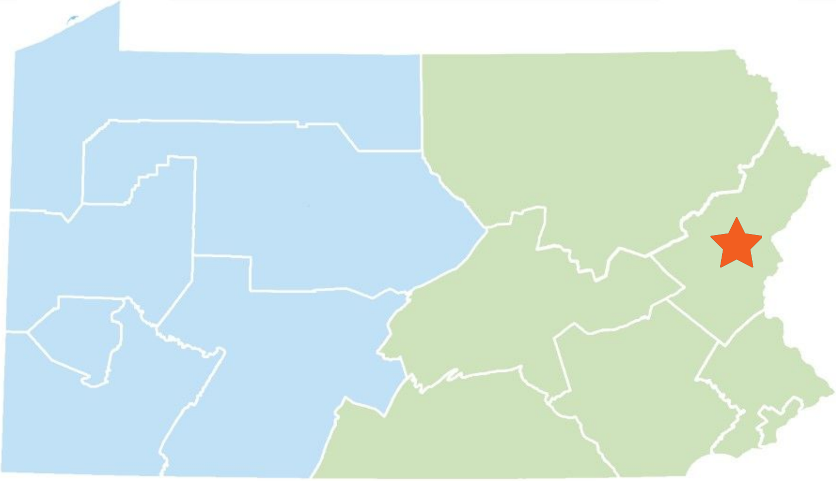

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