

# Financial Aid 101

## Paying for Postsecondary Education



# Your Presenter

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# Financial Aid 101

Latest Headlines and Trends



# A Recent Survey Says...

## HAVE YOU RULED OUT OR WILL YOU RULE OUT ANY COLLEGES BASED ON THEIR “STICKER” PRICE?

NO	45%
YES	40%
I DON'T KNOW YET	15%

“2014 Rising Seniors’ Perceptions on Financial Aid,”  
produced by Ruffalocody Enrollment Management,  
in conjunction with Scannell & Kurz



# A Recent Survey Says...

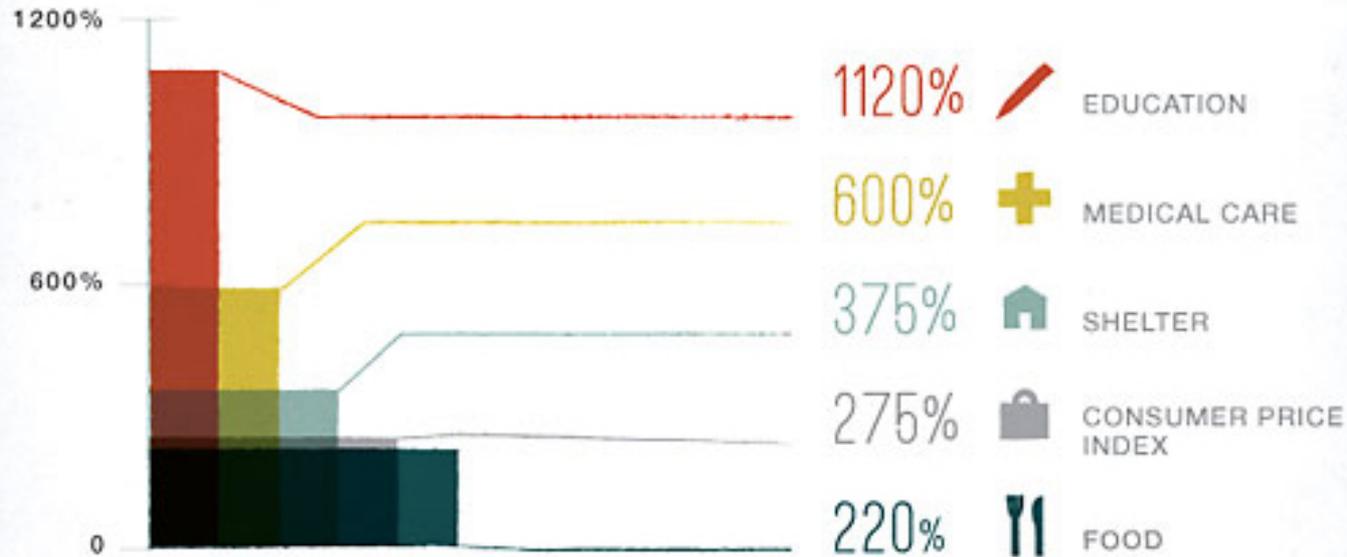
## ARE YOU GOING TO BORROW FOR YOUR UNDERGRADUATE DEGREE?

PLANNING TO BORROW	48%
I DON'T KNOW	43%
NOT PLANNING TO BORROW	9%

"2014 Rising Seniors' Perceptions on Financial Aid,"  
produced by Ruffalocody Enrollment Management,  
in conjunction with Scannell & Kurz



SINCE 1978, COLLEGE TUITION HAS INCREASED 1,120%



# The Rising Cost of College

With the rising cost of education, today's students are investing a small fortune in their college education. How has the price of college fluctuated through the years? What are students doing about the increase in college tuition?

# TROUBLING HEADLINES?

- Student Loan Burden Continues to Grow
- Paying For College - Are You and Your Student on the Road to Going Broke Or Into a Lot of Debt?
- Is College Worth the Money?
- U.S. Student Loan Balances Increase 62% Between 2004 and 2012
- When Kids Come Back Home



# Postsecondary Education Is Still Worth It

- 75% of today's jobs require education beyond high school
- According to U.S. Census Bureau data, the average college graduate from a 4-year degree program earns almost \$1,000,000 more over a lifetime than a high school graduate.



