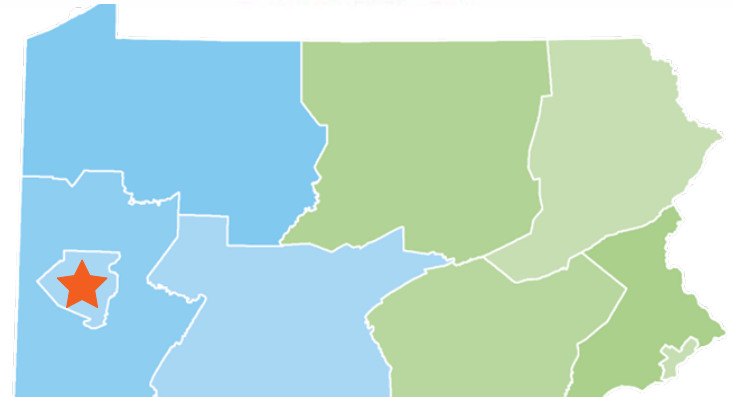




FINANCIAL AID 101



Your Presenter



Amy Sawdey

Higher Education Access Partner

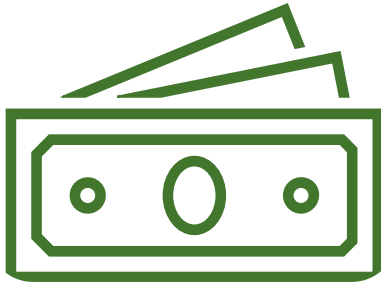
Allegheny County

PA Higher Education Assistance Agency (PHEAA)

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

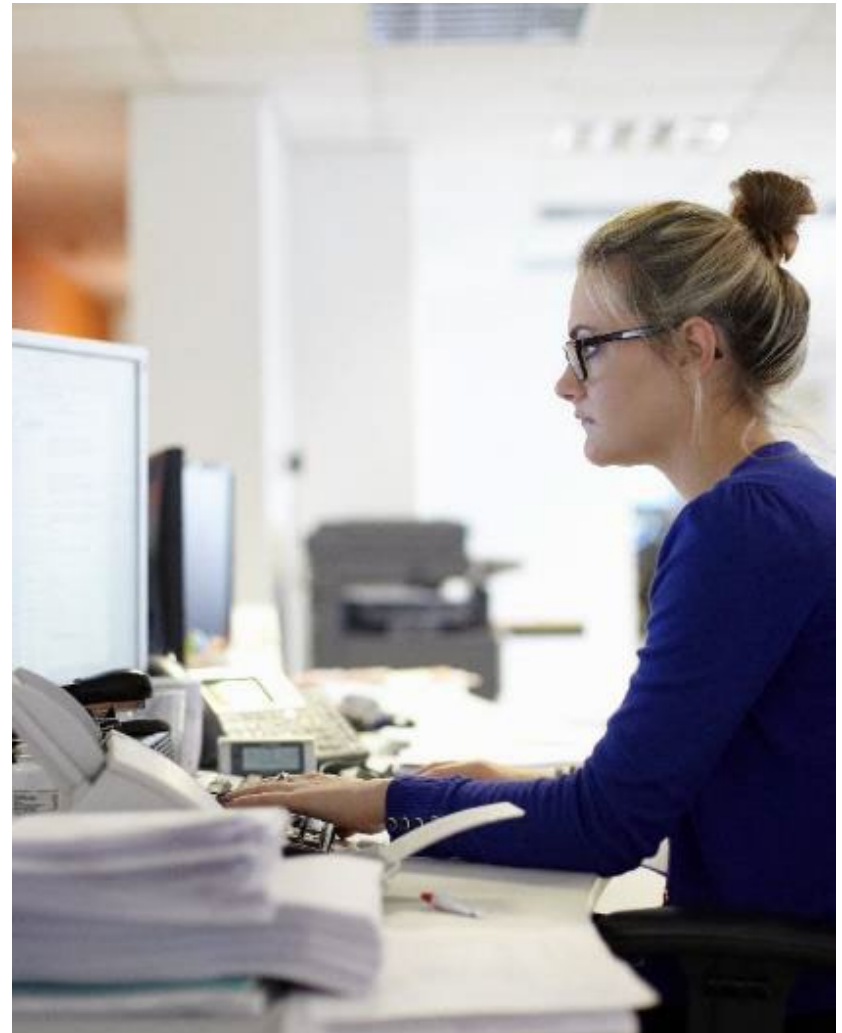
Financial Aid Made Simple

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



National
Scholarships

Collegeboard.org

Fastweb.com

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:

