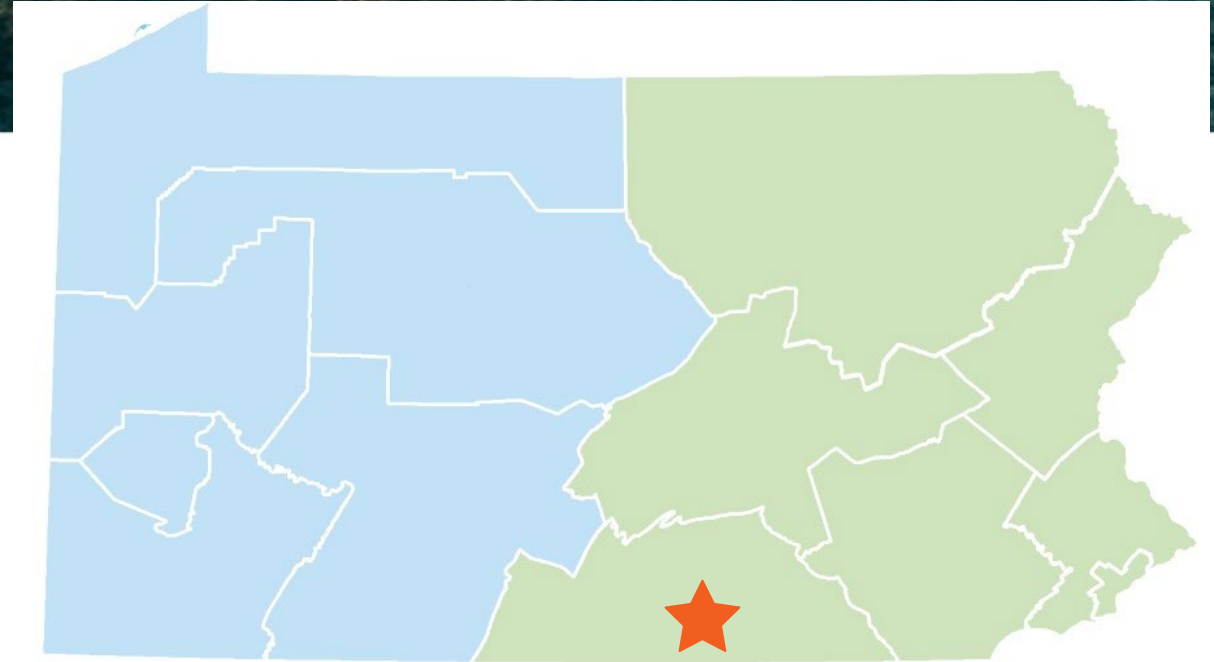


FINANCIAL
AID:
101

Your Presenter



Ed Lane

Higher Education Access Partner

Adams, Cumberland, Franklin, Fulton and York Counties

PA Higher Education Assistance Agency (PHEAA)

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Topics



Financial Aid 101

- Financial Aid Basics
- Types & Sources of Aid
- Federal & State Aid
- Five Steps to Financial Aid
- Applying for Aid
- What Happens Next?
- Final Thoughts
- Questions

Basic Principles, Federal Aid

Financial Aid: financial assistance to help students pay the cost of an education at a post-secondary school.

- Paying is the joint responsibility of the student and parents, to the extent possible.
- Need-based financial aid is subject to a federal formula to determine financial aid.
- Not all families qualify for need-based aid. There is no guarantee that you will get any free money to pay for higher education.
- Eligibility criteria may apply in order to receive/maintain financial aid, such as:
 - Students must maintain satisfactory academic progress
 - Additional criteria may be required based on the type and source of aid
- Students should play an active role in the process
 - Talk with children about goals/plans (**review educationplanner.org & mysmartborrowing.org**)
 - Take advantage of college fairs & school visits (ask about cost and available aid)

Basic Principles, Federal Aid

Cost of Attendance(COA):

Costs that the student can expect to incur during the school year (direct + indirect costs)

- **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 and supplies**
- **Transportation**
- **Miscellaneous living expenses**