# Financial Aid 101

Be a Smart Consumer



# Be a Smart Consumer



- Do your research.
- What is the net price that you will pay?
  - » Use the Net Price Calculator at schools you are interested in attending to get an estimate of your “net price” to attend
  - » Net Price Calculator available on each school’s website
- What is the graduation rate?
- What is the average debt of graduates?
- What is the repayment rate and default rate of the school’s borrowers?
- What is the employment outcome for recent graduates?

# What Can You Do Now?

- Student and parent apply for an FSA ID at:
  - » [StudentAid.ed.gov/fsaid](https://StudentAid.ed.gov/fsaid)
- Visit websites with free information about college, financial aid and careers
- Explore scholarship opportunities – locally, regionally and nationally
- Use Net Price Calculator at schools interested in attending to get an estimate of your “net price” to attend
  - » Net Price Calculator available on each school’s website
- Use the free online tool, FAFSA4caster, to estimate EFC and eligibility for federal financial aid
  - » Available at [fafsa4caster.ed.gov](https://fafsa4caster.ed.gov)



# Financial Aid 101

## Financial Aid Basics



# What Is Financial Aid?

- Financial aid consists of funds provided to students and families to help pay for postsecondary educational expenses.
- Grants/Scholarships (free money)
- Self-Help (work, savings, etc.)
- Loans



# Basic Principles

- Paying is the joint responsibility of the student and parent(s), to the extent possible.
- Need-based financial aid is subject to a federal formula to determine financial need.
- Not all families qualify for need-based aid. There is no guarantee that you will get any free money to pay for higher education.



# Where Does the Money Come From?



- Federal Government
- State Government
- School/Colleges
- Private Scholarship Sources:
  - » HS counselors
  - » Clubs and organizations
  - » Employers
  - » Internet scholarship searches



# Financial Aid 101

## Scholarships



# School Scholarships



- Most postsecondary schools have internal scholarships
  - » Criteria varies by school
  - » Check their websites (financial aid, admissions)
  - » Note DEADLINES
- High school community scholarships
  - » Check with your guidance counselor
  - » Many internal scholarships exist - note DEADLINES
- Don't forget about national scholarships
  - » Companies, organizations, groups



# Scholarship Search Tips



- Start searching early
- Use **FREE** scholarship search sites
- Don't ignore scholarships with smaller award amounts
- Don't miss deadlines
- Search for scholarships every year
- Check corporate websites such as Target, Walmart, Kentucky Fried Chicken:
  - All have scholarship programs and you don't have to work there to get them



# Your Scholarship Resume

- Activities and Hobbies
- Clubs
- Sports
- Community Service
- Religious Affiliation
- Academic Interests
- Keep track of the hours spent in community service, working and doing special projects.
- Write down the dates you participated in various activities.

# Displacement vs. Stacking

Ask your school's Financial Aid Office:

**“ If I receive an outside scholarship, will you reduce the scholarship money you gave me by that amount or will you stack my new scholarship on top of what you gave me? ”**



# Financial Aid 101

Process of Federal and State Aid



# Starting the Financial Aid Process

Know what financial aid forms each school requires

## ALL Schools Require:

- **FAFSA** (Free Application for Federal Student 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

# FAFSA – Free Application for Federal Student Aid

## FAFSA.gov

- FAFSA is the primary federal form for financial assistance to attend postsecondary school
- It determines:
  - » Expected family contribution, need
  - » Eligibility for most aid programs
- Must file a FAFSA to be eligible for these programs each year a student attends school
- File online – Fast, Secure, SKIP LOGIC and Built-in Edits
- Want practice? Visit FAFSA4CASTER



# Know When to Apply for FAFSA & 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 1<sup>st</sup> 2016 | Juniors: on or after Oct 1<sup>st</sup> 2016**
- **School Deadlines** – some WILL be earlier
- **PA State Grant Deadlines for FAFSA**
  - » **May 1, 2016** – First-time and renewal students attending colleges, universities & college transferrable programs (excluding community colleges)
  - » **August 1, 2016** – First-time students attending community college; business, trade or technical schools, hospital school of nursing; Open Admissions Institutions or a 2-year non-transferrable degree program at a Jr or 4-year college.