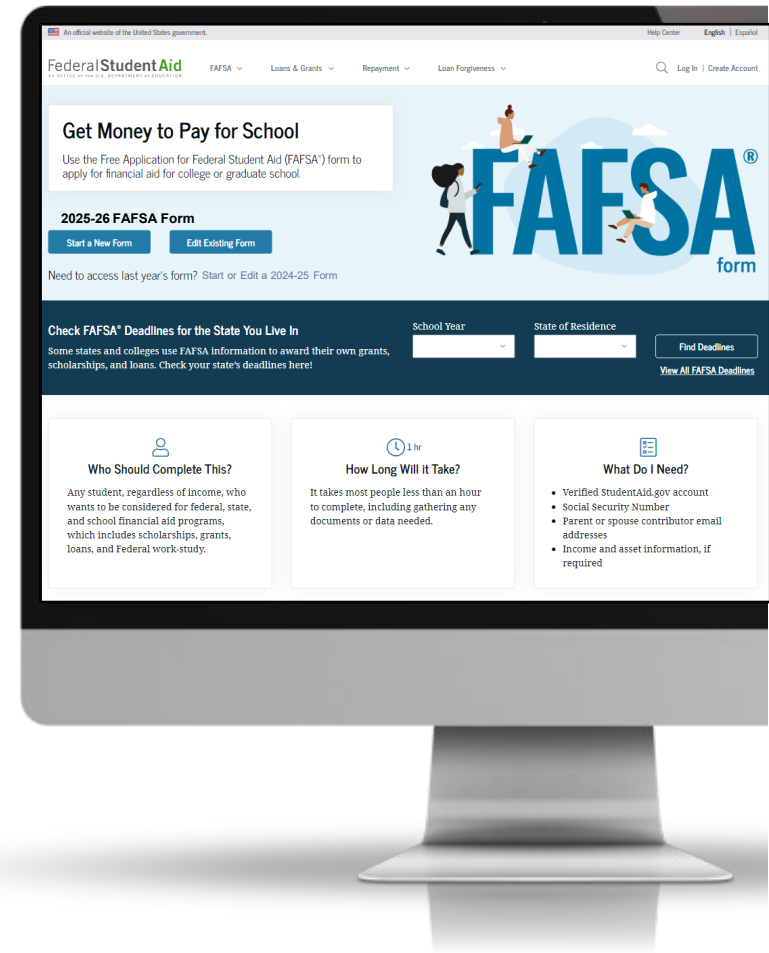
- Federal programs
- State programs
- School programs



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

10

- 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 1st, 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

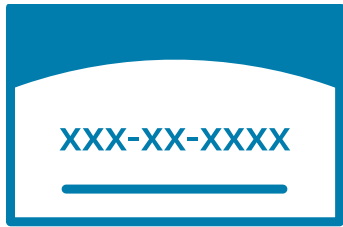
Mobile Phone

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



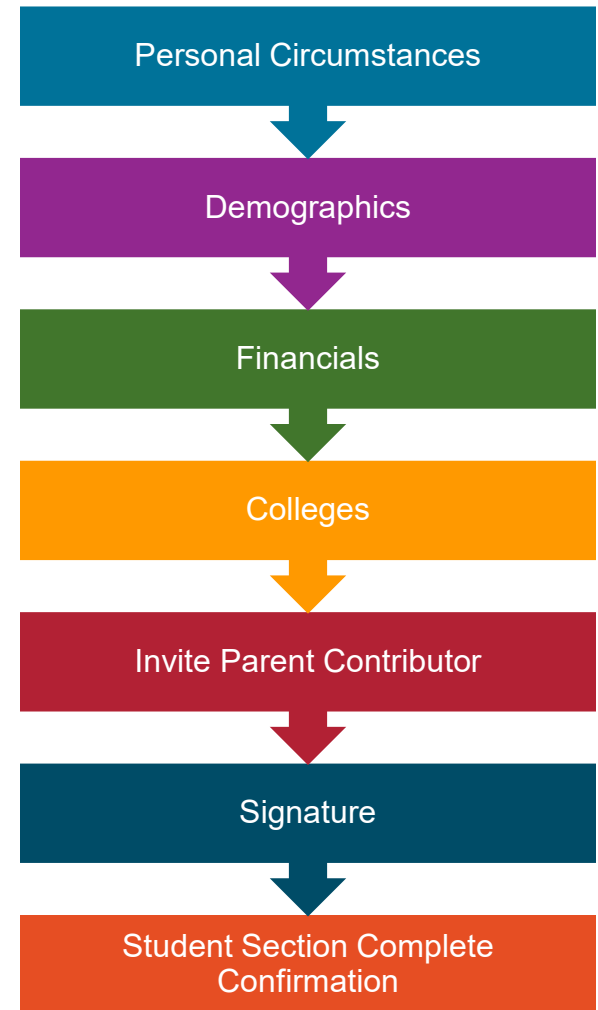
Current Records of any stocks, bonds and other investments, including 529 for student for whom the FAFSA is being completed