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 info collected from the Free Application for Federal Student Aid (FAFSA)

Financial Need = COA – SAI-OFA

- OFA is estimated financial aid from nonfederal sources. Schools will determine need after reviewing financial aid applications.
- Schools will create an award package based on need and available funding at their schools

Financial Aid – Gift Aid

Based on financial need or merit (assets, income, family, ability, actions, criteria)

- Scholarships and grants—**free money**
- 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

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)
- **Reciprocal states:** Delaware, DC, Massachusetts, Ohio, Vermont, West Virginia
 - Up to \$600 for full-time students (\$800 for veterans)
- Award amount determined in part by the cost of the school

Must be at least half-time to be eligible



2025-26 Award Amounts



The maximum award for student attending an approved school in a reciprocal state is \$600 and \$800 (veterans)

*** Must be at least half-time to be eligible**

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

Other State Programs

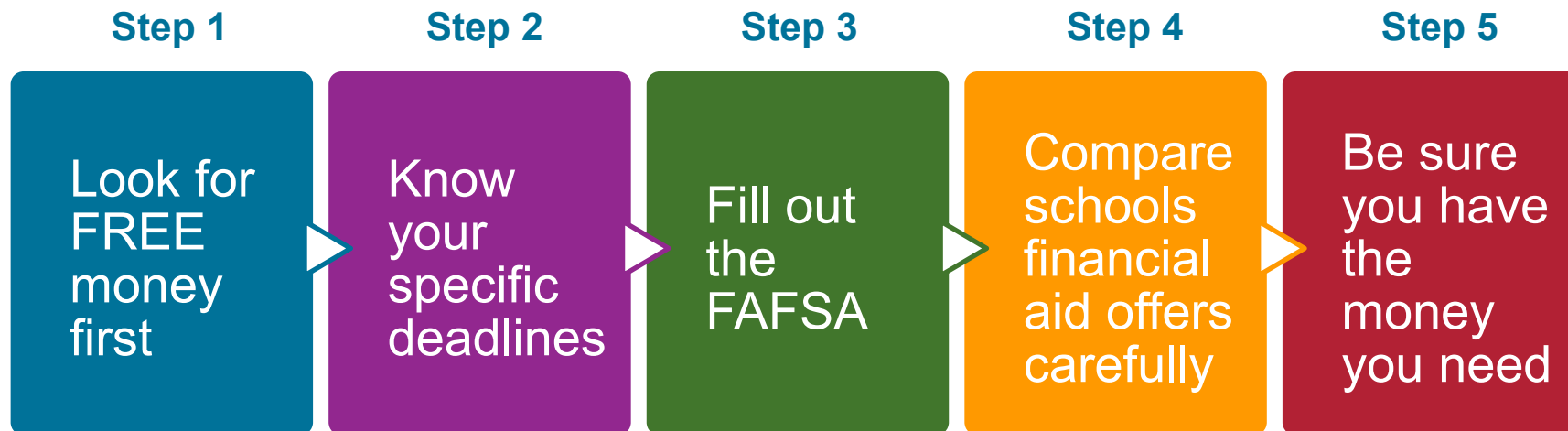
- PA Active Volunteer Tuition & Loan Assistance Program
- PA Blind or Deaf Higher Education Beneficiary Grant Program
- Chafee Education and Training Grant Program
- PA Fostering Independence Tuition Waiver Program
- Grow PA Scholarship Grant Program ← 
- PA Mental Health Education Learning in Schools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

*New
Program!*

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

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



Step 1: Look For Free Money First

- Scholarships **are** obtainable – Effort pays off!
- **Available** beyond the first year
- Wide **variety** of criteria
- **Will** reduce your debt and need to borrow with loans

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

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

DON'T MISS THE DEADLINE!

Deadlines Are Crucial



- Make sure you know the priority FAFSA filing deadlines for the schools you are researching.
- File your FAFSA prior to the earliest deadline of your school possibilities.
- Students do not have to be accepted for admission to list any schools on the FAFSA.

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



For Dependent Students, Who Reports Info on the 2026-27 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



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

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.

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.

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?