# Electronic Signature:

## Create an FSA User ID and Password:

- **NEW** - Replaces the "PIN" as of 5/10/15
- Student and one parent will sign the FAFSA electronically - each needs a SEPARATE email address and ID/password
- **A FAFSA IS NOT COMPLETE UNTIL SIGNED!**

## You'll use it again for:

- Renewal FAFSA
- FAFSA status and corrections
- Signing a Direct Loan Master Promissory Note (MPN)
- Complete required entrance and exit loan counseling
- Review loan history at [NSLDS.ed.gov](http://NSLDS.ed.gov)

The image shows a computer monitor displaying the StudentAid.gov website. The top navigation bar includes links for 'About Us', 'FSA ID', 'StudentAid.gov', and 'Help'. A circular callout highlights the 'FSA ID' link. Below the navigation bar, a banner reads 'Get help paying' and 'Submit a Free Application for'. Another circular callout highlights the text 'your electronic passport to federal aid. Now, you can create an FSA ID now.' on a page titled 'What is an FSA ID? The FSA ID is your electronic passport to federal aid. Now, you can create an FSA ID now.' The main content area on the monitor is titled 'Create a New FSA ID' and contains the following text:

Create a New FSA ID

An FSA ID gives you access to Federal Student Aid's online systems and services. It is used to electronically sign your federal student aid documents.

Only create an FSA ID using your own personal information and for your own use. Do not create an FSA ID on behalf of someone else, including a family member. Misrepresentation of your information could result in criminal or civil penalties.

To create your own personal FSA ID, enter answers for the questions below and select CONTINUE.

*Important: When you are done click the CANCEL button to clear your data, even if you did not finish creating your FSA ID. Just closing your browser window or going to another website may not be enough to prevent other people using this computer from seeing your information until the session expires.*

The form on the monitor includes the following fields and options:

- Log in to STUDENTAID.GOV
- Create An FSA ID
- Edit My FSA ID
- E-mail
- Confirm E-mail
- Username \*
- Password \*
- Confirm Password \*
- Are you 13 years of age or older? \*
- Options:  I am 13 years of age or older.  I am 12 years of age or younger.
- Character requirements:  Numbers  Uppercase Letters  Lowercase Letters  Special Characters  8-30 Characters  Show Text
- Links: [Log in to STUDENTAID.GOV](#), [Edit My FSA ID](#), [Frequently Asked Questions](#)

# Federal Programs

- Pell Grant (2015-16 max award \$5,775)\*
- Campus-based aid – amounts determined by FAO
  - » FSEOG..... up to \$4,000
  - » Federal Work-Study..... FAO determines
- For most programs, student must be enrolled at least half-time.

\* Goes to most financially needy students



# Other Federal Programs

**Please check out  
this website to  
see all federal aid  
sources:**



**[StudentAid.ed.gov/types](https://StudentAid.ed.gov/types)**

# Pennsylvania State Grant\*

- In-state (PA) - Full-time up to \$4,340
- In-state (PA) – Part-time 1/2 of the FT award
- Out-of-state - Up to \$600 in DC, DE, MA, OH, RI, VT, WV
- Amount determined in part by the cost of the school

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



# Other State Programs

- State Work-Study - job related to major
- Educational Assistance Grant (EAP) – National Guard
- Chafee Education and Training Grant – co-administered with the PA Department of Human Services
- Blind or Deaf Beneficiary Grant
- Postsecondary Educational Gratuity Program (PEGP)
- Partnerships for Access to Higher Education (PATH)
- Pennsylvania Targeted Industry Program (PA –TIP)
- Ready to Succeed Scholarship (RTSS)
- For details, see the PA Student Aid Guide, or visit [PHEAA.org](https://www.pheaa.org).

# Financial Aid 101

## Smart Borrowing



# MySmartBorrowing.org

An interactive, online tool created by PHEAA that helps students and families:

- Estimate career salaries & college tuition
- View the impact of savings on overall cost
- Calculate loan repayment
- **Avoid over borrowing**



**MySmartBorrowing.org**

# How it Works

MySmartBorrowing guides students and families through four easy sections:



1

**Select a Career**



3

**Factor in Savings**



2

**Select a School**



4

**Get Results**

# Borrowing for Higher Education

- Always consider federal loans first.
  - » They may have the best interest rates and repayment provisions.
- Borrow in the following order:
  - » Stafford Loan (currently 4.29% fixed) – student
  - » PLUS Loan (currently 6.84% fixed) – parent and graduate student
  - » Alternative Loan (variable/fixed rates) – last resort

# 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.



# The Rule

- Don't borrow more to get your education than you can reasonably expect to make during your very first year in the workforce.
  - » Keep loan payment <12% of gross earnings



