



FINANCIAL AID

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Reading Area Community College



Topics We Will Discuss

- What is financial aid?
- Cost of attendance (COA)
- Student aid index (SAI)
- Financial need
- Categories, types, and sources of financial aid
- Free Application for Federal Student Aid (FAFSA®)
- Special and unusual circumstances



Think about **YOUR FUTURE**



RESEARCH COLLEGES



- Talk to your school counselor
- Talk to admission reps
- Use College Profiles at www.EducationQuest.org
- Attend a College Fair and Educational Planning Program
- Explore college websites

TYPES of colleges



Community Colleges

(2-year)

- Certificates
- Diplomas
- Associate degrees
- Academic Transfer Programs

Colleges & Universities

(4-year)

- Bachelor's degrees
- Many offer master's and doctorate degrees

Private Career Schools

(Trade schools)

- Diplomas
- Certificates
- Some offer associate and bachelor's degrees

The Right Choice

Reduce the Need for Financial Aid & Loans

- Graduate on Time - 4 year for Bachelors Degree / 2 year Associates Degree
- Research and find the right school and major - Minimize transfer and change of major
- Earn college credits while in high school through AP courses, Vo-Tech, and dual enrollment
- Consider options for cutting costs (commute, take summer classes, buy used books, make smart meal plan choices)
- 2 + 2 Strategy (2 years at a Community College then transfer credits to a 4 year school)
- 3 + 2 (Master's Degree)

Student and Parent

The primary responsibility
belongs to the family



GRANTS

Need-based money
without repayment

Merit or performance-
based money without
repayment

SCHOLARSHIPS

WORK STUDY

Need-based campus
jobs; earnings go
toward tuition, fees, etc.

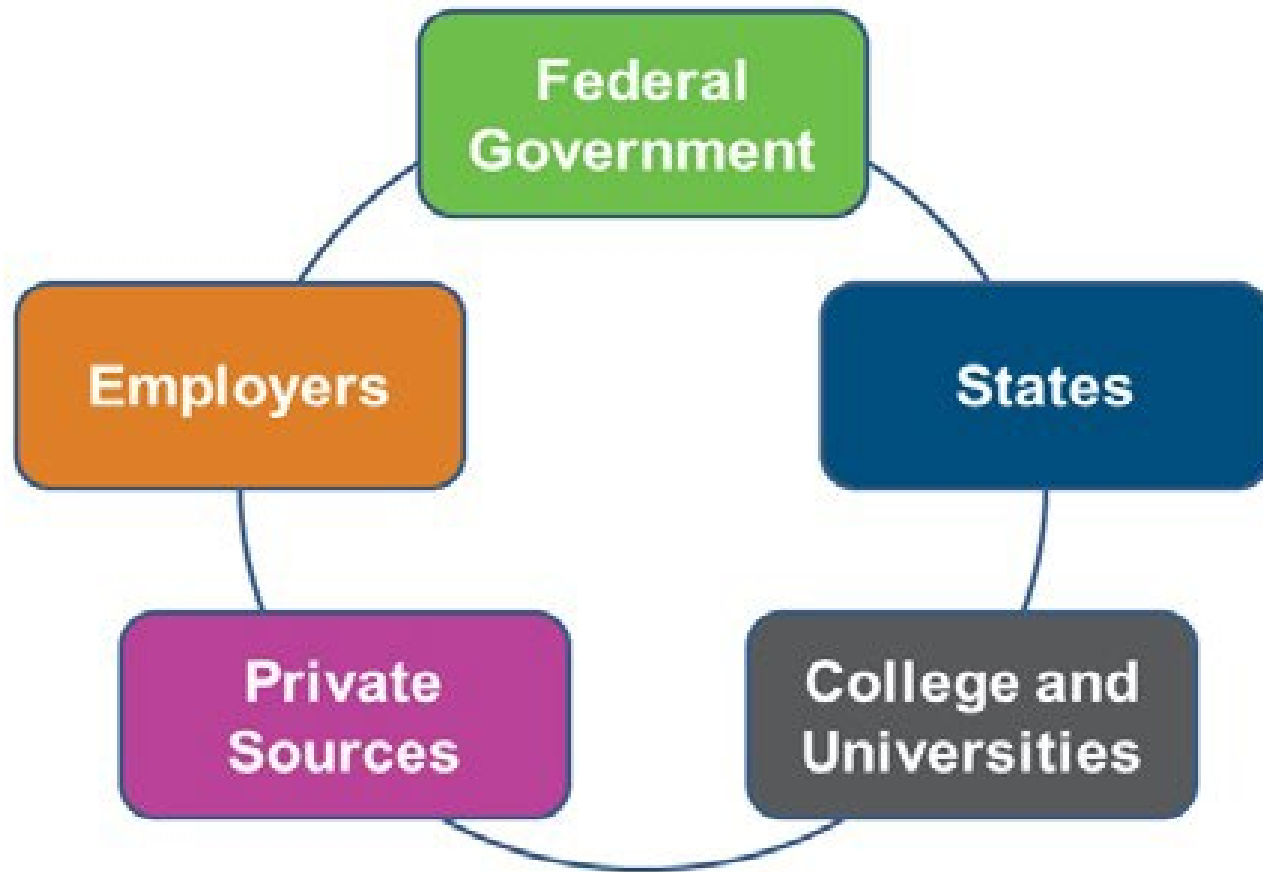
Fixed low-interest
rate money that
must be repaid

