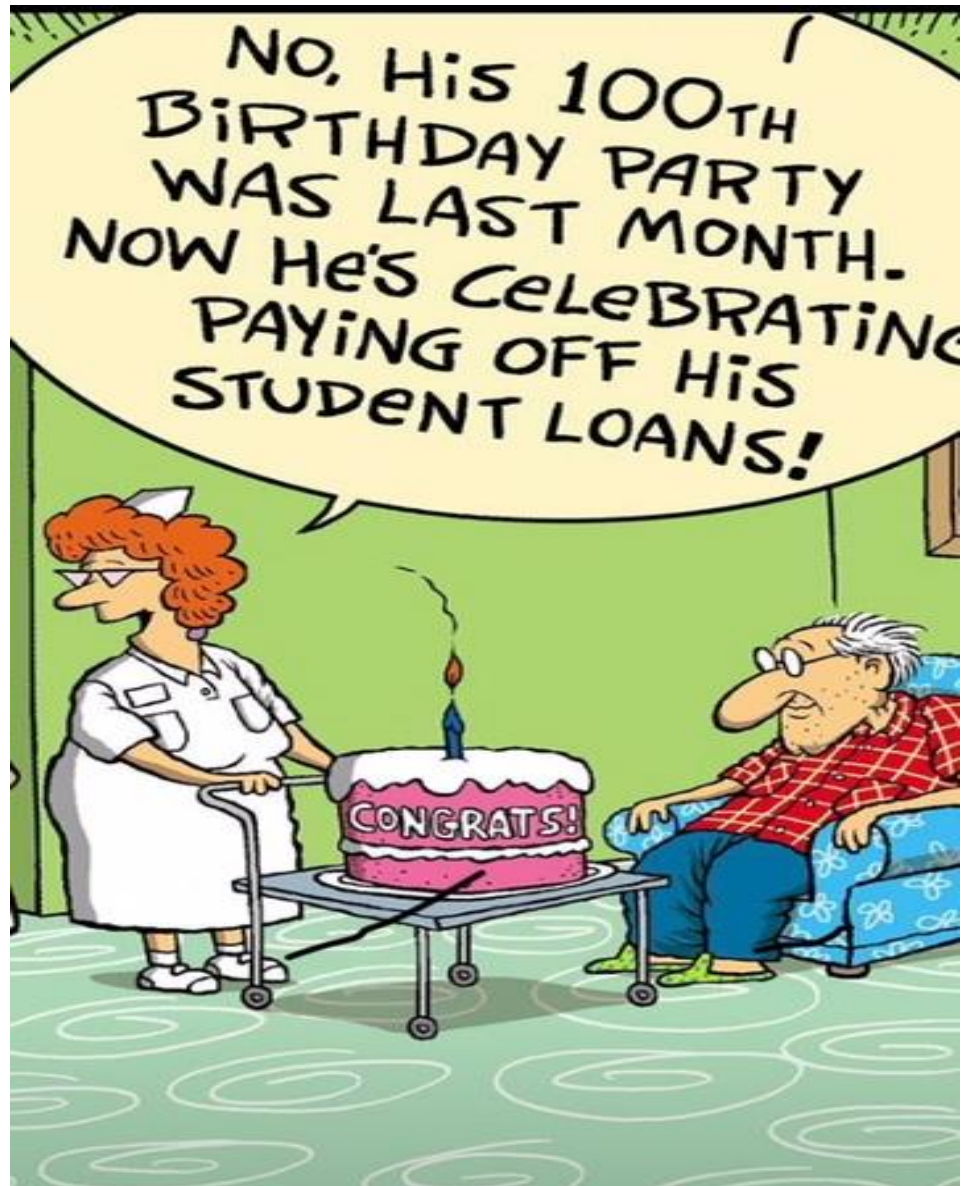


FINANCIAL AID

Billy Dunkel
Financial Aid Coordinator
Penn State York

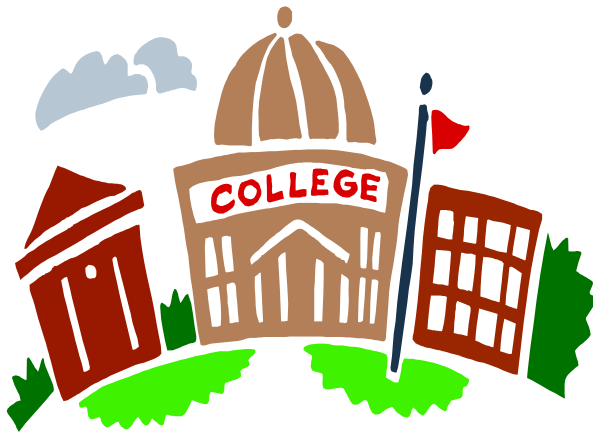


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What is Financial Aid?