# Financial Aid 101

## Federal Loans



# Federal Direct Loan Program

- Available to ALL students REGARDLESS of need
- Additional unsubsidized funds available for Independent & Parent PLUS denials
  - » 4.29% variable/fixed interest rate (AY 15/16), 1.068% fee
  - » Rates set every July 1st for the life of that year's loan; fees are deducted from disbursement
- AWARDED to every eligible undergraduate student
- 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 period
- 150% RULE applies – New borrowers as of 7/1/13

Based on FAFSA, students have a combination of:

- **Subsidized** = government pays interest in school and grace status
- **Unsubsidized** = interest accrues in school and grace

**StudentLoans.gov & school's website!**

# 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
<b>1<sup>st</sup> Year</b>	<b>\$5,500</b> Total No more than \$3,500 may be subsidized	<b>\$9,500</b> Total No more than \$3,500 may be subsidized	<b>\$20,500</b> each academic year Graduate / Professional students are no longer eligible for subsidized loans
<b>2<sup>nd</sup> Year</b>	<b>\$6,500</b> Total No more than \$4,500 may be subsidized	<b>\$10,500</b> Total No more than \$4,500 may be subsidized	
<b>3<sup>rd</sup> Year and beyond</b>	<b>\$7,500</b> Total No more than \$5,500 may be subsidized	<b>\$12,500</b> Total No more than \$5,500 may be subsidized	
<b>Aggregate Limits</b>	<b>\$31,000</b> Total No more than \$23,000 may be subsidized	<b>\$57,500</b> Total No more than \$23,000 may be subsidized	

# Federal Direct PLUS Loan

- For parents of dependent undergrad or graduate level students
- Direct Parent PLUS Loan - in parent's name for student costs
  - » 6.84 % variable/fixed interest rate; 4.272% fees (AY 15/16)
- Rates set every July 1st for the life of that year's loan; fees are deducted from disbursement
- Can borrow up to the Cost of Attendance
- MUST apply each year loan is taken
- No Debt-to-Income test, only lenient credit check
  - » Can have an endorser (co-signer)
- Principal payment 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
- Must complete a FAFSA to determine any additional aid

# Benefits of Paying Interest

- Paying now will reduce what is capitalized!
- Interest accrues on your Federal 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



# Financial Aid 101

## Private/Alternative Loans



# Private/Alternative Loans



**Consider these  
ONLY after looking  
into all other sources  
of financial aid**



# Private/Alternative Loans

- Non-federal loans, made by a *lender* such as a bank, credit union, state agency, or school
- Student borrows in his own name
- Based on credit scoring and debt-to-income ratio
- Repayment may be deferred until education completed
- Fees, interest rates, loan amounts, and repayment provisions vary by lender and are generally higher than federal student loans
- **Co-signers usually required**; some loan products have a co-signer release option
- Compare loans before making choice and read the fine print!

# Financial Aid 101

## FAFSA & State Grant Highlights



# IRS Data Retrieval Tool (DRT)

- The IRS Data Retrieval Tool allows students and parents to access IRS tax return information needed to complete the FAFSA. Students and parents may transfer the data directly into their FAFSA.
- IRS Data is available:
  - » After 2 weeks of electronically filing federal tax return
  - » After 8 weeks of filing a paper federal tax return
  - » If student used estimated income to complete FAFSA, can go back once taxes are filed and use IRS Data Retrieval Tool.



# 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

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

### Parent Tax Information

Application was successfully saved.

For 2014, have your parents completed their IRS income tax return or another tax return?

For 2014, what is your parents' tax filing status according to their tax return?

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

Did you, the parents, file a Form 1040X 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 11 weeks)?  
 Yes  No

Based on your response, we recommend that you, the parents, transfer your tax information from the IRS into this FAFSA. [How you filed your taxes](#) can affect whether your tax return information is available to transfer.

Enter your PIN and click **Link To IRS**.

Which parent are you?

What is your (the parent's) PIN?  
  
[Apply For A PIN](#)  
[I Forgot/Don't Know My PIN!](#)  
**LINK TO IRS**

PREVIOUS NEXT

NEED HELP? SAVE CLEAR ALL DATA VIEW FAFSA SUMMARY EXIT

### 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 11 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 can attempt to use the [IRS Data Retrieval Tool](#); however, if you are not able to transfer your tax return information into your FAFSA at this time, you can try again in a week or two or you can manually enter your tax return information.