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



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

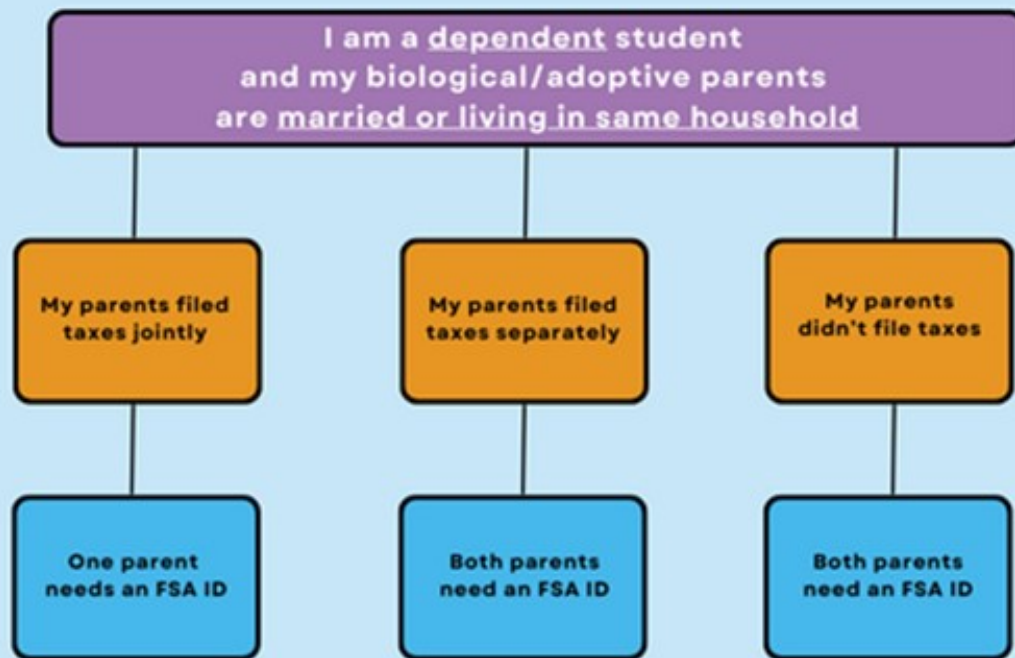
- Married parents living together
- Biological parents living together
- Divorced or separated parents:
 - The parent that provided the most financial support to student over the past 12 months
 - If equal, then student would invite the parent with the higher income and assets
- Stepparent – If part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

NO

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



Who Needs an FSA ID?