- Financial Aid consists of funds (scholarships, grants, loans, work–study) provided to students and families to help pay for postsecondary educational expenses



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Topics to Discuss

- ❑ Financial Aid Terms
 - Cost Of Attendance (COA)
 - Expected Family Contribution (EFC)
 - Financial Need
- ❑ Free Application for Student Aid (FAFSA)
- ❑ Types of Financial Aid
- ❑ Questions and Answers



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What is Cost of Attendance (COA)?

- ❑ Average cost to attend for one academic year
- ❑ Combined direct and indirect costs related to educational program
- ❑ Direct: Billed by the college (tuition, room and board, fees)
- ❑ Indirect: Usually estimates not reflected on the bill but needed (books, supplies, transportation, personal expense)

- ❑ Varies according to:
 - School (tuition/fee rates differ)
 - Student Status (in-state/out-of-state, full-time/part-time)
 - Housing status (on-campus, off-campus, with parent)



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What is the Expected Family Contribution(EFC)?

- ❑ Misnomer: EFC is NOT necessarily what a family will actually pay!!
- ❑ EFC IS a measurement of a family's financial strength
- ❑ Calculated using data from the FAFSA and a federal formula
- ❑ Stays the same regardless of college
 - Exceptions: Special Circumstance appeals and IM schools
- ❑ Two components for dependent students:
 - Student contributions
 - Parent contributions
- ❑ Determines the types and amounts of aid that students are eligible to receive



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EFC for Dependent Student

(very basic Federal Methodology example)

Parental contribution from
income and assets

+ Student contribution from
available income and assets

= Expected Family Contribution



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“Financial Need” (Federal Methodology)

Cost of Attendance (COA)

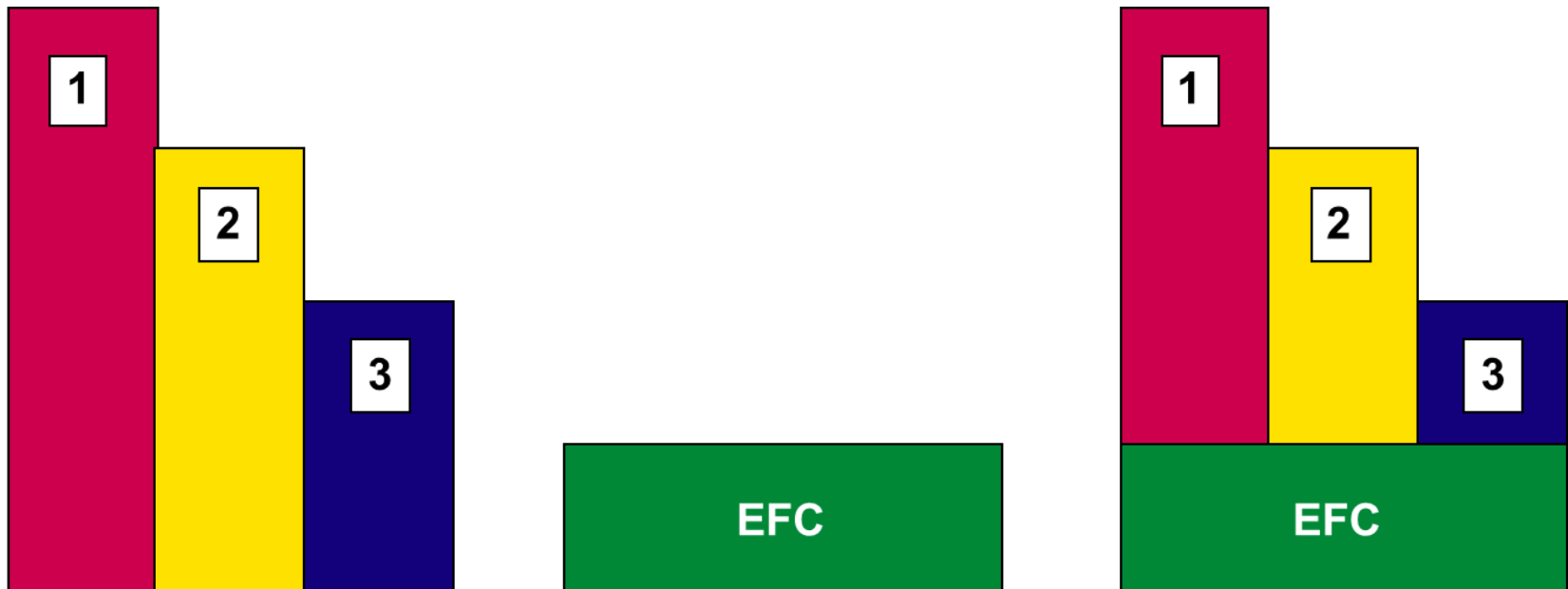
$$\begin{aligned} & - \text{Expected Family Contribution} \\ & = \text{Financial Need} \end{aligned}$$