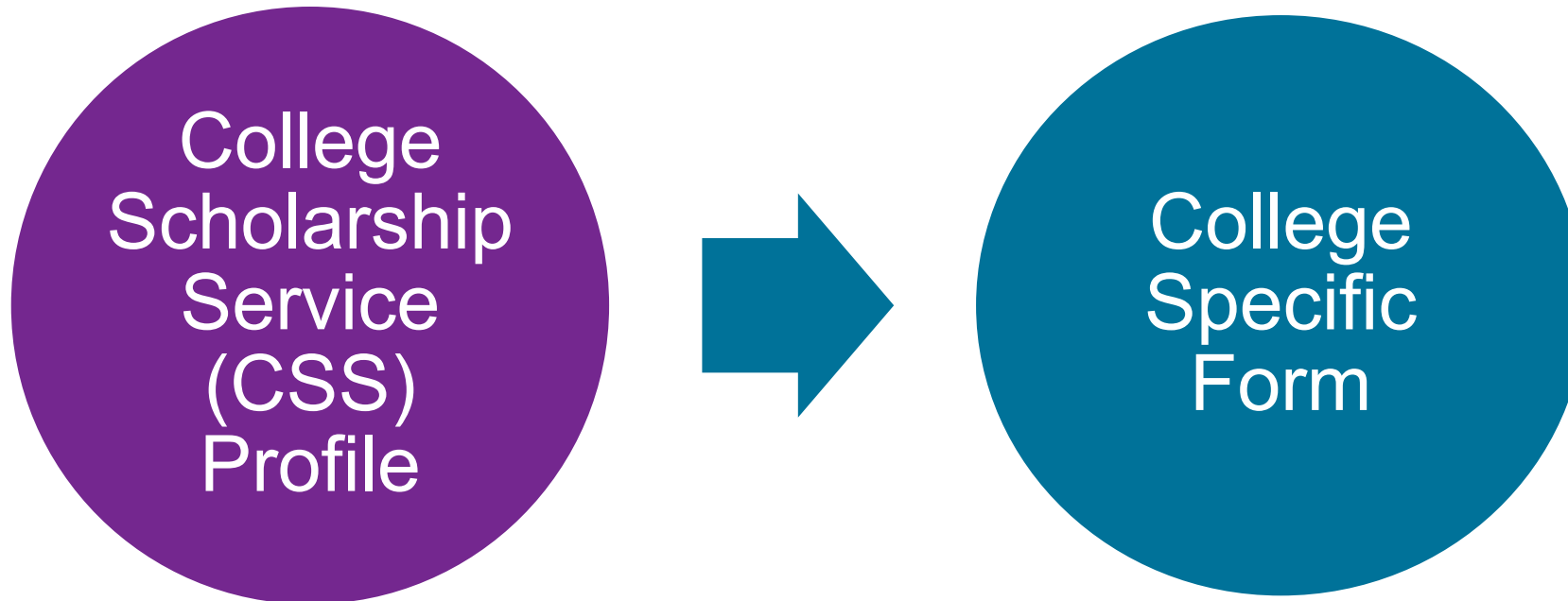
Comparing Financial Aid Offers

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

Other Forms You May Need to Complete

26

✓ Check with your school



FAFSA Renewal, CSS Profile

- Renew every year for aid opportunities
- Submit your renewal **early**—it matters!
- If your school requires the CSS Profile, you need to also renew every year for aid options at your school

LUCKY YOU!

You don't get to fill out the FAFSA or the CSS Profile just once! You get to go through the process **EVERY YEAR** you attend college in order to continue receiving 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?



Be a Smart Borrower



- Student debt is an increasing concern as more students graduate with staggering loan amounts.
- Think about how you'll repay your debt before you borrow.
- Consider every potential free financial aid option before borrowing.
- The federal government has made it very easy to borrow—this is good for access, but students need to be aware of the pitfalls of borrowing too much.
- **If you must borrow, only borrow what you need.**

Types of Federal Loans

- Undergraduate Students
 - Subsidized (6.39% interest and 1.057% fee)
 - Unsubsidized (6.39% interest and 1.057% fee)
- Graduate Students
 - Unsubsidized (7.94% interest and 1.057% fee)
- Parents
 - PLUS Loan (8.94% and 4.228% fee)

Changes to the Parent PLUS Loan

- All parents (combined) are limited to borrow no more than \$20,000 per year per dependent student
- Additionally, the aggregate borrowing limit per dependent student is \$65,000 (without regard to amounts forgiven, repaid, canceled, or discharged).



