

Financial Aid 101

The process of funding
Postsecondary Education



Pennsylvania Higher Education Assistance Agency

Your presenter:

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Pennsylvania Higher Education Assistance Agency

Today's Agenda

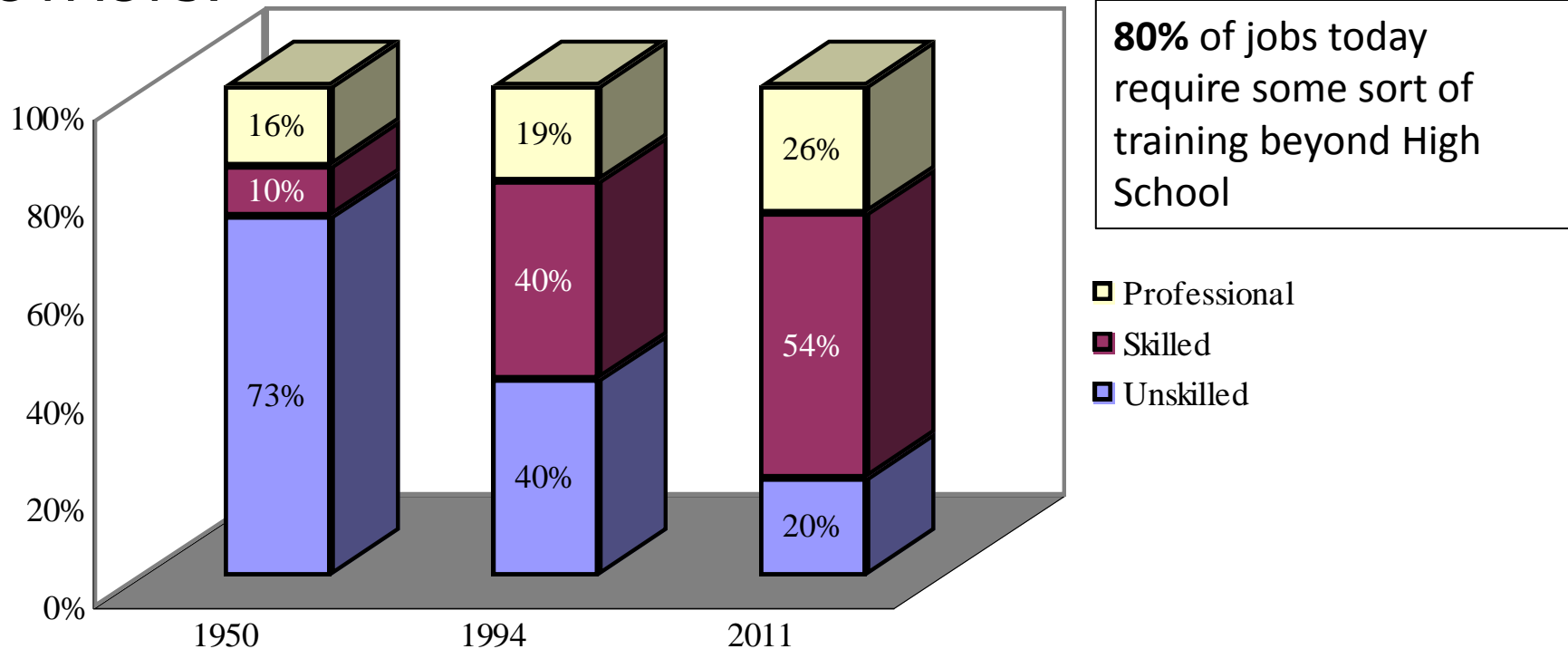
- ✓ *Applying for Financial Aid*
- ✓ *What sources are available*
- ✓ *Identify what is needed*
- ✓ *What happens next*
- ✓ *Making Smart Decisions*



21st Century Economic Realities

Unskilled jobs are disappearing; demand for high skills is rising

The FACTS:



Source: U.S Bureau of Census and Pennsylvania Department of Labor & Industry, Center for Workforce Information & Analysis (Pennsylvania statewide)

a few more FACTS

Average PA student loan debt = \$28,000 = \$300/mo for 10 years

Average additional earnings with higher education = \$2,100/mo for 40 years

- Approach affordability from a consumer standpoint
Be open minded and use a diverse college search
Give yourself a low cost alternative
- IF Facebook was a nation, it would be the 3rd most populous country!
Be smart.

Buy an EDUCATION, not a SCHOOL, there's an option for everyone

What is Financial Aid?

Financial aid
consists of funds
provided to students
and families
to help pay for
Postsecondary Educational expenses



Types of Financial Aid

Page 14: PA Student Aid Guide

➤ **GIFT AID: Scholarships and Grants - FREE MONEY**

Federal Government, State Government, Schools/Colleges

Organizations, Businesses, Community, Employers, FREE Internet Search

BASED ON: Financial Need or Merit

(assets, income, family)

(ability, actions, criteria)



➤ **SELF HELP AID: Loans, Work Programs**

Loans are Borrowed Money (Must be paid back)

Federal Government, Banks, Schools/Colleges

Work Study Awards: Earned Money

Wages earned by students working in jobs, coordinated through the campus

Availability varies by a school's participation



➤ **Tuition Reimbursement - employer sponsors education**

First Step to Financial Aid

.... the **FORMS**



Pennsylvania Higher Education Assistance Agency

Starting the Financial Aid Process

Know what financial aid forms each school requires:

ALL SCHOOLS REQUIRE:

- **FAFSA** (Free Application for Financial Aid) after Jan 1 in Sr. Year
 - Required by all schools, PHEAA, and some scholarship organizations
- **STATE GRANT Form** (SGF) through PHEAA
 - Required for first year students (and may be requested for subsequent years) = after FAFSA is completed

SOME SCHOOLS REQUIRE

CSS Profile required by some postsecondary schools and scholarship organizations

Institutional Financial Aid Forms

Internal school forms





Know When to Apply for FAFSA AND Your Deadlines!!

❖ **Federal Deadlines** – Apply anytime after January 1st of the upcoming Academic Year to the end of the Academic Year (July 1st through June 30th)

Seniors: after Jan 1st 2014 Juniors: after Jan 1st 2015

❖ **SCHOOL DEADLINES – some WILL be earlier**

❖ **PA State Grant deadlines**

- **May 1, 2014** – 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, 2014** – 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

FAFSA: Free Application for Federal Student Aid

www.FAFSA.GOV

FAFSA is the **primary FEDERAL FORM** for financial assistance to attend post - secondary school.