- ☐ Schools will use this figure to determine eligibility for need-based aid
- ☐ Again: This is NOT necessarily what a family will actually receive. It is a measuring tool for most schools.



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Need Varies Based on Cost



**Cost of
Attendance**
(Variable)

—

**Expected Family
Contribution**
(Constant)

=

Need
(Variable)



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THE APPLICATION PROCESS



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The Forms

FAFSA (Free Application for Federal Student Aid)

- ❑ Required for all types of Federal, State, and institutional aid
- ❑ www.fafsa.ed.gov

CSS FINANCIAL AID PROFILE

- ❑ Used primarily by private colleges

Institutional Applications

- ❑ Check school publications and websites



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General Federal Aid Criteria

- ❑ Enrolled or accepted in an eligible program of study
- ❑ U.S. citizen or eligible non-citizen (green card)
- ❑ Registered with the Selective Service (males)
- ❑ Have a valid Social Security Number
- ❑ Cannot be in default on federal loans
- ❑ Continue to make Satisfactory Academic Progress (SAP)



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1st Steps for the process

- ❑ Get Student and Parent FSA ID's
 - Can request ID's now – they do not expire
 - www.studentloans.gov, www.fafsa.ed.gov
 - Takes approximately 3 business days
 - Accept the ID's after verification email is sent to your email with a security code
- ❑ Begin collecting information for the FAFSA
 - Social Security Numbers
 - Student driver's license number
 - State residency information
 - 2019 Tax forms (student and parent)



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THE FAFSA

PREPARING FOR THE FAFSA®

The FAFSA process is quicker and easier when you have a username and password called an FSA ID. (If your parent is providing information on your FAFSA, he or she will need his or her own FSA ID as well.) Learn more about the FSA ID and how to create yours at StudentAid.gov/fsaid.

GATHER THIS INFORMATION

The FAFSA asks questions about you and your finances, so have the information below handy.



Social
Security
number



Alien
registration
number



Federal tax
information or
tax returns



Records
of untaxed
income



Cash, savings,
and checking
account
balances



Investments
other than the
home in which
you live

DON'T HAVE ALL YOUR INFO READY YET?

That's okay; you can start the FAFSA, save it, and come back later to finish it. (To find out whether you need to report info about your parents, visit StudentAid.gov/dependency.)

Free Application for Federal Student Aid

- ❑ A standard form that collects demographic and financial information about the student and family
 - Information is used to calculate the EFC using the federal formula
- ❑ Electronic application
 - Available in English and Spanish
- ❑ Information is sent to secure Dept. of Education called CPS
- ❑ Did I mention it's free?



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Free Application for Federal Student Aid (FAFSA)



FAFSA on the Web (FOTW)



myStudentAid mobile app



Paper or PDF FAFSA



FAFSA on the Phone (FOTP)



FAA Access to CPS Online

THE FAFSA (WEB)

www.fafsa.ed.gov

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.

