

# Financial Aid Night

Hosted by Penn State Harrisburg  
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# FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA)

- **2020-21 FAFSA**
  - **October 1, 2019**
- **Based on 2018 tax information**



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# 2020-21 FAFSA Cont'd

- **File online at [www.fafsa.gov](http://www.fafsa.gov)**
  - Recommended filing date by December 1, 2019
  - October-April, FAFSA completion days throughout PA visit [PHEAA.org](http://PHEAA.org).
- **FSA ID required**
  - Both student & parents
  - Apply at [www.fsaid.ed.gov](http://www.fsaid.ed.gov)



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# What does the FAFSA look at?

- Parent Income
- Student Income
- # living in the household
- # in college
- Assets (2<sup>nd</sup> home, savings, untaxed retirement/pensions, investments)



# What does the FAFSA Calculate?

The FAFSA takes all of the income and asset information, and will generate a unique **Estimated Family Contribution (EFC)**. This number determines the amount of need-based financial aid the student is eligible to receive.

Generally speaking, the lower the EFC, the more the need-based aid that is offered.



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# Is there anything else I need to do/apply for?

1. Does your school require CSS profile?
2. Student status form through PHEAA
3. Any additional applications for external or internal scholarships through school of choice?
4. May be selected for Verification!



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# When are Award Letters Released?

Ask your school! Awarding is generally done after an offer of admission has been made.



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# General Eligibility Requirements

- **U.S. Citizen or eligible non-citizen**
- **HS diploma or equivalent**
- **Degree seeking & enrolled for minimum 6 credits**
- **Maintain satisfactory academic progress**
- **Not in default on any loans or owe refund**
- **Registered with the Selective Service**



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# Types of Financial Aid

## Federal Aid:

- Pell Grant (\$6045)
- Federal SEOG (\$1200)
- Subsidized/Unsub Loans (\$5500)
- Federal Work Study (amount to earn varies by school)

## State Aid:

- PA State Grant (\$3772)
- Limited reciprocal states (WV, DC, VT, DE, MA)

## Institutional:

- Scholarships

## Outside Sources:

- Scholarships, Employment, VA benefits, Private Loans



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# Direct Loans

- **Any accredited school/college/university receiving Title IV funding participates in Direct Lending for Stafford, Plus & Grad-Plus loans.**
- **Interest Rate: 4.53%**
  - Subsidized
  - Unsubsidized
  - Origination fee 1.062%



# Direct Loans Continued

## Dependent Undergraduate Annual Loan Limits

(not including students whose parents are unable to borrow under the PLUS Program)

First Year	<b>\$5,500</b> of which no more than <b>\$3500</b> may be subsidized
Second Year	<b>\$6,500</b> of which no more than <b>\$4,500</b> may be subsidized
Third Year and Beyond	<b>\$7,500</b> of which no more than <b>\$5,500</b> may be subsidized



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# How is Aid Determined?

$$\begin{array}{ccccc} \text{Cost of} & & \text{Expected Family} & & \\ \text{Attendance} & & \text{Contribution} & & \text{Financial} \\ \text{(COA)} & - & \text{(EFC)} & = & \text{Need} \end{array}$$



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# **COST OF ATTENDANCE ACADEMIC YEAR (2 SEMESTERS)**

- **Direct Costs (billed)**
  - **Tuition & Fees**
  - **Room & Board**
- **Indirect Costs (unbilled)**
  - **Books & Supplies**
  - **Transportation**
  - **Personal Expenses**



# COMPARING YOUR OFFERS

Sample FA Package	School A	School B	School C
Cost of Attendance	\$ 20,000	\$ 35,000	\$ 50,000
- Federal EFC	\$ 2,000	\$ 2,000	\$ 2,000
= Financial Need	\$ 18,000	\$ 33,000	\$ 48,000
Federal Pell Grant	\$ 3,970	\$ 3,970	\$ 3,970
PA State Grant	\$ 3,600	\$ 3,900	\$ 4,318
Federal SEOG	\$ 0	\$ 500	\$ 1,500
Institutional Grant	\$ 0	\$ 3,500	\$ 12,000
Private Scholarship	\$ 500	\$ 500	\$ 500
Federal Work-Study	\$ 1,300	\$ 3,000	\$ 3,000
Direct Sub Loan	\$ 3,500	\$ 3,500	\$ 3,500
Direct Unsub Loan	\$ 2,000	\$ 2,000	\$ 2,000
Total Aid	\$ 14,870	\$ 20,870	\$ 30,788
<b>GAP (Cost – Aid)</b>	<b>\$ 5,130</b>	<b>\$ 14,130</b>	<b>\$ 19,212</b>



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# Federal Direct Parent Plus Loan

- Parents borrows on behalf of the dependent student.
- Application required w/credit check
- Fixed interest rate of 7.08%
- Fees 4.27%
- Can elect to defer payment or start payment 6 months after first disbursement



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# Private Sources

- Private Loans (e.x. Sallie Mae, Wells Fargo, PNC)
- Service/Fraternal
- Employers/Business
- Churches
- High School
- Internet - Free
  - Fastweb.com
  - Scholarships.com
  - Scholly App



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# Be Scholarship Search Savvy

- No Credit Cards
- No Fees
- No Personal Info
- No Guarantees



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# Tips:

- File early—follow recommend filing dates
- Send FAFSA to as many schools as you are applying
- Apply for scholarships early and often
- Do research: what types of aid are offered, what does each school cost?
- Talk to FA Office regularly



# Questions?



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