It determines:

EXPECTED FAMILY CONTRIBUTION, NEED
and ELIGIBILITY for:

- **Federal Programs** - Grants, Loans & Work Study
- **State programs** – Grants, Work Study
- **School Need Based Programs** - Grants and Scholarships

Must file a FAFSA to be eligible for these programs each year a student attends school

File ON-LINE - Fast, Secure, **SKIP LOGIC**
and Built in Edits

The screenshot shows the FAFSA website interface. At the top, the 'Federal Student Aid' logo is circled in red. Below it, a navigation bar includes links for Home, About Us, PIN Site, StudentAid.gov, and Help. A search bar is also present. The main heading reads 'Get help paying for college' with a subheading 'Submit a Free Application for Federal Student Aid (FAFSA)'. Below this is a banner image of diverse students. Two primary action buttons are circled in red: 'Start A New FAFSA' under the 'New to the FAFSA?' section, and 'Login' under the 'Returning User?' section. The 'Returning User?' section also lists options like 'Make a correction', 'Add a school', and 'View your Student Aid Report (SAR)'. The bottom of the page features sections for 'CPS Web Applications Demo System', 'Deadlines', 'School Code Search', 'FAFSA Filing Options', and 'Announcements'.

Personal Identification Number (PIN)

- Sign FAFSA electronically
 - Not required, but speeds processing

- Website: www.pin.ed.gov

OR

Links are within the FAFSA for a PIN

- **BOTH Student and one Parent sign with a PIN**
- Write it down and store in a safe place

You'll use it again for:

- Renewal FAFSA
- Check on the status and make corrections on the FAFSA
- Sign a Stafford Loan Master Promissory Note (MPN)
- Complete required entrance and exit loan counseling
- Review their loan history at NSLDS.ed.gov
- A Parent PIN enables a parent to sign the FAFSA and sign a PLUS loan MPN



Student status: Who is independent?

- 24 or older on Jan 1st of award year
(born on/before January 1, 1990)
- Veteran (includes active duty personnel)
- Working on graduate level 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



Whose information goes on the FAFSA

- ✓ **Dependent Student and Parent(s)**
- ✓ **Independent student** – only their info
- ✓ **Divorced or Separated Parents -> Custodial Parent:** the parent that you lived with most during the last 12 months, if equal: the parent that provided the most financial support
- ✓ **Divorced/Separated parents who live in the same household**
- ✓ **Same Sex Parents**
- ✓ **Stepparents**
- ✓ **Adoptive parents**

- Foster parents - No
- Legal guardians - No
- Anyone else the student is living with - No



Information You May Need to Complete the FAFSA:

- Social security numbers
- Drivers license (student only; this information is optional)
- Federal income tax return (1040, 1040A or 1040EZ)
- W-2 forms from all employers
- Current bank statements (checking and savings)
- Current business and farm records (if more than 100 employees / if you don't live on the farm)
- Records of any stocks, bonds and other investments, including 529 accounts
- Additional untaxed income, tax records may be needed such as: Veteran's non educational benefits, child support paid/received, workers compensation, disability payments.
- Alien registration or permanent resident card (if not a US citizen)



SEARCH

Student
Demographics

School
Selection

Dependency
Status

Parent
Demographics

Financial
Information

Sign &
Submit

Confirmation

Student Demographic Information

Your last name
Lastnamerapp

Your first name
Harvey

Your middle initial
L

Your Social Security Number
1236-04-1006

Your date of birth (mmddyyyy)
04/19/1992

Are you male or female?
☒ Male ☐ Female

Your permanent mailing address (include apt. number)
123 Main Street

Your city (and country if not U.S.) Your state
Anytown Pennsylvania

Your ZIP code
16611

Have you lived in Pennsylvania for at least 5 years?
☒ Yes ☐ No

Your permanent telephone number
(123) 456-7890

Your e-mail address Re-enter your e-mail address
Harvey@Lastnamerapp.com Harvey@Lastnamerapp.com

What is your marital status as of today?
I am single

Do you have driver's license information that you want to provide?
☒ Yes ☐ No

Help and Hints

Does Student Want to
Provide Driver's License
Information?

Select **Yes** if you want to
provide your driver's license
information.

Select **No** if you do not have a
driver's license or an
identification card or do not
want to provide your driver's
license information.

Parent: Purple Section

P
A
R
E
N
T

☒ Application was successfully saved.

What is your parents' marital status as of today?

Married or Remarried

When did your parents get married or remarried? Enter the month and year. (mm/yyyy)

09/1989

What is your father's/stepfather's Social
Security Number?

123-45-6789

What is your father's/stepfather's last
name?

Lastnamerapp

What is your father's/stepfather's first
initial?

L

What is your father's/stepfather's date of
birth? (mmdd/yyyy)

01/01/1965

What is your mother's/stepmother's
Social Security Number?

987-65-4321

What is your mother's/stepmother's last
name?

Lastnamerapp

What is your mother's/stepmother's first
initial?

A

What is your mother's/stepmother's date
of birth? (mmdd/yyyy)

01/02/1965

Your parents' e-mail address
TheLastnamerapps@Lastnamerapp.com

Re-enter your parents' e-mail address
TheLastnamerapps@Lastnamerapp.com

Have your parents lived in Pennsylvania for at least 5 years?
☒ Yes ☐ No

Your parents' number of family members in 2013-2014 (household size)

If you are not sure who is considered a family member, click **Household Size** to
answer the questions on the worksheet.

4 **HOUSEHOLD SIZE**

How many people in your parents' household will be college students between July
1, 2013 and June 30, 2014?

1

PREVIOUS NEXT

NEED HELP? SAVE CLEAR ALL DATA VIEW FAFSA SUMMARY EXIT

Help and Hints

Parents' Number in
College in 2013-2014
(Parents Excluded)

Question 73

Enter the number of people
in your [parents' household](#)
who will attend college
between July 1, 2013 and
June 30, 2014. Do not
include your parents in
this number.

Include:

- Yourself, even if you will
attend college less than
half-time in 2013-2014.
- Other people in your
parents' household only if
they will attend college at
least half-time in 2013-
2014, in a program that

Student: Dark Blue Section

FAFSA TIPS

- Don't mix answers for student and parent information
- Ensure SSN accuracy
- Gender question is optional – answer it!
- Have federal income tax and other related information as references
- **It's OK TO ESTIMATE if Taxes aren't filed yet**
 - Updates/Corrections can be done later using the IRS Data Retrieval Tool
- **Don't Delay, Don't Miss Deadlines**

IRS DATA RETRIEVAL TOOL

- after taxes are filed

Automatically pulls in
IRS Tax info and places
data into the FAFSA, or
overrides estimates.

REQUIRED!

ALSO in Student Section
if student is filing taxes

P
A
R
E
N
T

Parent Tax Information



Application was successfully saved.

For 2012, have your parents completed their IRS income tax return or another tax return?

Already completed



You, the parents, may be able to use the [IRS Data Retrieval Tool](#) to view and transfer your tax information from the IRS.

Did either or both parents file as Married Filing Separately?