FEDERAL LOANS

Types of Financial Aid

- **Grants and Scholarships**
- **Federal Work Study**
- **Federal Direct Loans**
- **Military and Veteran Benefits**

Sources of Financial Aid





Do Not Miss Out on Scholarships and other Resources

Scholarships

- www.fastweb.com
- www.scholarships.com
- www.Scholarship-Page.com
- www.DoSomething.org/Scholarships
- www.StudentScholarships.org
- www.MeritAid.com

Find a college

- www.Colleges.Niche.com
- www.BigFuture.Collegeboard.org

Smart school finances

- www.EducationPlanner.org
- www.CollegeAnswer.com

Books online

- www.Chegg.com
- www.isbnu.com

Loans

- <http://studentaid.ed.gov>
- www.Myfedloan.org
- www.mysmartborrowing.org
- www.Youcandealwithit.com



Scholarship Tips

- Start early – and KEEP LOOKING
- Don't forget to continue studies!
- GOOGLE your interests
- Do NOT pay for information (SCAM likely)
- Check with your guidance counselor
- Research Institutional Scholarships
- Don't disqualify yourself until IT disqualifies YOU
- Don't fear ESSAYS
- Be sure to provide what is asked
- Small scholarships ADD UP
- Activities, Athletics, Family, Hobbies, Participation, Attributes – DO YOUR RESEARCH
- Pay attention to **DEADLINES**
- Write it down!

FAFSA

<https://studentaid.gov/>



- The FAFSA is the primary federal form for financial assistance to attend postsecondary school
- Must file a FAFSA each year a student attends school to be eligible
- File online – Fast and Secure
- Want practice? 2024–25 FAFSA December
- <https://studentaid.gov/aid-estimator/>

Whose Information Goes on the FAFSA?

- ❖ Divorced or separated parents - YES
- ❖ Step parents - YES
- ❖ Adoptive parents - YES
- ❖ Foster parents - NO
- ❖ Legal guardians - NO
- ❖ Anyone else the student is living with - NO

FAFSA Contributors

FAFSA[®] FORM 2024–25 Student: Raya Tran

Understanding the FAFSA[®] Form

2 of 4

Contributors to the FAFSA[®] Form



Parents or Spouses

Your answers on the FAFSA form will determine if any contributors need to be identified. These contributors will complete their own sections of the form and are asked to provide personal and financial information, but will not become financially responsible for your education.



How to Invite

Contributors will need to log in with their own FSA ID to provide their information. To invite a contributor to your FAFSA form, you'll need to provide their name, date of birth, Social Security number, and email address.