Download [Adobe Reader](#)

Privacy

# 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 to use 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**

# Info You May Need to Complete the FAFSA:



- Social Security Numbers
- Driver's license (student only; this information is optional)
- Previous year's 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 >100 employees / if you don't live on the farm)
- Records of any stocks, bonds and other investments, including 529 accounts (Net amounts)
- 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 U.S. citizen)

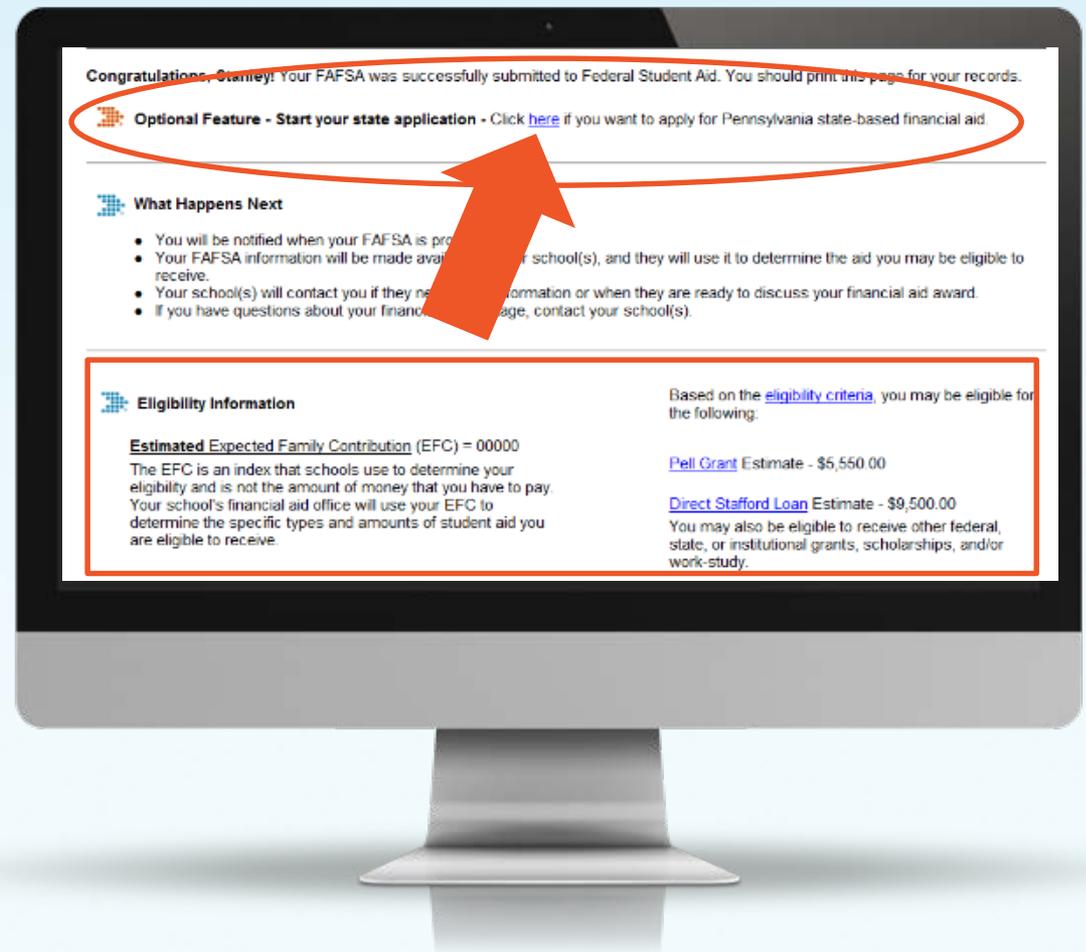
# FAFSA - School Selection

- Look at more than one!
- Schools will only be allowed to see your financial information when you list them on the FAFSA
- **You can add up to 10 colleges**
- NOTE: Once your final decision is made, update your PA Grant information with the school you WILL attend.

The screenshot shows the FAFSA 'School Selection' page. The navigation bar at the top includes 'Student Demographics', 'School Selection' (highlighted with a red circle), 'Dependency Status', 'Parent Demographics', 'Financial Information', 'Sign & Submit', and 'Confirmation'. The main content area has a blue header 'School Selection'. Below the header, there are two messages: an information message stating '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.' and a confirmation message 'Application was successfully saved.' Below these messages, there is a search section with the text: '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.' The search fields include 'State' (a dropdown menu with 'Select' as the current selection), 'City' (a text input field with '(optional)' next to it), and 'Federal School Code' (a text input field). A red arrow points from the text 'You can add up to 10 colleges' to the 'City' field.