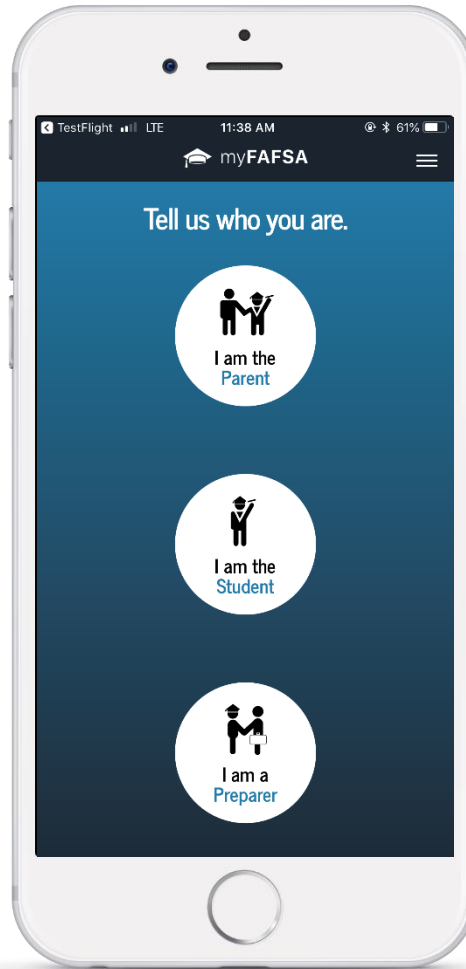
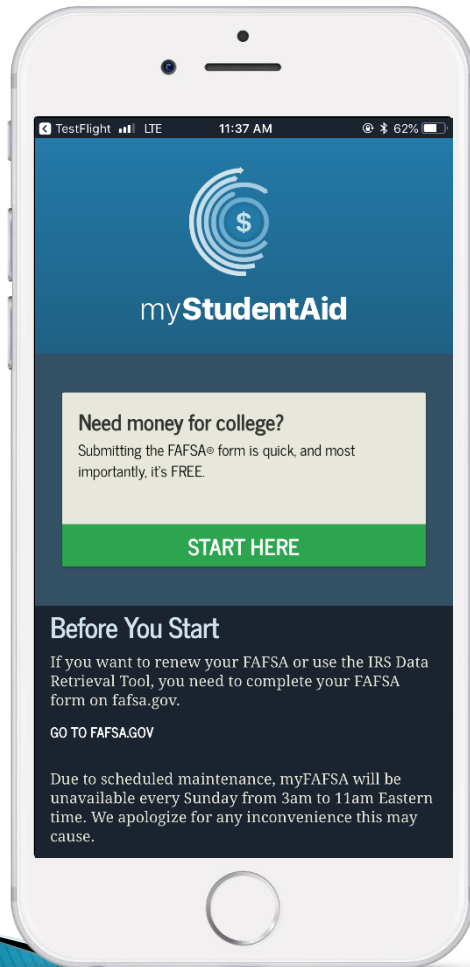
START HERE >

RETURNING USER?

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

LOG IN >

MyStudentAid Mobile App



- Mobile ability to begin, complete, save, and submit the FAFSA



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FAFSA

- ❑ Application opens October 1st
- ❑ Use Prior Prior Year tax data
 - 2020–21 – use 2018 tax data
 - 2021–22 – use 2019 tax data
- ❑ Benefits of filing earlier
 - The financial aid process is more aligned with college application process
 - No need to estimate income
 - More time to explore student aid options



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FAFSA

❑ IRS Data Retrieval Tool

- Ability to import tax data from IRS website directly into the FAFSA
- Participation is voluntary
- Reduces documents requested by the FA Office

❑ Verification

- Second look at the application
- Confirmation that everything is correct on the FAFSA and student is receiving the correct aid



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FAFSA

- ❑ Colleges may set FAFSA filing deadlines
 - Penn State filing deadline – February 15
 - File AS SOON AS POSSIBLE EVERY YEAR
- ❑ Each state may set FAFSA filing deadline
 - Pennsylvania filing deadline – May 1



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FAFSA

- ▶ You can send FAFSA info to 10 different schools
- ▶ For Dependent Students: Both Parent and Student must sign with separate FSA ID's
- ▶ Results sent to schools listed – ISIR
- ▶ Results emailed to student's email address provided – SAR
 - Review your results for accuracy
 - Go back and correct your mistakes immediately if any are found – this will save you time later



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General FAFSA Tips/Errors

- ❑ Read each question carefully
 - Some questions apply to students, others to parents – don't mix!
- ❑ Social Security Numbers
- ❑ Divorced/remarried parental information
- ❑ Untaxed income
- ❑ U.S. Income tax paid
- ❑ Household size/ number in college (not parents)
- ❑ Real estate and investment net worth



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Special Circumstances

- ▶ Change in employment status
- ▶ Medical expenses not covered by insurance
- ▶ Change in parent marital status
- ▶ Unusual dependent care expenses
- ▶ Student can not obtain parent information
- ▶ Contact your financial aid office