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’s Low-Cost Way to Pay for College!

Low, Fixed Rates

3.29–10.45%^{1,2}
APR

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.

Information Resource



Find Answers at [EducationPlanner.org](https://www.educationplanner.org)

- Career exploration
- Expected salaries by location
- Colleges & academic majors
- Colleges academic standards
- Self assessments
- Student & parent guidance

EDUCATION
PLANNER
.orgSM

MySmartBorrowing.org

- An interactive, online tool created by PHEAA that helps students and families:
 - Estimate career salaries and college tuition
 - View the impact of savings on overall cost
 - Calculate loan repayment
 - Avoid over-borrowing



How it Works

MySmartBorrowing guides students and families through four easy sections:



1

**Select a
Career**



2

**Select a
School**



3

**Factor in
Savings**



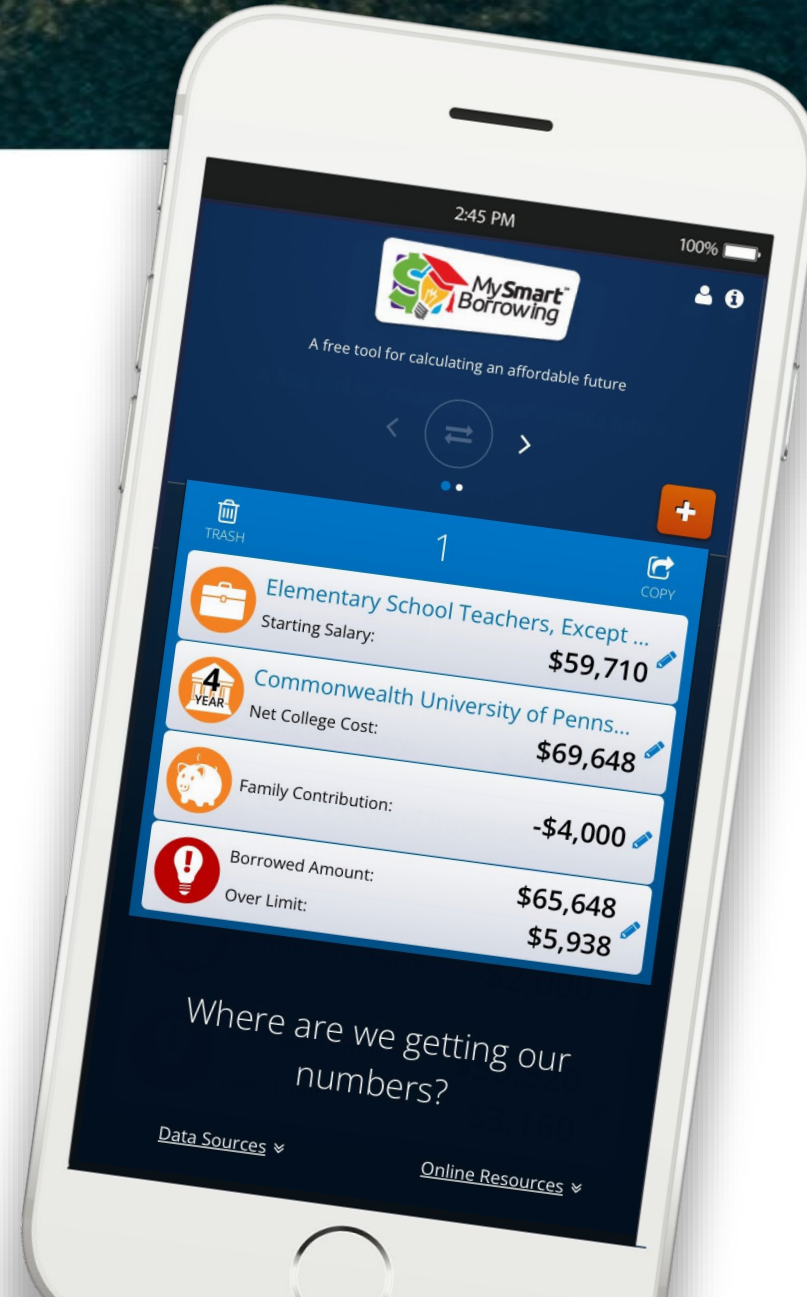
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**Get
Results**