Information or Documents You May Need ^

You might need the following information or documents as you fill out the FAFSA form:

- Tax returns
- Records of child support received
- Current balances of cash, savings, and checking accounts
- Net worth of investments, businesses, and farms

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FUTURE Act Direct Data Exchange (FA-DDX)

- Allows for an individual's federal tax information (FTI) to be directly transferred from the IRS to the FAFSA
- Consent is required by all contributors on FAFSA
- IRS transfers information to populate FAFSA income questions for most tax filers
- Eliminates manual entry of tax and income information

PDF FAFSA

- Can use the PDF FAFSA to review questions that will be asked on online FAFSA for student and parent/s, if applicable

Note: PDF FAFSA screenshots from U.S. Department of Education's Draft 2024–25 Federal Student Aid Application Materials, September 2023

The image displays two overlapping screenshots of the FAFSA form. The top screenshot is the 'Student' section, titled 'FAFSA Form Federal Student Aid Free Application for Federal Student Aid'. It includes the dates 'July 1, 2024 - June 30, 2025' and contact information: 'Call us: 1-800-888-8888' and 'For help in filling out the FAFSA form, go to studentaid.gov/completinginfo or call 1-800-4-FAFSA (1-800-435-3243)'. Below this, it states 'The student must complete this section. Questions 1-20 apply to the student. Leave blank any questions that don't apply to the student.' The bottom screenshot is the 'Parent' section, titled 'Parent'. It includes the instruction: 'Use the "Who must provide information on the FAFSA form?" on page 2 to determine if a parent must complete this section. Questions 30-47 apply to the student's parent. Leave blank any questions that don't apply to the parent.' The form is divided into several sections: 30. Parent Identity Information (First name, Middle name, Last name, Date of birth, Social Security number (SSN), Individual taxpayer identification number (ITIN)), 31. Parent Contact Information (Mobile phone number, Email address, Permanent mailing address, City, ZIP code, Country), 32. Parent Current Marital Status (Single, Married and both report, Married (not married), Remarried, Separated, Divorced, Widowed), and 33. Parent State of Legal Residence (State, Date the parent became a legal resident).

Student Information

- Identity and contact information
- Consent for FTI transfer from IRS
- Marital status
- College plans
- Personal and unusual circumstances

Unusual Circumstances

- Conditions that justify an institution making an adjustment to a student's dependency status
- Student does not provide parental data on FAFSA
 - Considered provisionally independent
- Student follows institution's process for dependency override determination

Student Invites Parents to FAFSA

The screenshot shows the FAFSA 2024-25 'Invite Parents to your FAFSA Form' page. At the top, there is a progress bar with five steps: Personal Information, Demographics, Parents, College, and Signature. The 'Parents' step is currently active. Below the progress bar, the heading reads 'Invite Parents to your FAFSA Form'. A blue box contains the text: 'You will need to provide information for your parents. Based on your answers in the previous section, you'll need to provide information about both of your parents on your FAFSA form. You can invite your family members to your form to help you complete all required sections.' Below this, a green box states: 'Enter names of parents, identified on the prior page, and we'll send electronic requests on your behalf.' A note below that says: 'Please make sure to provide information that your parents could use to login to StudentAid.gov.' The form features two columns for 'Parent' and 'Parent Spouse'. Each column has input fields for 'First Name', 'Last Name', and 'Date of Birth' (with separate fields for month, day, and year).

- Student provides personal information about parents to invite them to complete parent portion of the FAFSA