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Award Letters

- ▶ Timing of Award Letters will Vary from late November to April
- ▶ Lists the sources of aid you are eligible to receive based on the info from the FAFSA and CSS Profile/school based on the College
- ▶ Estimated award amounts are usually non-negotiable
- ▶ ***Most are sent via email***



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Types of Aid



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Types of Aid

- ▶ Grants
- ▶ Scholarships
- ▶ Work Study
- ▶ Loans



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Grants

- ▶ Money that does NOT have to be paid back
- ▶ Federal PELL Grant
- ▶ Federal Supplemental Educational Opportunity Grant (FSEOG)
- ▶ Teacher Education Assistance for College and Higher Education Grant (TEACH)
- ▶ PA State Grant
- ▶ Institutional Grants



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PA State Programs

- ▶ State Grant – PHEAA
 - Status notice
 - Account Access
- ▶ CHAFEE Education and Training Grant Program



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Scholarships

- ▶ Money that does NOT have to be paid back
- ▶ Awarded through the admission process
- ▶ Institutional, foundations, businesses, charitable organizations
- ▶ Deadlines and application procedures vary widely
- ▶ Begin researching early and find out what is available in the community



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Scholarship Resources

- ▶ www.fastweb.com
- ▶ www.Studentaid.psu.edu
- ▶ www.collegeboard.com
- ▶ www.careeronestop.org
- ▶ High School Counseling Office



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Myth: Searching and Applying for Scholarships is Too Much Work

- Searching for scholarships is the easy part
- It gets much easier after your first few applications, since you can reuse and adapt your previous application essays
- Some students don't like essay contests and small scholarships, making them easier to win



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Work Study

- ▶ Can be federal, VA, or institutional funds
- ▶ Students can get a job on campus
- ▶ Hourly rate must be at least minimum wage
- ▶ Not all students are awarded



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Loans

- ▶ Money students and parents borrow to help pay college expenses
- ▶ Repayment usually begins after student leaves school (LTHT)
- ▶ Only borrow what is really needed
- ▶ Look at loans as an investment in the future



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Loans

- ▶ Federal Stafford Loans
 - Available to students
 - Borrowed from the government
 - Offer low fixed interest rates
 - Offer different repayment plans including IBR
 - Deferment and forbearance options
 - Repayment does not begin until after a student leaves school
 - Guaranteed loans for students



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Loans

▶ PLUS Loan

- Parent is the borrower
- Offer delayed repayment option
- Credit check required
- Deferment and forbearance options
- Federally insured against death of student or parent
- Opportunities for consolidation



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Loans

- ▶ Federal Direct Stafford Loan and Parent PLUS Loan
 - Must complete Master Promissory Note
 - Must complete Entrance Counseling
 - www.studentloans.gov



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Loans

- ▶ Private loans
 - Available to students
 - Borrowed from a bank
 - Interest rates may be fixed or variable
 - Credit based loans, most students require a cosigner



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Loans

- ▶ Subsidized and Unsubsidized
 - Interest 2.75%
 - Eligible for both
- ▶ PLUS Loan
 - Interest 5.30%
- ▶ Private Alternative Loans
 - Based on credit of applicant and cosigner



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Student Loan Debt

- ▶ Know what you are getting into
 - Do your research
- ▶ Understand the types of student loans
 - Do not borrow more than you need
- ▶ Make a plan for repayment
 - Consider paying interest while in school
- ▶ Don't get yourself into further debt



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Paying your bill

- ▶ Filling the gap that the student's financial aid does not cover
 - Cash payments
 - Payment Plans
 - Home Equity Line Of Credit – HELOC
 - 529 / Educational Savings Account – ESA
 - Parent PLUS Loan
 - Private Loan



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Helpful Websites

- ▶ www.studentloans.gov
- ▶ www.fastweb.com
- ▶ www.studentaid.ed.gov
- ▶ www.finaid.org
- ▶ www.pasfaa.org
- ▶ www.fafsa.ed.gov
- ▶ www.nslds.ed.gov



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Final Thoughts

- ▶ Do not Procrastinate
- ▶ Visit as many schools as you can
- ▶ Listen to as many financial aid presentations as possible
- ▶ Keep track of all information and award letters
- ▶ Figure out the bottom line
- ▶ Bang for your buck



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Questions, Comments, Concerns



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