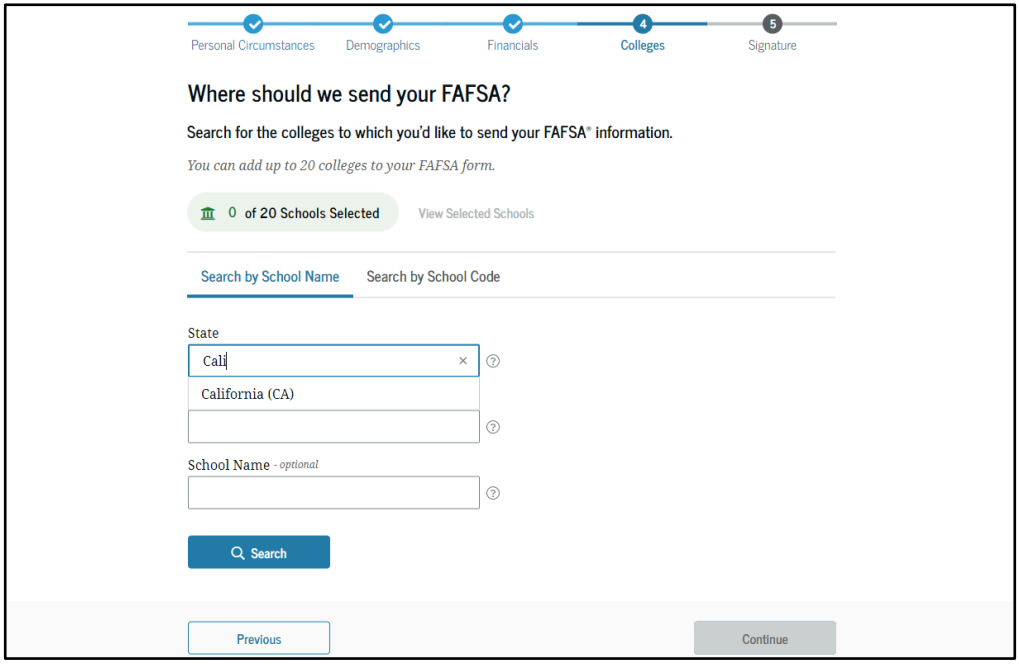
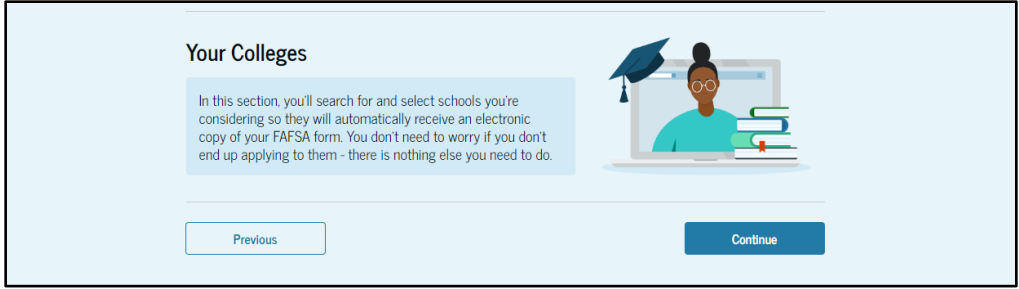


An FSA ID graphic

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.

FAFSA – School Selection

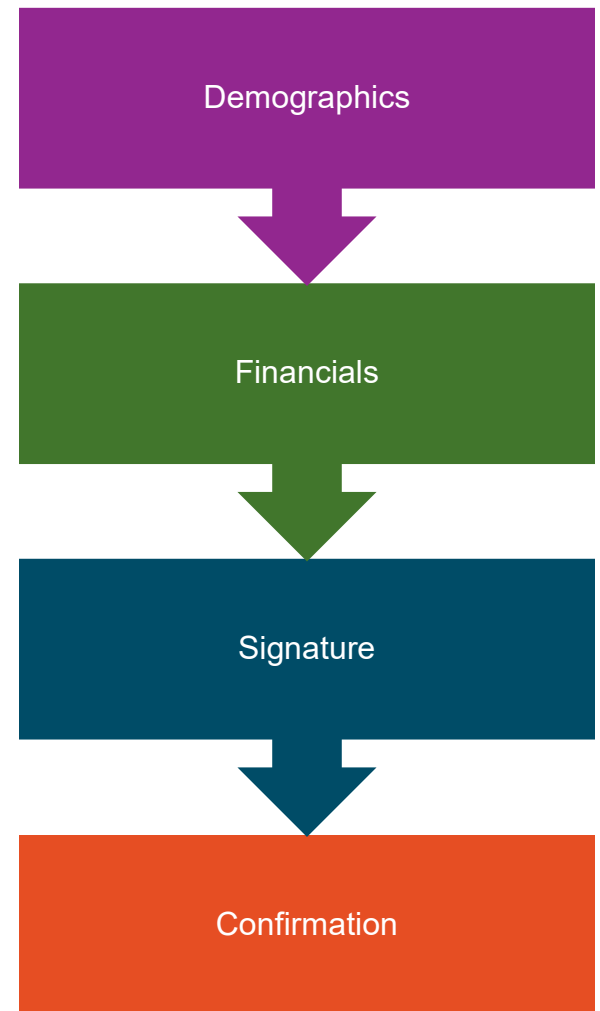
- List more than one!
- Only schools that are listed will be able to see your FAFSA information.
- Students can list up to 20 colleges at a time
- Schools can be added or deleted at any time
- First school listed on FAFSA is used for PA State Grant eligibility purposes