Special Circumstances



Small Business Asset Allowance

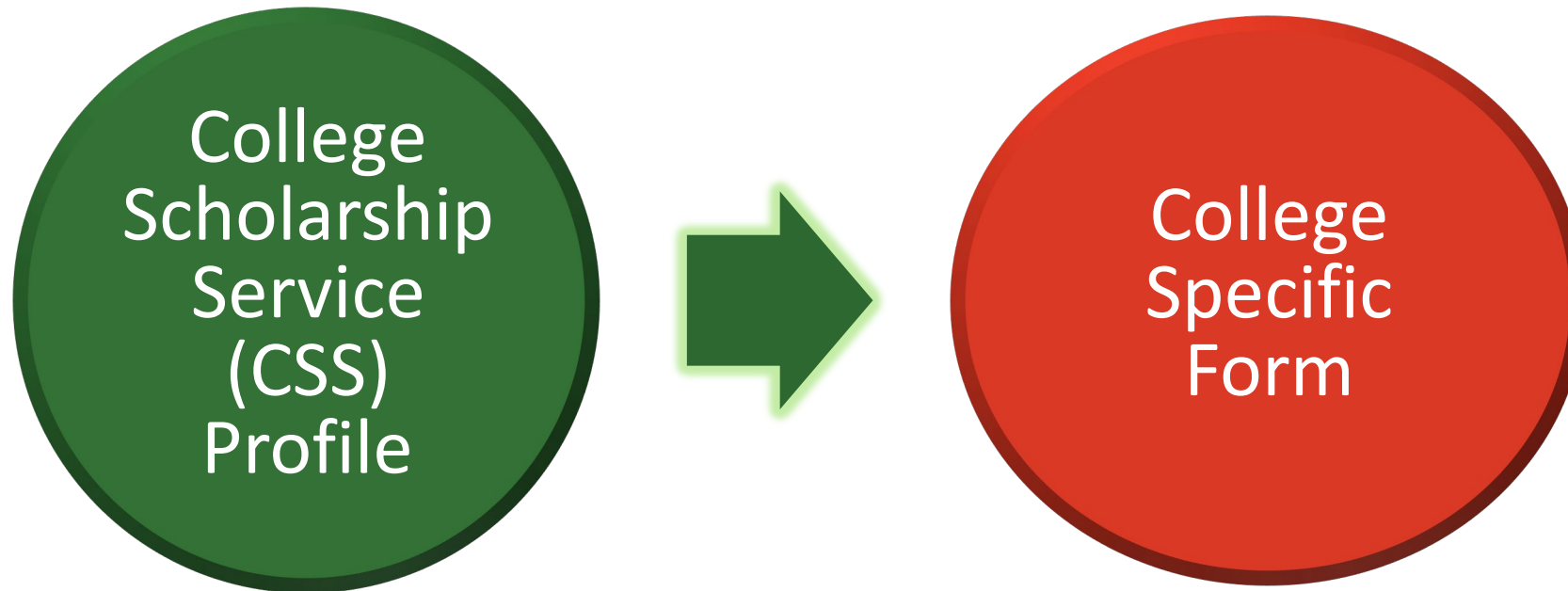


No longer excludes from assets the net value of a family-owned business with no more than 100 full-time employees or farms

Other Forms You May Need to Complete



- ✓ Check with your school



Create Your FSA ID

- Both the student applying for aid and one parent providing information on the FAFSA need to create an FSA ID at **Do this now for 2024!**
- Allow 3 days <https://studentaid.gov/>
- Create prior to completing the FAFSA
- Provides access to FAFSA and Federal Student Aid online systems
- Legal Signature for student and parent
- **After verifying, the mobile phone number can be used as the username to login**