☐ Yes ☒ No

Did either or both parents file as Head of Household?

☐ Yes ☒ No

Did you, the parents, file an amended tax return?

☐ Yes ☒ No

Did you, the parents, file a Puerto Rican or foreign tax return?

☐ Yes ☒ No

Did you, the parents, file taxes electronically in the last 3 weeks (or by mail in the last 8 weeks)?

☐ Yes ☒ No

Based on your response, we recommend that you, the parents, transfer your information from the IRS into this FAFSA.

Enter your PIN and click [Link To IRS](#).

Which parent are you?

Select

What is your PIN?

[Apply For A PIN](#)

[I Forgot/Don't Know My PIN](#)

[LINK TO IRS](#)

Help and Hints

Recently Filed Taxes?

If you, the parent(s), filed your taxes electronically within the last 3 weeks, or by mail within the last 8 weeks, select **Yes**; otherwise, select **No**.

If you filed your taxes within either of those timeframes, then your tax return information might not be available from the IRS. You

FOTW – School Selection

Look at more than one!

Schools will be able to see your information when you list them on the FAFSA

You can add up to 10 colleges

Once your decision is made, Update your PA Grant Information with the school you WILL attend.

The screenshot shows the 'School Selection' page of the FAFSA application. The page has a blue header with tabs: Student Demographics, School Selection, Dependency Status, Parent Demographics, Financial Information, Sign & Submit, and Confirmation. The 'School Selection' tab is active. On the left, a vertical blue bar contains the word 'STUDENT' in white capital letters. A pink arrow points from the text 'You can add up to 10 colleges' to the 'STUDENT' bar. The main content area has a blue header 'School Selection'. Below it, there are two message boxes: the first with an information icon and text about federal student aid, and the second with a checkmark icon and text 'Application was successfully saved.' Below these, a pink oval highlights a paragraph: 'You can add up to 10 colleges to your FAFSA. If you know your college's school code, use the option to the right to search. If you need help finding your college, use the state (required), city (optional), and school name (optional) fields to begin your search.' Below this text are search fields: 'State' (a dropdown menu with 'Select' and a downward arrow), 'City' (a text box with '(optional)' to its right), and 'School Name' (a text box with '(optional)' to its right). To the right of these fields is a 'Federal School Code' text box. A vertical dashed line separates the search fields from the 'Federal School Code' box. Below the search fields are two 'SEARCH' buttons, one on each side of the dashed line. A 'Search Tips' link is next to the first 'SEARCH' button. At the bottom right of the page are 'PREVIOUS' and 'NEXT' buttons. At the very bottom is a blue bar with links: 'NEED HELP?', 'SAVE', 'CLEAR ALL DATA', 'VIEW FAFSA SUMMARY', and 'EXIT'.

STUDENT

School Selection

Information: Larry, based on the information you provided, we have determined that you may qualify for federal student aid. Continue through the application for us to determine how much aid you can receive.

Success: Application was successfully saved.

You can add up to 10 colleges to your FAFSA. If you know your college's school code, use the option to the right to search. If you need help finding your college, use the state (required), city (optional), and school name (optional) fields to begin your search.

State Federal School Code

City (optional) OR

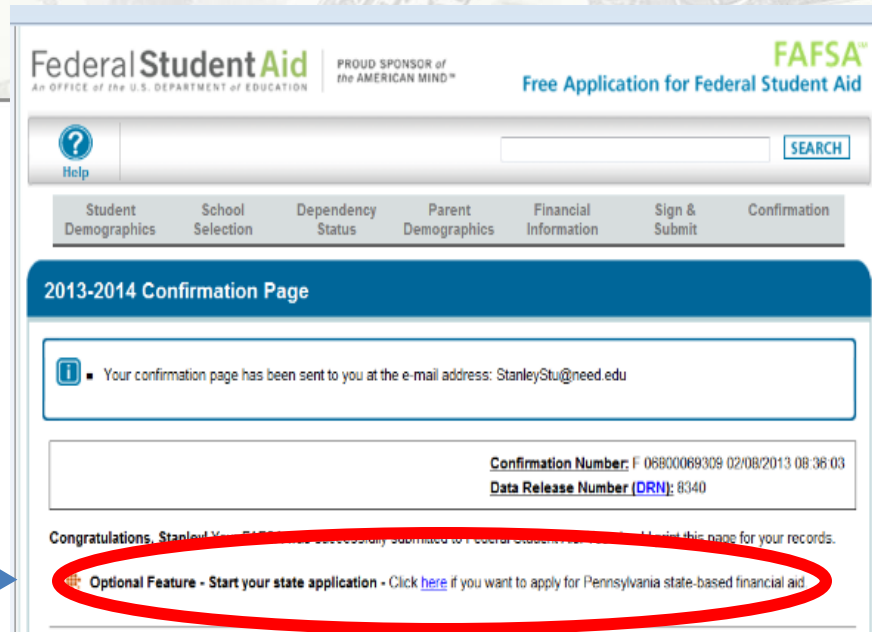
School Name (optional)

[Search Tips](#)

[NEED HELP?](#) [SAVE](#) [CLEAR ALL DATA](#) [VIEW FAFSA SUMMARY](#) [EXIT](#)

FAFSA Completion Page

Apply for your State Grant
From the FAFSA
Completion/Confirmation
Page



Federal Student Aid | PROUD SPONSOR of the AMERICAN MIND™ | FAFSA®
Free Application for Federal Student Aid

Help [SEARCH]

Student Demographics | School Selection | Dependency Status | Parent Demographics | Financial Information | Sign & Submit | Confirmation

2013-2014 Confirmation Page

• Your confirmation page has been sent to you at the e-mail address: StanleyStu@need.edu

Confirmation Number: F 06800089309 02/08/2013 08:38:03
Data Release Number (DRN): 8340

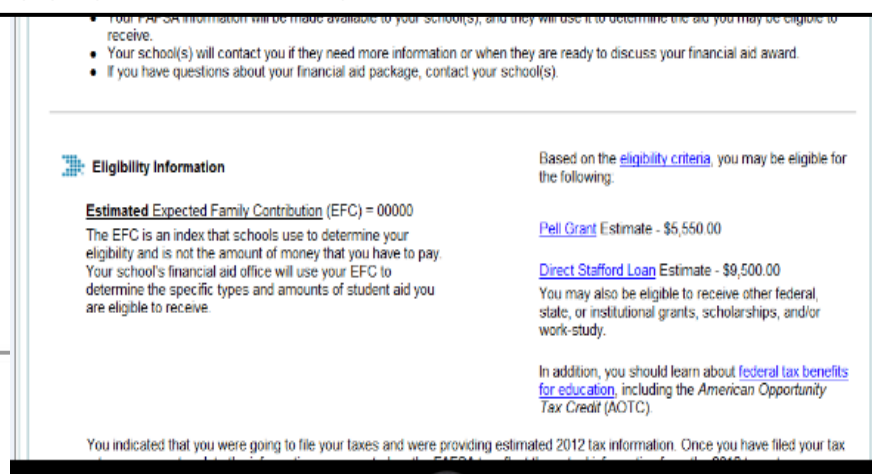
Congratulations, Stanley! Your FAFSA has been successfully submitted to Federal Student Aid. We will email this page for your records.

