



# FINANCIAL AID

*Tips and some practical advice on  
applying for financial assistance*

**Presented by:**

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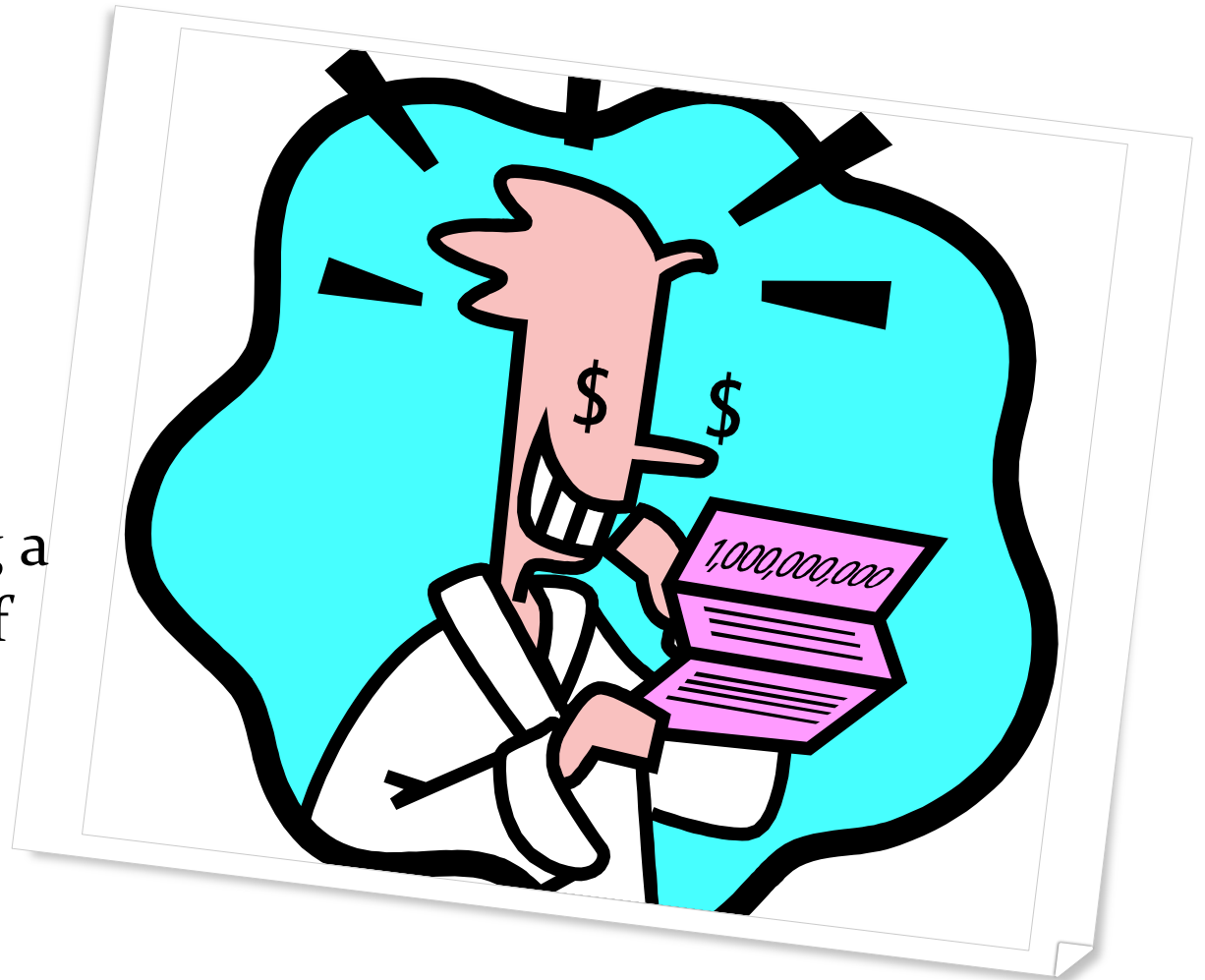
# What is Financial Aid?

Any funds provided  
to students and families  
to help pay for  
Postsecondary Educational  
expenses



# Goal of Financial Assistance

To provide the student with an award notice listing a source or sources of aid to allow the student to enroll in the institution of their choice.