User Name

Password

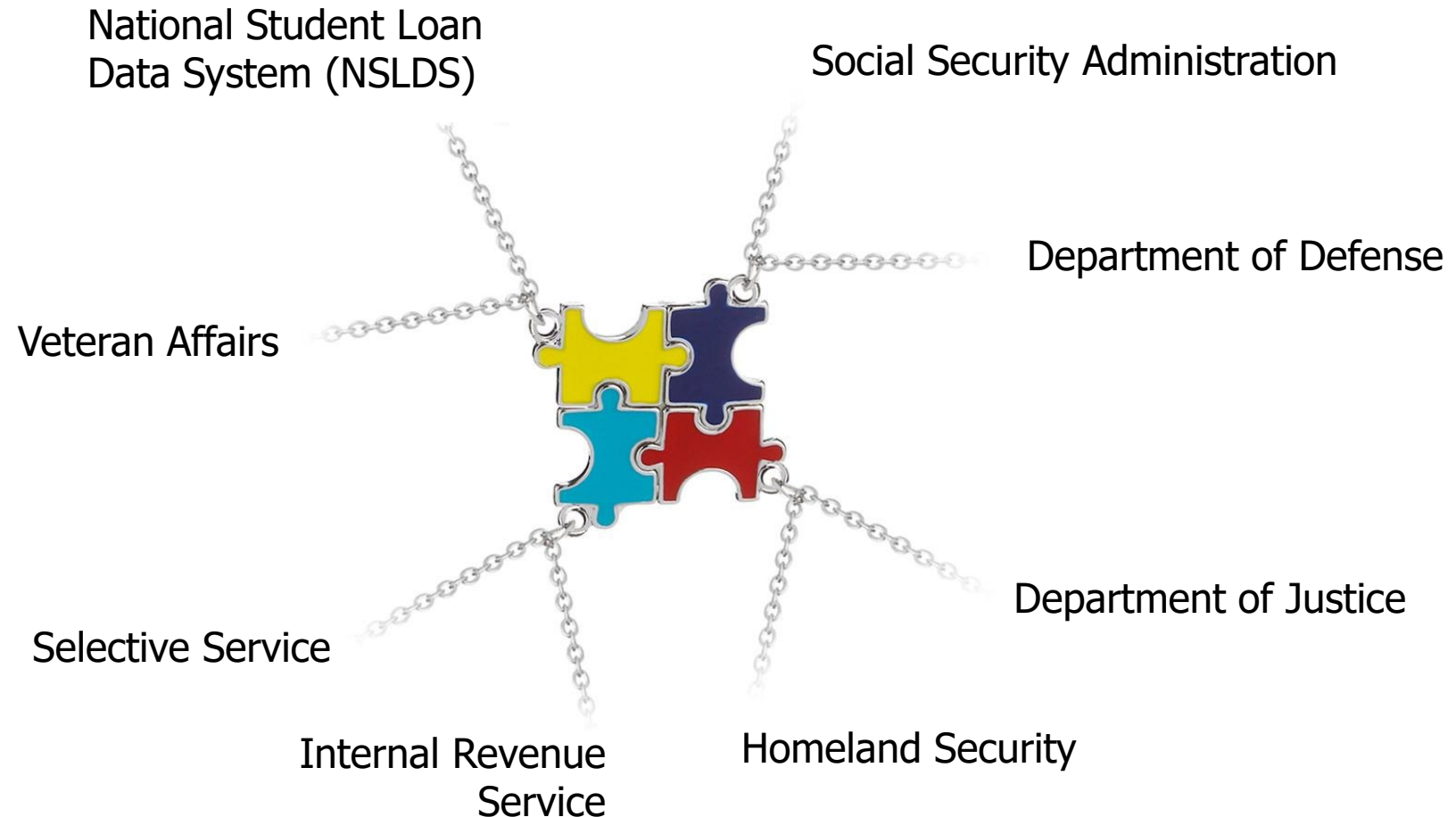
Email Address

Mobile Phone

Security Question

Social Security
Number

Personal information will be matched with eight government agencies



After FAFSA Submission



- Receive e-mail notification when FAFSA is processed
- FAFSA information is sent to school(s) listed
- School(s) use FAFSA information to determine financial aid eligibility
- School(s) will contact you if they need more information or when they have determined the total aid they can offer you
- Contact your school(s) with questions about your financial aid award

Award Letter

- Sent electronically or in the mail
- Outlines financial aid eligibility SAI not EFC
- Read carefully!
- Accept or decline aid by specified deadline



Dear Larry,

Congratulations on your admission to OCAP University! We look forward to welcoming you as a freshman in the fall of 2018.

The following is the financial aid award OCAP University is able to offer you for the 2018 - 2019 academic year. Please review the award carefully and indicate by March 1 which portions you plan to accept. You must report any **outside scholarships** to the financial aid office.

<u>Cost of Attendance (COA)</u>		<u>Expected Family Contribution (EFC)</u>		
Tuition and fees:	\$8,000	Student resources:		\$1,000
Room and board:	\$5,000	Parent resources:		<u>\$3,500</u>
Books and supplies:	\$1,000			
Transportation:	\$ 850			
Personal/miscellaneous:	<u>\$ 800</u>			
<u>TOTAL COA:</u>	\$15,650	<u>TOTAL EFC:</u>		\$4,500
		<u>FALL</u>	<u>SPRING</u>	<u>TOTAL</u>
Federal Pell Grant		\$2,225	\$2,225	\$4,450
Federal Supplemental Educational Opportunity Grant (FSEOG)		\$1,000	\$1,000	\$1,000
State Grant		\$ 500	\$ 500	\$1,000
Federal Work-Study		\$ 600	\$ 600	\$1,200
Federal Direct Subsidized Loan		\$1,750	\$1,750	\$3,500
Federal Direct Unsubsidized Loan		\$1,000	\$1,000	\$2,000
Parent PLUS Loan eligibility		\$1,250	\$1,250	\$2,500
TOTAL AWARD:	\$15,650			

Visit <http://financialaid.ocapuniversity.test> for more information. This webpage lists the steps necessary to receive your awarded financial aid and other useful resources.