Optional Feature - Start your state application - Click [here](#) if you want to apply for Pennsylvania state-based financial aid

Start your state application to apply for Pennsylvania state based financial aid

CLICK HERE

TRANSFERS FOTW data to
the State Grant Application



• 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).

Eligibility Information

Based on the [eligibility criteria](#), you may be eligible for the following:

Estimated Expected Family Contribution (EFC) = 00000
The EFC is an index that schools use to determine your eligibility and is not the amount of money that you have to pay. Your school's financial aid office will use your EFC to determine the specific types and amounts of student aid you are eligible to receive.

Pell Grant Estimate - \$5,550.00
Direct Stafford Loan Estimate - \$9,500.00
You may also be eligible to receive other federal, state, or institutional grants, scholarships, and/or work-study.

In addition, you should learn about [federal tax benefits for education](#), including the American Opportunity Tax Credit (AOTC).

You indicated that you were going to file your taxes and were providing estimated 2012 tax information. Once you have filed your tax

Online State Grant Application

Link off the FAFSA Application CONFIRMATION Page!

Missed the link or it wasn't available?

- Link in an email sent to student/parent from PHEAA ...or...
- Go to **PHEAA.org**; State Grant Program; and Complete the Form
- Additional questions needed to determine PA State Grant eligibility
 - enrollment status (full time/part time)
 - value of PA 529 College Savings Program
 - program of study for students in vocational programs
 - employment status
- **Help screens are available for all questions**

The screenshot shows the PHEAA website for the Pennsylvania State Grant Program. The PHEAA logo is at the top left. Navigation tabs include Home, College Planning, Funding Opportunities (highlighted), Partner Access, and Tools & Resources. A search bar is at the top right. The main content area is titled 'Pennsylvania State Grant Program'. On the left is a sidebar menu with links: Prepare, Apply/Renew, After You Apply/Renew, Summer State Grant, State Grant FAQ, Documents & Forms, Other Educational Aid, Work-Study Employment, PA-TIP, Aid for Military & PA National Guard, and Loan Forgiveness. The main content features a large green box with a dollar sign icon and the text 'A grant is a type of financial aid award that you don't need to repay, as long as you meet all of the eligibility requirements.' Below this is a blue button labeled 'Apply/Renew Now'. To the right of the button is a box with 'OR' and arrows pointing to a 'Sign In' button and a 'Create Account' link. The 'Sign In' button is circled in red. Below the 'Sign In' button is the 'Contact Us' section with the phone number 1-800-692-7392. At the bottom right is the 'State Grant FAQ' section with links to questions about determining eligibility, making corrections, and receiving funds. The footer includes the 'Local Intranet' logo and the text 'Pennsylvania Higher Education Assistance Agency'.

PHEAA

I want to...
Select and go to...

Search PHEAA:
Enter Search Term

Home College Planning **Funding Opportunities** Partner Access Tools & Resources

State Grant Program

Pennsylvania State Grant Program

Prepare
Apply/Renew
After You Apply/Renew
Summer State Grant
State Grant FAQ
Documents & Forms

Other Educational Aid
Work-Study Employment
PA-TIP
Aid for Military & PA National Guard
Loan Forgiveness

Apply/Renew Now

A grant is a type of financial aid award that you don't need to repay, as long as you meet all of the eligibility requirements.

Sign In/Create Account to:
Apply for a State Grant
View State Grant status
Update address or school info
Sign In or Create Account

Contact Us
1-800-692-7392

State Grant FAQ
How do you determine my State Grant award?
How do I make corrections on my State Grant Form?
How will I receive my State Grant funds?

Local Intranet
Pennsylvania Higher Education Assistance Agency

All Done..... After mailing!



American Education Services

Pennsylvania State Grant Form

Apply Online

- 1 Provide Information
- 2 Verify & Submit
- 3 Confirmation

Confirmation

! Although you may have submitted your FAFSA, some items are still incomplete.

Your PA State Grant information has been successfully submitted. However, no further processing can occur until these FAFSA items have been completed.

Live Customer Support
We're here to assist you.



Actions You Need To Take Now:



1. **View / Print Your PA State Grant Form - 550KB PDF**

[? I can't view / print this document.](#)

2. **Sign** the last page with all required signatures

3. **Mail** the completed signature page ONLY to:

PHEAA
State Grant and Special Programs
P.O. Box 8157
Harrisburg, 17105-8157

Print & Mail

You **MUST** print, sign and mail in the Grant Confirmation Page

Forms are filed
.... now what



The process continues....

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Department of Education's Central Processing System uses the information to **calculate and create your Need Analysis**

- EFC Calculated
- SAR / ISIR – reports your eligibility for programs to you and schools
- Grant eligibility calculated
- Schools receive your results
- You Apply to your school choices
- Schools produce Award Letters (Aid Packages)
- You Compare Award Letters
- Determine true cost of school & make choices

How is EFC Calculated?

Expected Family Contribution

The EFC is a number derived from a federal formula which considers a family's income, assets, and other factors when determining what a family can reasonably be expected to pay each year. Although, it is NOT the amount you will pay each year.

- **Parent contribution + student contribution = EFC**
- **Bulk of EFC comes from Income**
 - includes allowances for taxes, working parents, and size of family
- **NOT AN ASSET:** Home, personal property, qualified retirement funds, and value of life insurance is excluded from assets
- **Asset Protection Allowance is applied against parent's reported assets**
 - based on age of older parent and number in the household, along with income
- Parent asset contribution = roughly 6% of assets, are used in the EFC calculation
- Student asset contribution = roughly 20% of assets are used in the EFC calculation
- Student income contribution = 50% of amounts over \$6,260 - used in the calculation
- Parent contribution divided by number of children in college at the same time

What is Need Analysis?

A process where Schools use SAR calculations to determine a student's financial need based on:

Two components:

1. The student's Cost Of Attendance at the chosen institution
2. The student's Expected Family Contribution (EFC)



Cost of Attendance

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The Financial Aid Office will include the Direct Costs in determining the student's annual cost of attendance at that school:

- Direct College Costs

- Tuition
- Required Fees
- Room
- Meals
- Books and Supplies

- Indirect College Costs

- > Transportation
- > Personal expenses
- > Dependent care expenses
- > Dorm furnishings



Sleep



Eat



Wash



Study



Organize



Relax



Collegiate
Stuff

Net Price Calculators

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The Higher Education and Opportunity Act (HEOA) of October 2011 requires schools to offer a **net price calculator** on their Web sites

“Enables current and prospective students, families and consumers to determine an estimate of an individual net price at a particular institution.”