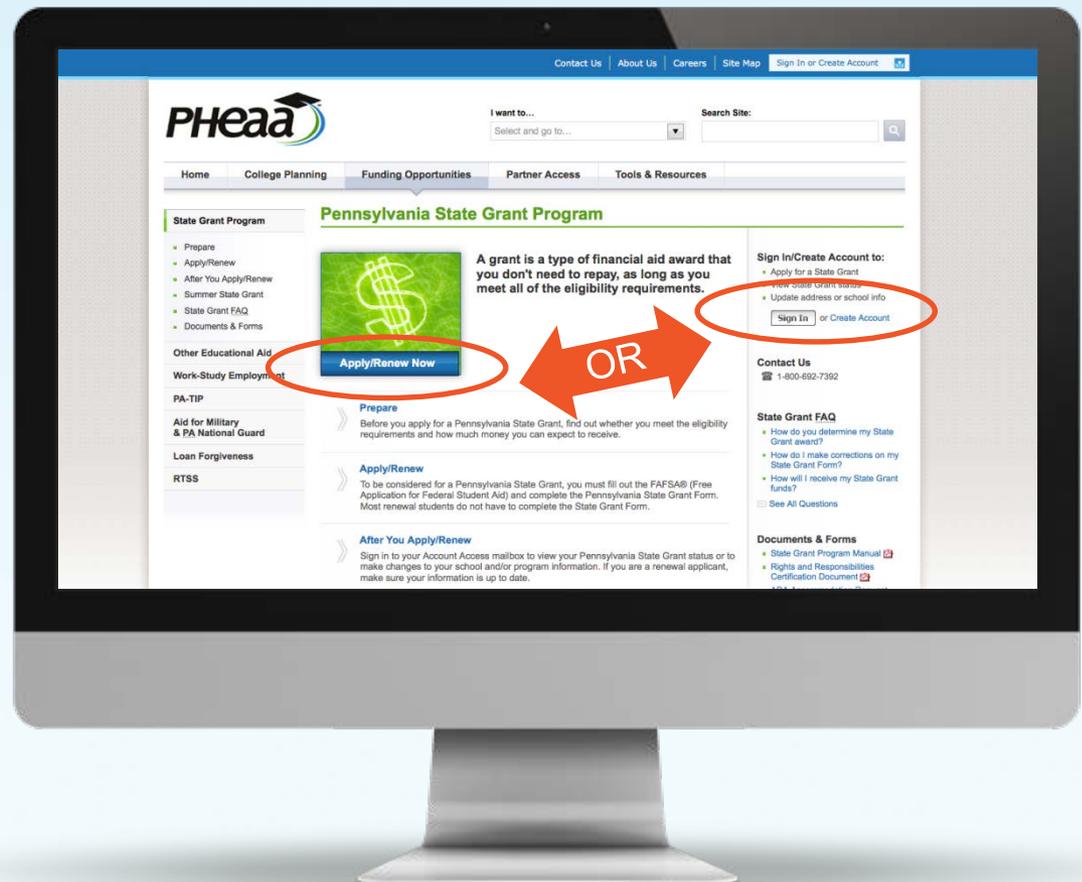
# FAFSA Confirmation Page

- Apply for your State Grant from the FAFSA Confirmation page
- Start your state application to apply for Pennsylvania state based financial aid
- TRANSFERS FAFSA data to the State Grant Application