We look forward to assisting you in the pursuit of your educational goals!

Institutional Scholarships



- Specific to the college
- Application may or may not be included in admission application
- Find scholarship page on college's website
- Watch carefully for scholarship deadline
- Institutional scholarships exist for returning students also, not just freshmen

Federal Student Aid Programs

Federal Pell Grant

Federal Supplemental
Educational
Opportunity Grant
(FSEOG)

Teacher Education
Assistance for College
and Higher Education
(TEACH) Grant

Federal Work-Study
(FWS)

Federal Direct Student
Loans (Direct Loans)

Federal PLUS Loans

TEACH Grant



- \$4,000 per year in exchange for teaching students from low-income families
- Must agree to work as a full-time teacher in a high need field for at least 4 academic years within 8 calendar years from the date you complete the program of study for which you received the TEACH Grant
- Failure to complete the service results in the Grant becoming a Direct Unsubsidized Loan that must be repaid.

Student Loan Borrowing Limits

**Dependent Students (excluding students whose parents cannot borrow PLUS)
Base Direct Student Loan amounts**

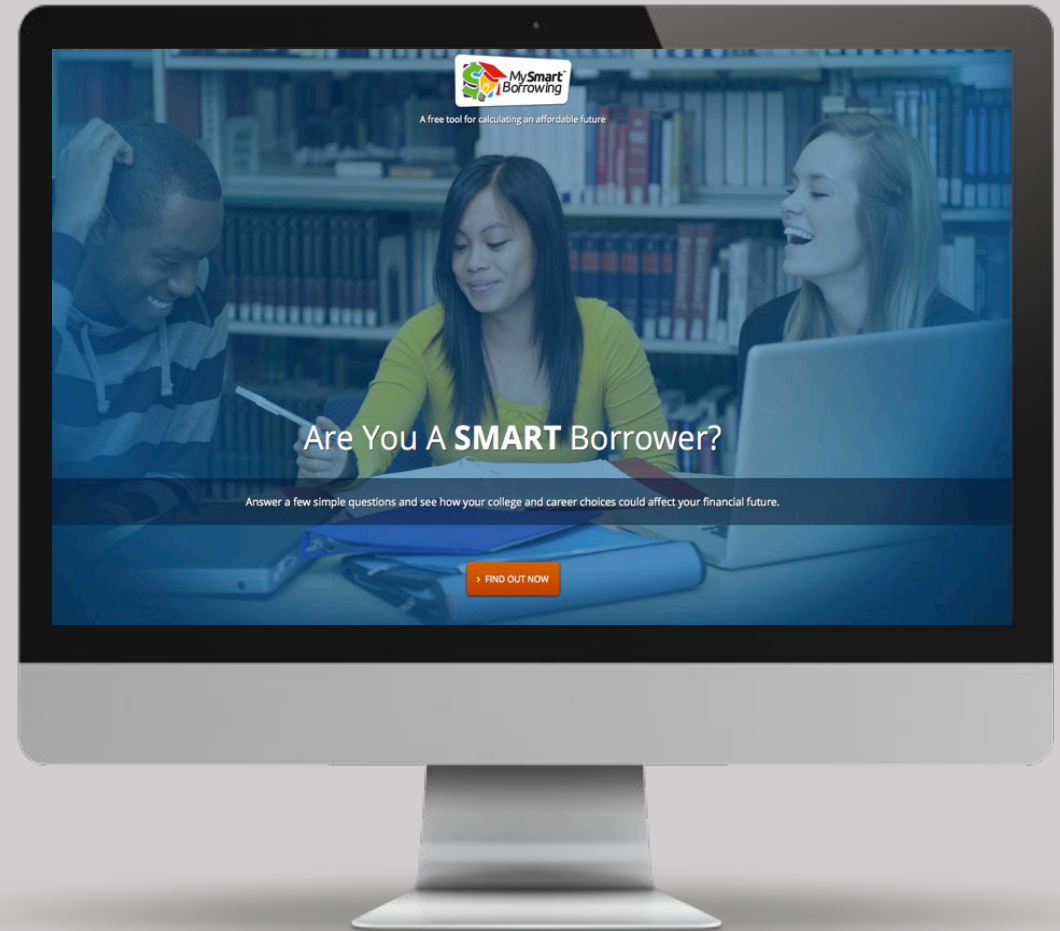
	Subsidized/Unsubsidized	Additional Unsubsidized
Freshmen	\$3,500	\$2,000
Sophomores	\$4,500	\$2,000
Juniors and Seniors	\$5,500	\$2,000
Graduate or Professional	\$8,500	\$12,000