- **ESTIMATED** data must be provided by each institution:
 - Total price of attendance
 - Tuition, Fees, Room and Board
 - Expenses (ie personal, transportation...)
 - Estimated total merit and need-based grant aid
 - **Estimated net price** (attendance minus grant aid)
 - Does not include scholarships –

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



Available Funding Options

Federal
State
College
Financial Aid Programs



Pennsylvania Higher Education Assistance Agency

Federal Programs

Page 22; PA Student Aid Guide

- **Pell Grant** up to \$5645

Amount determined by Need Calculations and awarded to most financially needy students

Campus-based aid – amounts determined by FAO

- **FSEOG**..... up to \$4000
- **Perkins Loan** up to \$5500 (fixed 5% interest rate)
- **Federal Work Study** FAO determines

Student must be enrolled at least half-time and meet satisfactory academic progress.

PA State Grant Program

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- **PA State Grant***
 - Full-time, in PA.....up to \$4,363
 - Part time, in PA..... up to \$2,181
- **Out of state**..... Up to \$557. in DE, MA, OH, RI, VT, WV, and DC
- **All other states**....up to \$500. and **NJ, NY, and MD = \$0**

Amount determined by FAFSA calculations and Cost of School

*Must be a resident of PA, attend at least half-time in a minimum 2 year program and meet satisfactory academic progress – see pheaa.org or the PA Student Guide

Other Federal & State Grants

Based on specific situations and criteria

Federal (ref: StudentAid.gov)

Teach Grant - up to \$3700

Iraq & Afghanistan Service Grant

Dependents Education Assistance (DEA) Grant - Veteran Affairs

Vocational Rehabilitation Program (students with disabilities)

Americorps - www.americorps.gov

State: (ref: PHEAA.org)

Post Secondary Education Gratuities Program (PEGP)

Partnerships for Access to Higher Education Program (PATH)

Pennsylvania Chafee Education and Training Grant (Foster students)

Blind or Deaf Beneficiary Grant Program

Pennsylvania Targeted Industry Program (PA-TIP)

Pennsylvania State Work Study Program (SWSP)

Aid for Military and National Guard students/families



dreamstime.com

A word about.....

SCHOLARSHIPS



Scholarship search:

Don't miss out on FREE Money



- Start early – and KEEP LOOKING
- Don't forget to continue studies!
- Create your story
- Don't PAY for information
 - Searching and Applying for Scholarships are FREE
 - If you're asked to pay, it's not free money - (scam..)
- Note requirements; check School Websites: Activity, Athletics, Essays, Participation, Research
- Don't miss DEADLINES
 - Write it down!

www.fastweb.com
www.educationplanner.org
www.fastaid.com
www.finaid.org
www.scholarshipexperts.com
www.scholarships.com
www.scholarship-page.com
www.zinch.com
www.dosomething.org
www.collegeprowler.com
www.studentscholarships.org
www.collegeboard.com
www.collegeanswer.com
www.collegenet.com

Increase your Scholarship options

Organize important information that can increase your chances of obtaining scholarships!

❖ Create a Profile or Resume

- ❖ Interview your student, year after year.

❖ What makes you stand out? Who are you?

- ❖ Besides grades, class rank, test scores

❖ Document your information!

- ❖ Personal/Performance – sports, music, art, achievements
- ❖ Extra Curricular Activities – jobs, hobbies
- ❖ Volunteerism, Community Activities, Employment

❖ Recommendations :

- ❖ Faculty, Coaches, Employers, Community Leaders...



SCHOOL SCHOLARSHIPS

- Every School is different
- Don't let Price stop you from applying/checking out a higher cost school
- Schools may have Internal Funds to award
 - Varies by school
 - Criteria varies
 - Check their websites (financial aid, admissions)
 - Note DEADLINES



Pennsylvania 529 College Savings Plan

www.PA529.com

**A tax free savings
account for post
secondary
education costs**

**Easy,
Affordable and
Tax Free**

About 529 Plans PA 529 Guaranteed Savings Plan PA 529 Investment Plan Resources [My Account](#)

PA 529 COLLEGE SAVINGS PROGRAM

Enter To Win
\$529
For College

Free Enrollment
through September 30, 2013
Save
\$50
[Learn How](#)

START SAVING NOW.
The tax-smart and flexible way to save for college:

ABOUT 529 PLANS
PA 529 GUARANTEED SAVINGS PLAN
PA 529 INVESTMENT PLAN

ENROLL NOW
It's easy to get started on your college savings program.
[Enroll now.](#)

WEBINARS
Register to participate in one of our FREE online webinars.
[Learn more.](#)

UPROMISE®
Upromise is a free service designed to help save and pay for college.
[Learn more.](#)

The Pennsylvania 529 College Savings Program is here to help. Sponsored by the Commonwealth of Pennsylvania and administered by the Treasury Department, the Pennsylvania 529 College Savings Program offers a range of resources specifically designed to help families save for college.