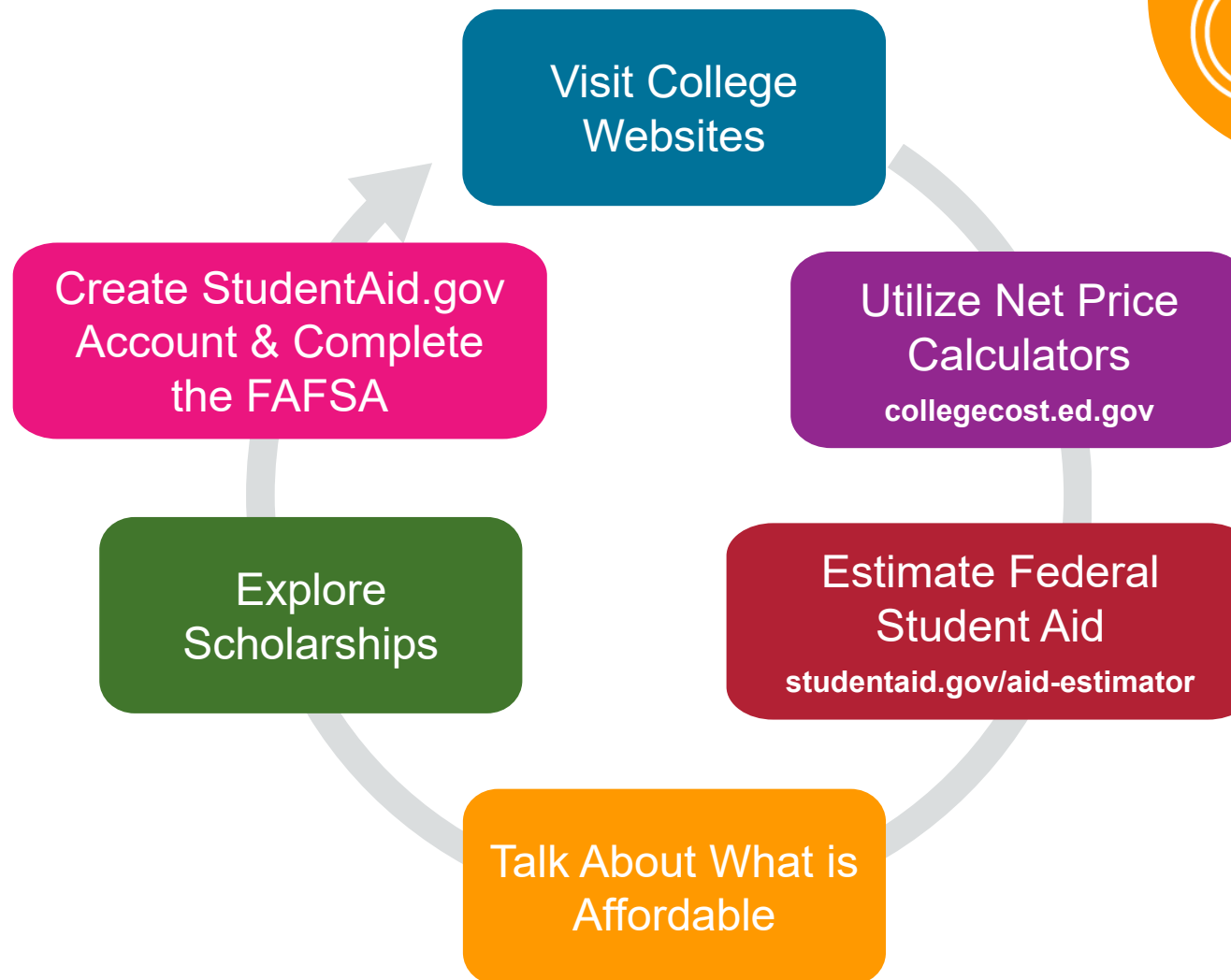
View the Results

Once you input your selections, you can:

- View your potential salary in your new career
- Add and compare up to four colleges
- See if you're borrowing too much



What Can You Do Now?



Use Your Resources

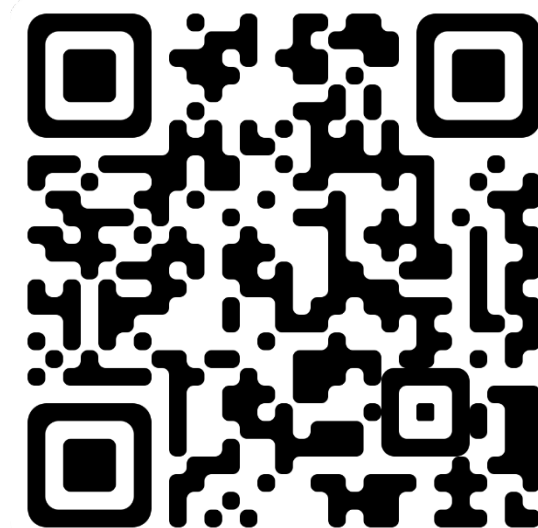


- pheaa.org
- EducationPlanner.org
- MySmartBorrowing.org
- YouCanDealWithIt.com
- PHEAA toll free: 1-800-692-7392
- PHEAA's Higher Education Access Corner Podcast (Available on Spotify, Amazon Music, iHeartRadio, and PHEAA's YouTube channel, PHEAAStudentAid)
- Federal Student Aid Info Center: 1-800-433-3243
- 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

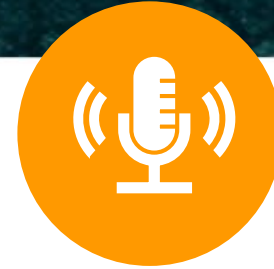
**Sign up for more information on
our programs and services!**

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!

Higher Education Access Corner Podcast



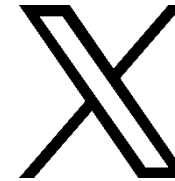
Do you enjoy podcasts? Check out PHEAA's Higher Education Access Corner Podcast!

- Higher Education Access Corner provides candid conversations around higher education access and affordability. Tune in to hear a variety of engaging discussions with industry professionals, as well as how PHEAA helps create affordable access to higher education.
- **Available on Spotify, Amazon Music, iHeartRadio, and PHEAA's YouTube channel, PHEAAStudentAid.**
- Subscribe and listen on your favorite podcast app or streaming platform!