# Types of Financial Aid

- Grants/scholarships = free money, does not need to be repaid
- Loans = needs to be repaid
- Student Employment = on or off-campus employment

# Categories of Financial Aid

## Merit based aid

Grant assistance awarded on the basis of merit.

Merit is defined by the institution or organization providing the funds.

## Need-based aid

Grant aid awarded to students on the basis of financial need.

# Merit-Based Aid

- Award usually remains the same over the course of the student's academic career while need-based aid can change based on families financial situation
- Merit may be defined in a variety of ways
  - Academic record SAT, ACT, GPA, HS RANK
  - Special characteristics Leadership, Creativity
  - Skills or talents Musical, Athletic, Writing
  - Involvement Community service, Work

# Merit-Based Aid

- Amounts can vary significantly from school to school

**Rule of thumb: more competitive the institution – less merit based aid**

- May require an application, interview, audition, references, submission of additional materials
- May require an earlier date to apply for admission
- May be administered by an office other than FA
- May or may not be offered to transfer students

# Need-Based Aid

- *Need-Based Aid* = aid awarded to students on the basis of financial need.
- Re-evaluated each year as financial situations change.
  - Need varies based on cost of attendance
  - Determination of need will be based on submission of an application showing family income, assets, family size, number of family members in college, etc.



# How do you apply for need based aid?

- Complete the Free Application for Federal Student Aid (FAFSA)
- State Grant Form (SGF) for PA residents
  - Required for First Year Students and may be requested for subsequent years
  - This form is completed while filing the FAFSA or after at [www.pheaa.org](http://www.pheaa.org)
- Check with each school regarding their application process
  - Some schools have their own application
  - May require a copy of tax returns, and/or W-2 forms
  - The CSS Financial Aid PROFILE may also be required at some institutions

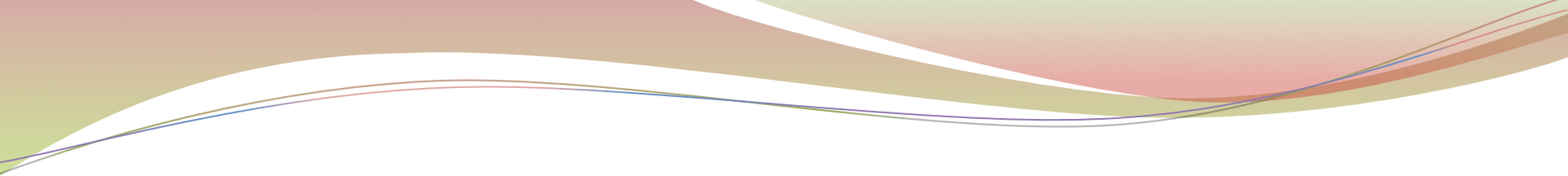
# What Is the FAFSA?

- **Free** Application For Federal Student Aid (FAFSA)

[www.fafsa.gov](http://www.fafsa.gov)

- Use it to apply for federal & state aid
- May be application for college aid, depending upon the school:
  - File one FAFSA per student (not one per college)
    - List all the schools you are considering so the results of the FAFSA go to each school
    - If PA resident and applying to a PA school it is good to list a PA school first – otherwise you can list schools in any order

Need to file a FAFSA every year !



Did I hear some things  
changed last year?

What's going on???

# Be aware of....

## Change #1: Earlier FAFSA® Launch

- 2018-19 FAFSA available OCTOBER 1, 2017 at [www.fafsa.gov](http://www.fafsa.gov)

## Change #2: Earlier Income Data Required

- 2016 tax data required
- Normally would have been 2017

# FAQs About the new changes

## Can a student choose to report 2017 information?

- No; you do not have a choice of which year to report
- Must report info for the year the FAFSA indicates
- Talk to college if big change in financial circumstances
- Remember: Certain items on FAFSA are “as of today,” so you must read each question and fill out accordingly

# FAQs about the new changes

## Will students receive aid award earlier if they apply earlier?

- Not necessarily; some schools will make offers earlier; others won't
- [collegescorecard.ed.gov](http://collegescorecard.ed.gov) allows for cost comparison of schools based on averages
- Remember: early aid offers will likely be estimates (Pell maximum not announced until early 2018)

# Completing the FAFSA

- IRS DATA Retrieval Tool (DRT) Tool to assist in the completion of the FAFSA
  - Allows family to download tax information directly from the tax return onto the FAFSA.
- Last spring the Department of Education took the data retrieval tool offline to address concerns over identity theft.
- For the 2018-19 year the tool will return with some changes.
  - It will limit the information that displays to the applicant in order to enhance the security and privacy of sensitive personal data transferred to the FAFSA from the IRS.