Internet | Protected Mode

PHEAA
Pennsylvania Higher Education Assistance Agency

U Promise

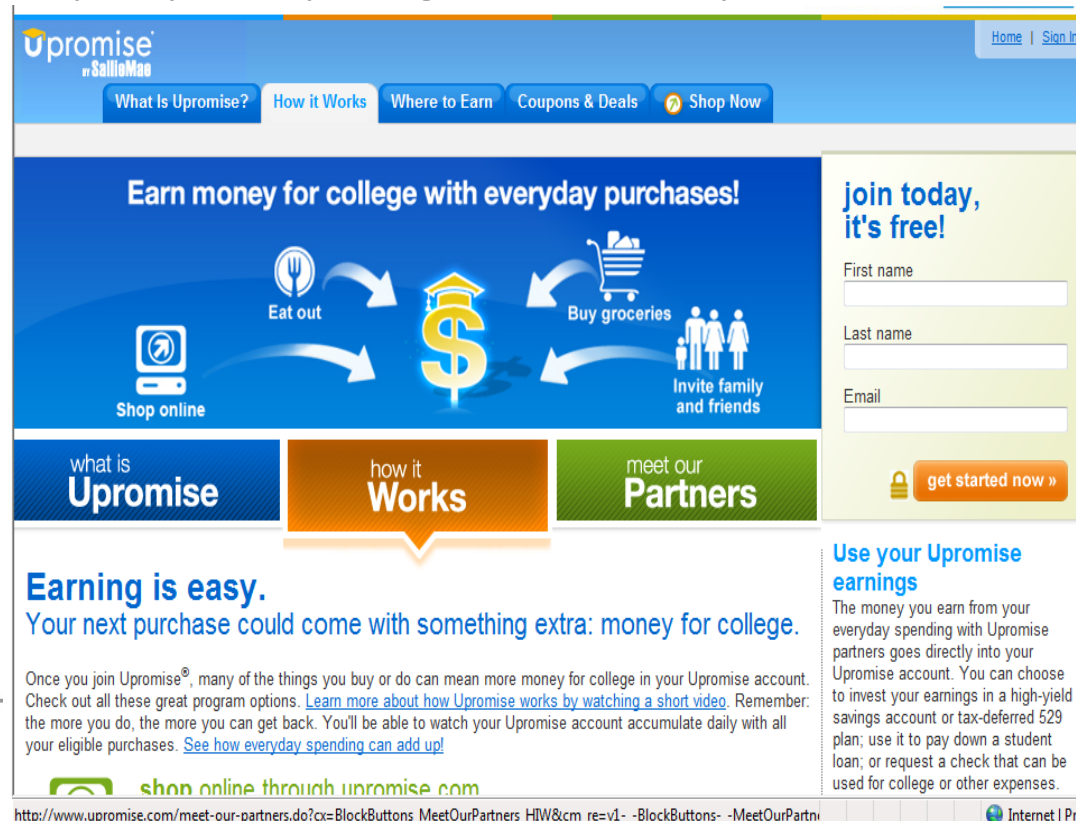
www.upromise.com

More partners means more ways to save.

 950+ online stores	 10,000+ restaurants	 local store & service partners	 25,000+ grocery stores & drug stores
--	---	--	--

Another way to save for college or pay student loans!

- Family, Friends, anyone... can register to earn for the same student.
- Register credit cards - it's safe - shop at participating locations or purchase from participating companies
- Every \$ earned can be put into a 529, savings acct, paid against a loan or receive a check for expenses
- Watch for the logo, it adds up!



The screenshot shows the U Promise website homepage. At the top, there's a navigation bar with links like 'Home' and 'Sign In'. Below that, a main banner reads 'Earn money for college with everyday purchases!' and features a circular diagram with icons for 'Shop online', 'Eat out', 'Buy groceries', and 'Invite family and friends', all pointing towards a central '\$' icon with a graduation cap. To the right of the banner is a registration form titled 'join today, it's free!' with fields for 'First name', 'Last name', and 'Email', and a 'get started now' button. Below the banner are three tabs: 'what is U Promise', 'how it Works' (which is highlighted), and 'meet our Partners'. The 'how it Works' section contains the text 'Earning is easy. Your next purchase could come with something extra: money for college.' and a paragraph explaining how the program works, including a link to 'Learn more about how U Promise works by watching a short video.' At the bottom, there's a footer with the text 'shop online through unpromise.com' and a URL.

Student Loans



FEDERAL DIRECT LOAN PROGRAM

available to ALL Students **REGARDLESS OF NEED**

www.studentloans.gov and at the school's website

Two options; based on FAFSA; most students have a combination

Subsidized = Govt pays interest in school status; accrues in grace

Grace subsidy is to be reinstated for loans disbursed after 7/1/14

Unsubsidized = interest accrues in school and grace

Additional unsubsidized funds available in certain situations

– **3.86% variable/fixed interest rate (AY 13/14), 1.072% fee**

(Bipartisan Student Loan Certainty Act of 2013 & Sequestration Year 2; Interest for new AY is set every July 1)

- Direct Loan Program is funded through the Government, as of 7/1/2010
- In student's name, no collateral or credit check, must sign MPN
- Available loan amounts increase in subsequent years
- No payments required while attending school; 6 month grace

- Deferred, but interest accrues on Unsub loans and in Sub'd Grace until 7/1/14

150% RULE applies -New borrowers as of 7/1/13

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PA Guide -
MOST CURRENT
RATE INFO AT
PHEAA.ORG

Federal Direct Stafford Loan Program

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
1st 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 Graduate / Professional students are no longer eligible for subsidized loans
2nd Year	\$6,500 Total No more than \$4,500 may be subsidized	\$10,500 Total No more than \$4,500 may be subsidized	
3rd 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	\$138,500 Total No more than \$65,000 may be subsidized

Federal Direct PLUS Loan

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Guide -Most current
Rate Info at PHEAA.org

For Parents or Graduate level students

Direct Parent PLUS loan – in Parent's name for student costs

6.41 % Variable/Fixed Interest Rate; 4.288% fees (AY 13/14)

Sequestration Year 2

- Can borrow up to the Cost of Attendance
- No Debt-to-Income test, Only lenient Credit Check
 - Can have an endorser (co-signer)
- **Fees will be deducted from disbursements**
- Principal payment can be deferred while student is in school
 - Interest will continue to accrue
- 10 year repayment term or optional repayment programs
- **Must complete a FAFSA** to determine any additional aid



Alternative/Private Education Loans

From private lenders or financial institutions

* In Students name/Co-signers usually required

Some loan products have a co-signer release


* Can borrow up to the Cost of Attendance

* Based on credit scores and debt-to-income

* Repayment may be deferred until education completed

* **Terms vary by lender** – compare before making choices

* Students must sign a “Self Certification Form” per DOE

 **Private Education Loan**
Applicant Self-Certification

This space for lender use only

OMB No. 1845-0101
Form Approved
Exp. Date 03-31-2016

Important: Pursuant to Section 155 of the Higher Education Act of 1965, as amended, (HEA) and to satisfy the requirements of Section 128(e)(3) of the Truth in Lending Act, a lender must obtain a self-certification signed by the applicant before disbursing a private education loan. The school is required on request to provide this form or the required information only for students admitted or enrolled at the school. Throughout this Applicant Self-Certification, "you" and "your" refer to the applicant who is applying for the loan. The applicant and the student may be the same person.

Instructions: Before signing, carefully read the entire form, including the definitions and other information on the following page. Submit the signed form to your lender.

SECTION 1: NOTICES TO APPLICANT

- Free or lower-cost Title IV federal, state, or school student financial aid may be available in place of, or in addition to, a private education loan. To apply for Title IV federal grants, loans and work-study, submit a Free Application for Federal Student Aid (FAFSA) available at www.fafsa.ed.gov, or by calling 1-800-4-FED-AID, or from the school's financial aid office.
- A private education loan may reduce eligibility for free or lower-cost federal, state, or school student financial aid.
- You are **strongly** encouraged to pursue the availability of free or lower-cost financial aid with the school's financial aid office.
- The financial information required to complete this form can be obtained from the school's financial aid office. If the lender has provided this information, you should contact your school's financial aid office to verify this information and to discuss your financing options.

SECTION 2: COST OF ATTENDANCE AND ESTIMATED FINANCIAL ASSISTANCE

If information is not already entered below, obtain the needed information from the school's financial aid office and enter it on the appropriate line. Sign and date where indicated. See Section 5 for definitions of financial aid terms.