Additional Types of Federal Student Loans

- **Undergraduate Students**
 - » Unsubsidized (5.5% fixed interest and 1.057% fee)
 - »
- **Parents**
 - » PLUS Loan (7.54% fixed interest and 4.228% fee)

www.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 overborrowing**



PA Forward Student Loan Program

Provides flexible college funding with

- Competitive interest rates
- No application or loan origination fee
- Repayment choices
- Interest rate reduction
- Borrow up to 100% of the full school-certified cost of attendance
- Expert help when you need it
- Giving Back





Private/Alternative Loans

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



Pennsylvania State Grant*

- In-state (PA) – FT up to \$5,750*
- In-state (PA) – **Distance Education** currently mirrors in-person awarding
- Out-of-state - Up to \$600 in DC, DE, MA, OH, VT, WV.
- \$800 for veterans.

* 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 Gratuities 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 www.PHEAA.org.

Veteran's Benefits

- Post 9/11
- Active Duty
- Reserves
- EAP (National Guard)
- DEAP
- Disabled Veterans
- VA Work-Study
- ROTC





American Opportunity Credit (AOC)

- **100% credit per student – 1st \$2,000**
25% credit – 2nd \$2,000
- **Only first 4 years of education**
- **Expenses for self, spouse and dependents**
- **Must attend half-time or more**
- **Subject to phase-out for taxpayers with modified AGI above \$90,000 (\$180,000 MFJ)**
- **Use IRS Form 8863**

What Is Financial Need?

$$\begin{array}{l} \text{Cost of attendance (COA)} \\ - \text{Student aid index (SAI)} \\ \hline = \text{Financial need} \end{array}$$

How is the SAI Calculated?

- Income • AGI • Deductible payments to SEP/SIMPLE/KEOGH/Other
 - Tax-exempt interest • Untaxed portions of IRA distributions and pensions (excluding rollovers) • Foreign income exclusion
- Allowances Against Income • Taxable college grant and scholarship aid reported as income • Education credits • U.S. income tax paid (or foreign equivalent) • Income protection allowance • Employment expense allowance • Federal Work-Study • Payroll tax allowance
- Cash, savings, checking, time deposits, and money market funds • Net worth of investments, including real estate (excluding primary residence) • Adjusted net worth of business and/or farm • Annual child support received
- Allowances against Assets • Asset protection allowance



COA (Cost)

- SAI

= NEED

Compare Schools' Financial Aid Offers Carefully



- ✓ There is no required standard format for Award Notices
- ✓ Some include Federal loans, some do not
- ✓ Do you understand what is offered to you as a grant, scholarship or the need for you to borrow?
- ✓ If you receive a scholarship from the school, do you know if there are conditions for maintaining it?
- ✓ Is the scholarship for the first year or can you renew it?

Maintaining Eligibility



- Academic Progress
- GPA
- Earned Credits (66% Rule)
- # of Credits Completed (150% Rule)
- Most programs require half-time status
- Grade Level Concerns
- Program of Study

Virtual Financial Aid

- For virtual assistance with your FAFSA, [visit this link](#). No camera is needed, but audio is required.
- **Virtual Help Hours**
- Monday, Thursday, Friday: 8AM - 5PM
- Tuesday and Wednesday: 8AM - 7:30PM
- For more information on how to get help paying for college, please contact one of our financial aid representatives.
- **Email:** financialaid@racc.edu
Department of Education Code (8-digit OPE ID): 01038800
FAFSA School Code: 010388



Thank you!