# Online State Grant Application

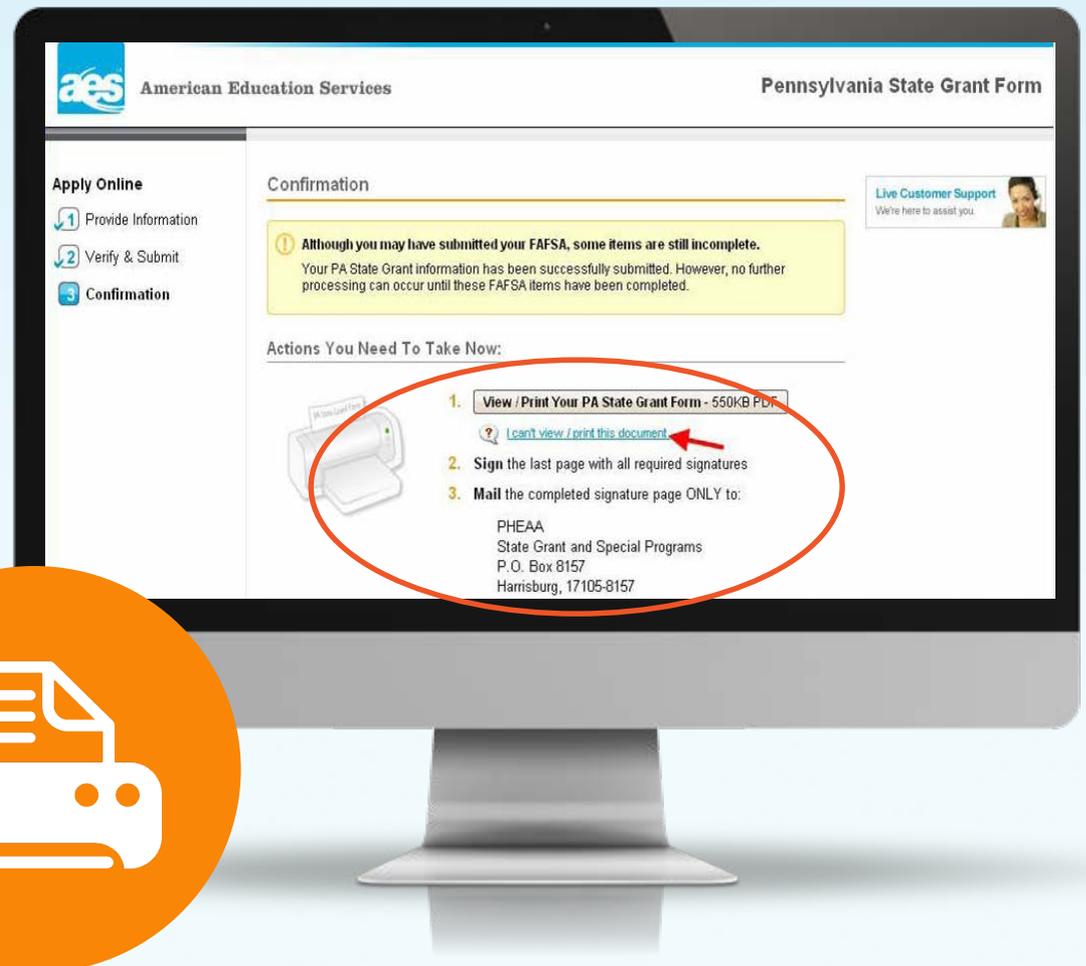
- Link off the FAFSA Application Confirmation Page
  - » **Missed the link or it wasn't available?**
    - Link in an email sent to student/parent from PHEAA, OR
    - Go to [PHEAA.org](http://PHEAA.org); State Grant Program; and complete the form
- Additional questions needed to determine PA State Grant 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

# All Done? Now What?

You MUST print, sign & mail in the grant confirmation page



# Financial Aid 101

## FAFSA – Frequently Asked Questions



# Who Is Independent?



- Are you married?
- 24 or older on Jan 1st of award year (January 1, 1993)
- 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
- (PA State Grant status can be different)

# Whose Info Goes on the FAFSA?

- Divorced or separated parents (The parent the student lived with the most over the past 12 months. If equal, then the parent who provided more than 50% of student's support)
- Stepparents - YES
- Adoptive parents - YES
- Foster parents - NO
- Legal guardians - NO
- Anyone else the student is living with - NO

# Special Circumstances



- ✓ Recent death or disability
- ✓ Reduced income
- ✓ Loss of job
- ✓ High medical expenses
- ✓ Recent separation or divorce

Contact the school and ask for a special consideration AND contact State Grant Division at PHEAA



# Financial Aid 101

Forms Are Filed – Now What?



# Determining Need-Based Eligibility



- Student submits FAFSA
- Family undergoes Need Analysis
- Expected Family Contribution (EFC) is determined based on:
  - » Parent income and assets
  - » Student income and assets
  - » Family size
  - » Number of children in college
  - » Age of the older parent
- This is NOT necessarily the amount you will pay each year!