FAFSA Steps – Parent Contributor

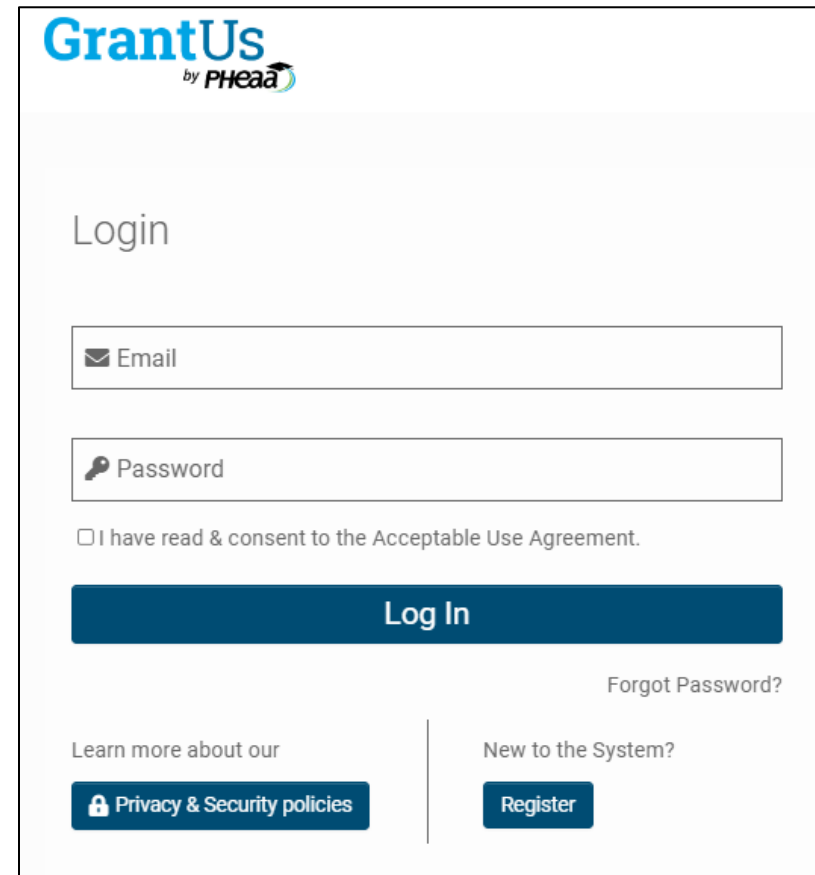
1. Following link in email invite – Parent Log In
2. Parent Onboarding Steps
3. Verify Parent Identity Information
4. Parent Provides Consent

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



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



The screenshot shows the login interface for GrantUs by PHEAA. At the top left is the logo "GrantUs by PHEAA". Below the logo, the word "Login" is displayed. There are two input fields: "Email" with an envelope icon and "Password" with a key icon. Below the password field is a checkbox labeled "I have read & consent to the Acceptable Use Agreement." A large blue "Log In" button is centered below the checkbox. To the right of the button is a link "Forgot Password?". At the bottom left, there is a link "Learn more about our" followed by a blue button "Privacy & Security policies". At the bottom right, there is a link "New to the System?" followed by a blue button "Register".

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

- 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?

Federal Student Loans

- **Maximum of \$5,500** is available to ALL first-year 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



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

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Student Loans

by PHEAA

Undergraduate and Graduate Loans

27

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Low, Fixed Rates

3.47–10.56%

Effective as of 12/13/24



Learn more at pheaa.org/PAForward

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 \$181.92 and a final payment \$173.91, a fixed periodic interest rate of 3.75%, and total payments of \$10,907.04. 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 \$88.33 for 52 months and monthly payments of \$111.16 for the remainder of the repayment term, a fixed periodic interest rate of 10.60%, and total payments of \$24,602.25. The borrower in this sample did not qualify for any interest rate discounts.

Less than half-time students may only borrow a maximum of \$5,000 per loan.

These APRs are estimates and may differ from the actual rates received.

Your Presenter



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