A. Student's cost of attendance for the period of enrollment covered by the loan \$ _____

B. Estimated financial assistance for the period of enrollment covered by the loan \$ _____

C. Difference between amounts A and B \$ _____

WARNING: If you borrow more than the amount on line C, you risk reducing your eligibility for free or lower-cost federal, state, or school financial aid.

SECTION 3: APPLICANT INFORMATION

Enter or correct the information below.

Full Name and Address of School _____

READ THE FINE PRINT

Options to Cover the Cost of Education

A School doesn't care how you come up with the balance, just that you do

Families can **CHOOSE** the methods of borrowing and funding combinations that meet their needs to cover Balances - it's unique to your resources.

YOU CAN MIX AND MATCH = BALANCES

- **Savings** – Family
- **529 College Saving Plans** – Family
- **U Promise credits** - Family, Friends
- **Scholarships** – Various Sources, including Schools
- **Grants** – Federal and State programs
- **Tuition Payment Plans** – School
- **Perkins Student Loans** – School through DOE
- **Federal Student Loans** – DOE
- **Parent PLUS Loans** – DOE
- **Private Education Loans** – Banks
- **Institutional Loans** – School
- **Home Equity Loans** – Banks
- **Employers** – Tuition reimbursement programs
- **401K** – withdrawal or loans (**See a FINANCIAL ADVISOR or your HR Dept**)
- **Credit Cards** – Banks (**be cautious**)
- **Student part time job** -Students –work study/private jobs

Making Decisions

Review the Options



Where we are in the process

YOU....

- Filed the FORMS
- Applied to Schools
- Were Accepted
- and now....



SCHOOLS will respond to you with
FINANCIAL AID AWARD PACKAGES

Determining Need (cost)

1. Financial Equation:

School cost (varies per school)	\$26,000
EFC (stays the same)	<u>-\$3,000</u>
Financial Need	\$23,000

2. FAO 'packages' students based on financial need and available funding (varies from school to school)

3. Financial Award letter is sent to the student

EFC stays the same, Costs vary

Financial Aid Award Letter

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Is an official notification from the School about financial aid, terms, and conditions

- Lists the type and amount of each award to be received
- Describes what must be done to accept or reject any award
 - Sign and return
 - Complete MPN's for loans; Entrance Counseling
- **Verification:** IF you are flagged and need official tax transcripts, request online at www.irs.gov or by calling (800) 908-9946.
 - Please note that tax transcripts are not the same as copies of tax returns.
- Discloses students rights, responsibilities, and academic requirements.



Packaging Example

SCHOOL	A	B	C	D
COST	\$ 6,600	\$15,000	\$25,000	\$45,000
EFC <small>(stays the same for all schools)</small>	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
NEED	<u>\$ 3,600</u>	<u>\$12,000</u>	<u>\$22,000</u>	<u>\$42,000</u>
FREE MONEY	\$2,000	\$ 7,000	\$ 9,000	\$22,000
LOANS	\$4,600	\$ 5,500	\$ 7,000	\$ 8,000
WORK STUDY <small>(after you work a job!)</small>	\$ 0	\$ 0	\$ 2,000	\$ 3,000
<u>TOTAL AID</u>	<u>\$ 6,600</u>	<u>\$12,500</u>	<u>\$18,000</u>	<u>\$33,000</u>
GAP (Cost – Aid)	\$ 0	\$ 2,500	\$ 7,000	\$12,000
ACTUAL COST (Cost – FREE Money)	\$4,600	\$ 8,000	\$16,000	\$23,000

Reviewing the Financial Aid Package

Review the Award Package carefully to Understand:

- Which awards are based on need, which are based on merit?
- How much of their financial aid is gift aid?
- Are there any conditions on the gift aid
 - GPA; Participation in activities; Membership
- Will Institutional awards change from year to year?
 - How many years can the funds be received?
- Will institutional awards increase as tuition increases?
- What if I change my major?
- How many work hours are required for Work Study funds?
- **How are outside scholarships handled?**

Final thoughts...

Using your resources



Smart Borrowing Tips:

Begin with the End in Mind



RESEARCH the EXPECTED SALARY in your FUTURE CAREER, find an affordable school, and borrow realistically

- ✓ There are many paths to the same degree
- ✓ Research every option, including community colleges and commuting
- ✓ Only attend a school you can reasonably afford
- ✓ Only borrow what you absolutely need to attend
- ✓ Approach education from a consumer standpoint
- ✓ Is there a CAREER SERVICES Dept
- ✓ **Much depends on You and Your Choices**

Start Thinking About Life After High School

- Explore careers that interest you.
- Search for your perfect school.
- Learn about student aid.
- Find grants or scholarships.
- Plan a campus visit.



What's the Easiest Way for You to Learn New Information?

You're just a few questions away from finding out.

*"BEGIN WITH
THE END IN
MIND"*

Career Planning

Career Planning Checklists

Find Careers

- Career Clusters Activity
- Which Careers Match Your Skills?
- Career Search
- Career Videos
- Hot Jobs for the Future
- It's Not All About Money
- Schools for Your Career

Get Experience

Explore Salary and Pay

Preparing for School

Paying for School

Self-Assessments

Ask a Counselor

Find Careers

Explore the limitless options.

Select a career that is compatible with your outlook and your vision of the future.

- Career Clusters Activity**
View career categories, prioritized just for you, based on your interests and skills.
- Which Careers Match Your Skills?**
Think about the things you are good at doing, then see which careers match those skills.
- Career Search**
Look up careers that interest you and read what each is like.
- Career Videos**
Take a peek at what you may be doing when you're working.
- Hot Jobs for the Future**
Discover occupations that are likely to have more job openings in the future.
- It's Not All About Money**
Choose a job that you genuinely like to do.
- Schools for Your Career**
Find the best schools for the major or career that interests you.

Links to ONet -
National
Database of
Careers to see
average wages
for your career
choice

for Students



Making decisions about colleges and careers can seem overwhelming, especially when you are young. If you are feeling unprepared, know that you are not alone. We're here to help.

for Parents



We make it easy for you to find college cost information, student aid, and more.

Also:
MySmartBorrowing.com

MySmartBorrowing.org

Become a smart borrower so you are
PREPARED for the future.

GET STARTED >

What state would you like to work in?

Pennsylvania, Philadelphia Region

What career are you interested in?

Start typing career to view suggestions

Not Sure?

Let us help you find your career. Choose your CATEGORY of interest

CATEGORY
Farming, Fishing, and Forestry
Food Preparation and Serving Related
Healthcare Practitioners and Technical
Healthcare Support
Installation, Maintenance, and Repair
Legal
Life, Physical, and Social Science
Management
Office and Administrative Support
Personal Care and Service

View your potential salary based on your career choice!