# What Happens Next?

- Student Aid Report or Acknowledgment sent to student (review and make necessary corrections)
- Information is sent to PHEAA. Student must complete State Grant Form (SGF). Can link to this directly from the FAFSA.
- Account Access (PHEAA) - Create an account at [PHEAA.org](https://www.pheaa.org) to view PA State Grant
- Information is sent to schools/colleges. Send to all schools being considered.



# What School Costs are Considered?

- School costs include:
  - ✓ Tuition and fees
  - ✓ Room and board
  - ✓ Books and supplies
  - ✓ Transportation
  - ✓ Miscellaneous living expenses
  - ✓ Child care, if necessary



**You can receive  
financial aid up to  
the total of the  
school costs  
regardless  
of your EFC!**



# Calculating Financial Need

**Schools/colleges receive financial aid 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 award letter sent to student

School Cost	\$26,000
EFC	-\$3,000
<hr/>	
Financial Need	\$23,000



# Financial Aid Award Letter

- Official notification from 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
- Discloses students rights, responsibilities and academic requirements



# Financial Need

- Your financial aid package may not meet all of your calculated financial need.
- Be sure to determine how much will be required of you in out-of-pocket costs and loans.



# Reviewing the Financial Aid Package

- After reviewing their packages, students should be sure they know and understand the following:
  - » 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; in particular, is there a GPA requirement?
  - » Will awards change from year to year?
  - » Will institutional awards increase as tuition increases?
  - » Will loans be needed? If so, how much?

# Comparing Packages

<b>Cost</b>	<b>\$20,000</b>	<b>\$30,000</b>	<b>\$50,000</b>
<b>EFC</b>	\$ 3,000	\$ 3,000	\$ 3,000
<b>Need</b>	\$17,000	\$27,000	\$47,000
<b>Free Money</b>	\$ 6,000	\$ 8,000	\$18,000
<b>Loans</b>	\$ 5,500	\$ 5,500	\$ 5,500
<b>Work-Study</b>	\$ 0	\$ 2,000	\$ 3,000
<b>TOTAL AID</b>	<b>\$11,500</b>	<b>\$15,500</b>	<b>\$26,500</b>
<b>Gap = (Cost – Aid)</b>	<b>\$ 8,500</b>	<b>\$14,500</b>	<b>\$23,500</b>
<b>Actual Cost = (Cost – Free \$)</b>	<b>\$14,000</b>	<b>\$22,000</b>	<b>\$32,000</b>

# How to Cover Unmet Financial Need



- Savings – Family
- 529 Plans – Family
- Scholarships – Various Sources
- Grants – Federal and State
- Tuition Payment Plans – School
- Federal Student Loans – Department of Education
- Institutional Loans – School
- Private Education Loans – Bank
- Home Equity Loans – Bank



# How Much Should I Borrow?



- Estimate your full cost of school
- Borrow only what you need
- Research your earning potential
- Don't borrow more to get your education than you believe you can earn your first year in the workforce
- Think long-term
- Keep a healthy mindset about debt



# Financial Aid 101

Final Thoughts/Wrap-Up



# The Plan



- ✓ Narrow down career choices
- ✓ Research and apply to several schools
- ✓ Work hard on scholarship search
- ✓ Don't fear the FAFSA (do the State Grant app, too)
- ✓ Release your info to several schools
- ✓ Compare estimated financial aid award letters
- ✓ Make the tough choices
- ✓ Think of the future
- ✓ Finish on time

# Beware of the 5-Year Plan

Things like double majors, study abroad, internships, and athletics can enhance the educational experience and improve marketability. But it comes at a price:

- Total cost just increased by 25%
- The 5<sup>th</sup> year likely costs 20% more than the 1st year did
- Loss of institutional funds if they only allow for 4 years
- Loss of PA State Grant if all 4 years have been received
- Reduction in student borrowing capacity if maximum loans received in the first 4 years (only \$4,000 left)
- Talk it over and plan ahead!

# Financial Aid 101

## Resources



# Use Your Resources

- **PHEAA.org**
- **EducationPlanner.org & MySmartBorrowing.org**
- **YouCanDealWithIt.com**
- **MyFedLoan.org**
- **PHEAA toll free: 800.692.7392**
- **Federal Student Aid Info Center – 800.433.3243**
- **FASFA.gov**
- **StudentAid.gov – general financial aid info**
- **StudentLoans.gov – information on federal loans**



# Contact Information

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