# Filing The FAFSA

- Students need to be encouraged to apply even if they are not sure of their attendance at a particular school
- Do not wait to be accepted to college to file for financial assistance
- Student and parent must create an FSA ID



# Whose Information Goes on the FAFSA?

- Dependent Student and Parent(s) - yes
  - Independent student – only student & spouse)
- Divorced or separated parents (provide information about the parent you lived with most in the last 12 months or the parent that provides the most financial support if you lived with each parent equally)
- Stepparents or adoptive parents- yes
- Foster parents or Legal guardians - no
- Anyone else the student is living with – no

For unusual circumstances – check with school or guidance counselor

# Deadlines



- Check each institution for their specific deadline date
- State or federal deadline dates may differ so make sure you are meeting all timelines: several states will change from “as soon as possible after Jan 1 to “as soon as possible after Oct 1”
- Schools may be accelerating their deadlines
- CSS PROFILE deadline now may be the same as FAFSA deadlines

# Financial Need

**Cost of Attendance (COA)**

**-Expected Family Contribution (EFC)**

**= Financial Need**

# Cost of Attendance (COA)

Typically includes:

- Tuition & fees
- Room & board (remove Room and board if commuter)
- Books & supplies allowance
- Personal expenses allowance
- Transportation allowance

# What Is The Expected Family Contribution?

- EFC is determined by a formula that considers a student & parents' financial situation
- Amount a family can reasonably be expected to contribute to the student's education during the school year
- EFC & Financial Need are guidelines used by schools to determine aid package

FAFSA=Federal Methodology (FM) determines EFC for federal aid

CSS PROFILE = Institutional Methodology (IM) determines EFC for institutional aid

# How Is The EFC Calculated?

## Primary Factors Considered:

- Taxable Income: AGI (wages earned + interest dividends + other taxable income)
- Untaxed income & benefits
- Number in family
- Number of dependent children in college
- Assets (Primary residence and Retirement accounts are not considered on FAFSA)

# How Is The EFC Calculated?

For more detailed information on how the EFC is calculated visit:

[www.finaid.org/calculators/  
finaidestimate.phtml](http://www.finaid.org/calculators/finaidestimate.phtml)

[https://bigfuture.collegeboard.org/pay-  
for-college/tools-calculators](https://bigfuture.collegeboard.org/pay-for-college/tools-calculators)

# Institutional Methodology

Some schools require the CSS Profile

- Additional form primarily used by private schools to collect supplemental data (home equity, non-custodial data, business worth, etc.)
- Allows the school to get a better picture of the family's total picture and not just AGI and allows for a free form statement
- Basis for awarding institutional aid only



# Institutional Methodology

## More about the CSS Profile

- Register to complete form at <https://student.collegeboard.org/css-financial-aid-profile>
- There is a fee to file the Profile – automatic fee waivers for low income students
- Some Profile Schools require documents such as tax returns to go to a service called IDOC. Check with your school before sending data to IDOC

# Sources of Aid

- Federal
- State
- Institutional - School/College/University
- Private/Outside Organizations
  - Civic organizations (ex.- Rotary Club, parent's employer, churches)

# Federal Grant Aid

- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant (SEOG)
- Teacher Education Assistance for College & Higher Education Grant (TEACH)

# Federal Work and Loan Aid

- Federal Work Study
- Federal Nursing Student Loan
- Federal Direct Loan – subsidized and unsubsidized (student's loan)
- Federal Direct PLUS Loan (parent's loan)

# State Aid

- Awards may be merit or need based
- May require some type of residency requirement
- Deadlines for applying for state aid may vary from state to state
- Contact your state higher education assistance agency for specific details on their programs of aid