How much schools might actually cost!

Payment is about 10.23% of your expenses.)

\$	771.00
\$	121.00
\$	0
\$	303.00
\$2,961.00	
\$122.00	

CONGRATULATIONS! YOU ARE UNDER BUDGET!

Calculate your possible future budget!

This interactive tool gives you information you can use to make smart decisions about career choices and paying for college.

Career Planning

Preparing for School

Paying for School

Self-Assessments

Ask a Counselor

My Smart Borrowing

Become a smart borrower so you are
PREPARED for the future.

GET STARTED

MySmart
Borrowing



View your potential salary based
on your career choice!

How much schools might
actually cost!

Calculate your possible
future budget!

Education can be expensive! While you can't control or predict how much college will cost, you CAN control how well prepared you are. That is why you should follow the five tips below to make sure you are making smart decisions.

The 5 Tips for Smart Borrowing

- 1 Research your expected salary in your future career, find an affordable school, and borrow realistically.
- 2 Research job availability in your chosen field, before selecting your major.
- 3 Consider all types of financial aid carefully.
- 4 Educate yourself on the many loan options available before borrowing.
- 5 Inconsistent or untimely loan repayment could affect your future.

Local intranet

Compare costs vs career outcome

What can I afford to
borrow?

MySmart
Borrowing

Back to EDUCATIONPLANNER

Crunching the Numbers

Crunching the Numbers

APPROXIMATE SALARY RESULTS

Secondary School Teachers, Except Special and Career/Technical Education in Pennsylvania

You thought you would make: **\$80,000** → The approximate amount you could make is: **\$47,130**

*Starting salary is typically used as a baseline for how much a student should borrow.

APPROXIMATE NET COLLEGE COST

4 Years at East Stroudsburg University of Pennsylvania

You thought college would cost: **\$80,000** → The approximate net college cost is: **\$50,865**

**The approximate net cost is generated by subtracting the average amount of federal, state/local government, or institutional grant or scholarship aid from the total cost of attendance.
To view the approximate net cost of the school you selected, visit their website and use their College Cost Calculator.

CONTINUE

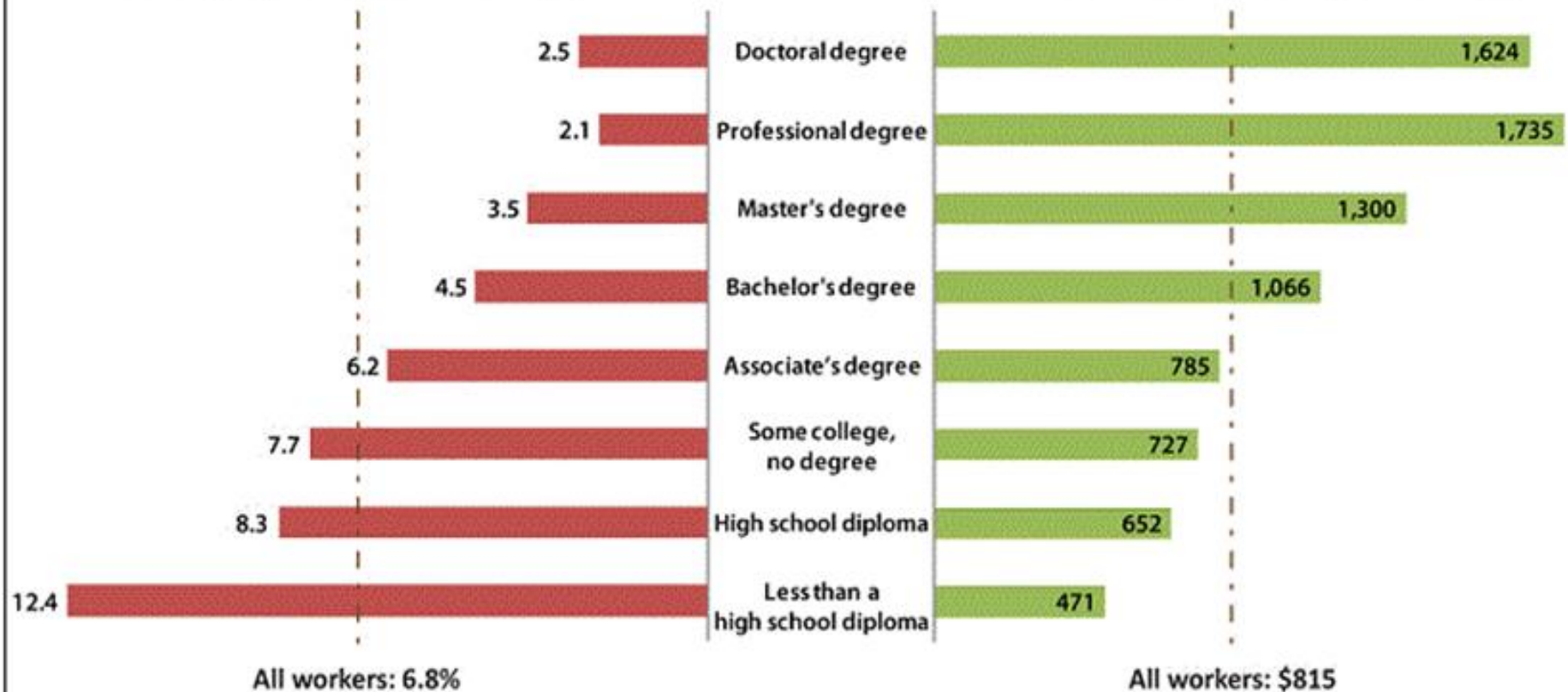
Local intranet

Education Pays in Higher Earnings and Lower Unemployment

Earnings and unemployment rates by educational attainment

Unemployment rate in 2012 (%)

Median weekly earnings in 2012 (\$)



Source: Bureau of Labor Statistics, Current Population Survey

Data Table

THANKS and Best Wishes

Questions?





Pennsylvania Higher Education Assistance Agency

Visit PHEAA.org

Dropping out of high school is NOT an option.

The More You LEARN, the More You EARN!

\$23,088
Annual salary



**NO HIGH
SCHOOL
DIPLOMA**

\$32,552
Annual salary



**HIGH
SCHOOL
DIPLOMA**

\$37,024
Annual salary



**SOME
COLLEGE,
NO DEGREE**

\$39,884
Annual salary



**ASSOCIATE'S
DEGREE**

\$53,976
Annual salary



**BACHELOR'S
DEGREE**

\$66,144
Annual salary



**MASTER'S
DEGREE**

\$80,600
Annual salary



**DOCTORATE
DEGREE**

\$83,720
Annual salary



**PROFESSIONAL
DEGREE**

Source: Bureau of Labor Statistics, Current Population Survey.

Earn more than an extra quarter million dollars in your lifetime just by staying in high school and graduating.