Social Media Outreach



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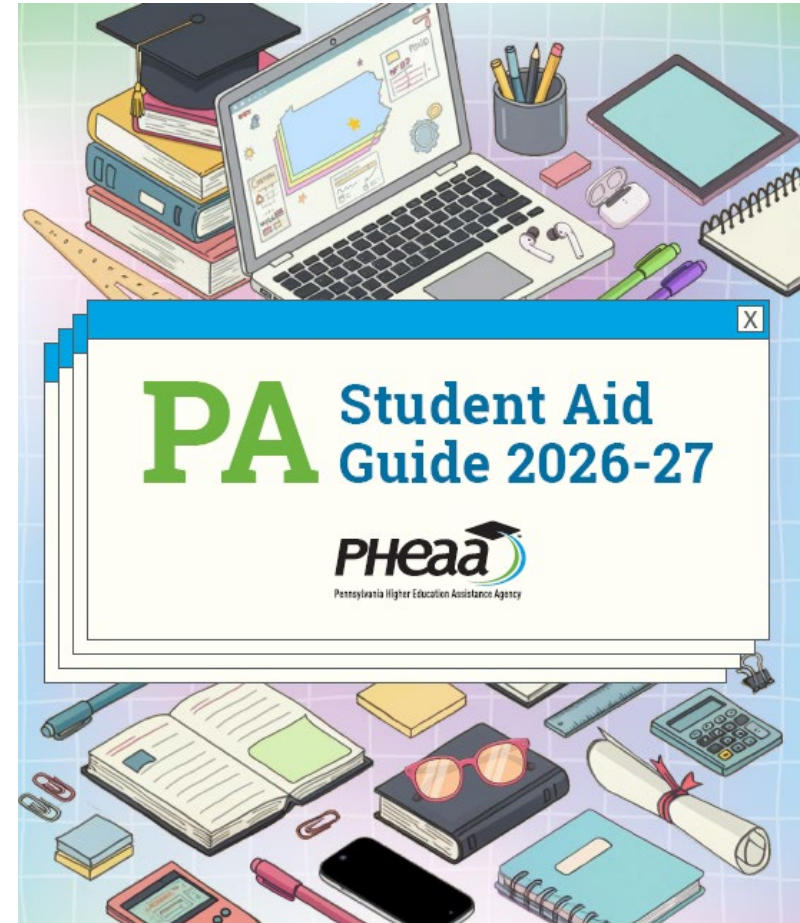
@PHEAAaid



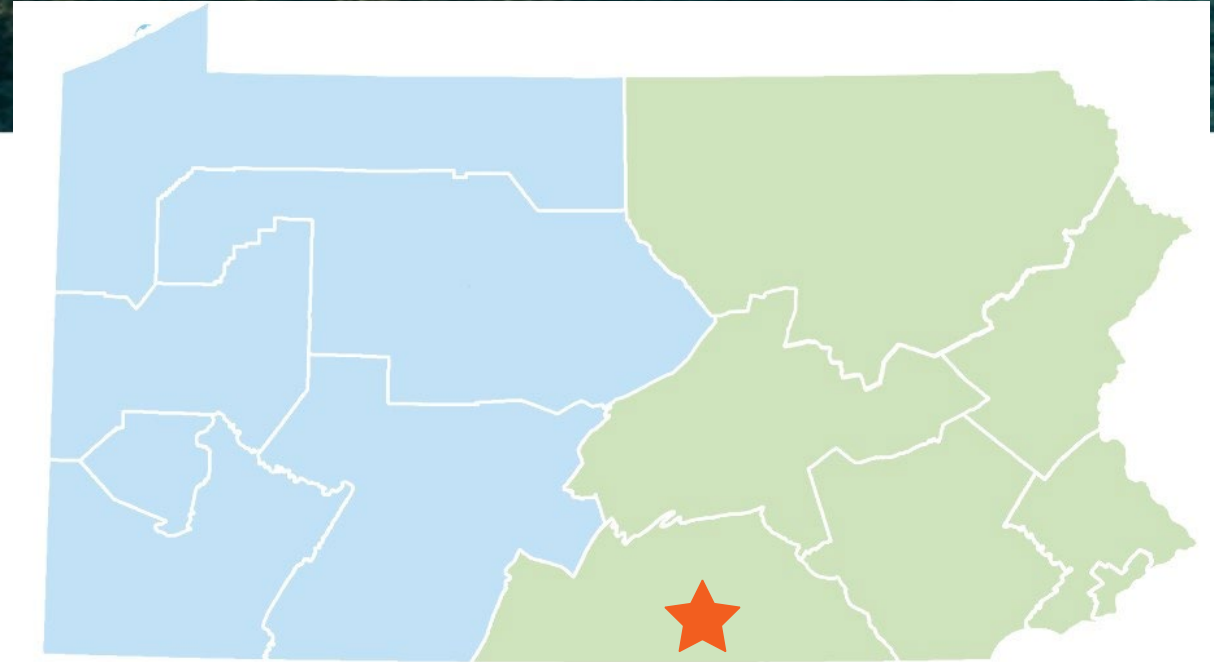
PHEAA

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 QR Code 



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