# PA State Grant Program

- PA State Grant\* – 17/18 academic year
  - Full-time, in PA.....up to \$4,318 (as of 9-21-17)
  - Part time, in PA.....up to \$2,159 (as of 9-21-17)
- Out of state..... Up to \$559 (or \$745 if veteran) in DE, MA, OH, VT, WV, and DC (subject to change)
- Amount determined in part by the cost of the school
- Must be at least half-time to be eligible

**For details and some additional programs visit [www.pheaa.org](http://www.pheaa.org) or refer to the PA Student Guide**

# College/University

- Many schools offer their own sources of aid. Understand that funding varies from school to school therefore aid packages may vary significantly
- Funds may be merit or need based aid or both
- Check with each school you are interested in about their policies, application forms, process & deadlines

# Outside Sources

Private sources of scholarship funds include:

- Service/Fraternal Organizations
- Employers/Business
- Churches/Religious Groups

The web is an excellent resource for parents, students and counselors to seek **free** scholarship assistance: [www.fastweb.com](http://www.fastweb.com)



# Comparing Aid Offers

	School A	School B
<b>COST OF ATTENDANCE</b>	<b>\$19,000</b>	<b>\$52,000</b>
<b>- EXPECTED FAMILY CONTRIBUTION</b>	<b>\$0</b>	<b>\$0</b>
<b>= FINANCIAL NEED</b>	<b>\$19,000</b>	<b>\$52,000</b>
PELL Grant	\$5,920	\$5,920
SEOG Grant	\$2,000	\$3,000
PA State Grant	\$4,318	\$4,318
Work Study	\$2,000	\$3,000
Direct Loan - Subsidized	\$3,500	\$3,500
Institutional Grant – need &/or merit	\$0	\$28,000
<b>Unmet Need</b>	<b>\$1,262</b>	<b>\$4,263</b>
Could meet Unmet need with Direct Unsubsidized Loan or PLUS loan or private scholarship		

# Comparing Aid Offers

		School A		School B
COST OF ATTENDANCE		\$19,000		\$52,000
- EXPECTED FAMILY CONTRIBUTION		\$12,000		\$12,000
= FINANCIAL NEED		\$7,000		\$40,000
PELL Grant		\$0		\$0
SEOG Grant		\$0		\$0
PA State Grant		\$1,100		\$1,400
Work Study		\$1,000		\$3,000
Direct Loan - Subsidized		\$3,500		\$3,500
Institutional Grant – need &/or merit		\$1,400		\$28,000
Unmet Need		\$0		\$4,100
Could meet unmet need with Direct Unsubsidized or PLUS loan or private scholarship				

# The Financial Aid Gap

The Financial Aid Gap is the difference between demonstrated financial need and the amount of financial aid actually awarded.

Possible Ways to Close the Financial Aid Gap:

- Private scholarships/loans
- Summer employment
- Part-time employment on campus
- Campus tuition payment plans
- Other family leveraging options

# Comparing Aid Offers

- Will the aid package change if outside scholarships are received?
- What factors can cause changes to my eligibility in the future?  
(i.e.- how will my package change if there is a change in the number in college, what if my income increases)
- Is there room for movement in my financial aid award?
- Can I appeal the award?

# Comparing Aid Offers

- Look at the Bottom line for each school carefully comparing grants, loans and work opportunities as well as merit versus need based programs
- Consider possible changes in your family situation over the next four years & consider how that can affect your ability to pay not only in the next four years but over the years all your children are in college

# Additional things to consider

- Let your school know about unusual circumstances
- Follow up with all requests for additional information from your school or federal or state agency
- You need to reapply for need based aid every year
- If your family financial situation changes your need based aid package may also change each year
- Contact the Financial Aid Office with your questions

# Net Price Calculators (NPC)

- NPC is a tool schools must have to assist you in knowing what federal aid you may be entitled to. Many schools will also allow you to determine school based aid on the NPC as well.
- It is a tool – it is not the final award letter
- Carefully read the things the school considers when it calculates aid on the NPC

# Timeline for Aid Application

- September – start to apply for private aid
- October – begin to file FAFSA and/or CSS Profile and any other forms school requests (Early Decision may change timelines)
- November to April– schools will send financial aid award letter to you
  - review financial aid awards and determine which package is best for you and your family
- May 1 – Deposit deadline for admission



# Questions ?

Thank you for  
your attention &  
GOOD LUCK

