

# FAFSA101

Presented by Robert Morris University

# So what is Financial Aid?



Financial aid is money supplied by a source other than the family to assist with the cost of a student's post secondary education.



Scholarships

Grants

Loans

Employment Opportunities

# It all starts with the FAFSA .....

Federal Student Aid  
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

UNDERSTAND AID ▾

APPLY FOR AID ▾

COMPLETE AID PROCESS ▾

MANAGE LOANS ▾

## Complete the FAFSA® Form

Use the *Free Application for Federal Student Aid* (FAFSA®) form to apply for financial aid for college or graduate school.

### New to the FAFSA® Process?

Completing the FAFSA form is free. Fill it out now.

[Start Here](#)

### Returning User?

[Correct info](#) | [Add a school](#)

[View your Student Aid Report \(SAR\)](#)

[Log In](#)



# How to Get Started - FAFSA

- Apply for an FSA ID
  - Student & Parent need separate IDs
- File a Free Application for Federal Student Aid (FAFSA)
  - Available as of October 1st
  - Option to list up to 10 schools you are interested in
- Income/Tax information from prior-prior year
  - Example: 2022-2023 year uses 2020 income/tax
- Be aware of school and state deadlines (PA is May 1<sup>st</sup>)

# FSA ID

## HOW TO CREATE AN FSA ID:

1. Enter your email address
2. Create a username
3. Create a password
4. Enter your name, date of birth, and Social Security number
5. Enter your mobile phone number
6. Set up 4 challenge questions
7. Read and accept the terms
8. Verify your mobile phone number
9. Verify your email address

Create an FSA ID:

**[StudentAid.gov/fsaid](https://StudentAid.gov/fsaid)**

# Welcome to the FAFSA® Form

Tell us about yourself.

 Help

 Exit FAFSA Form

☒ I am a student and want to access the FAFSA form.



Continue

For which school year are you applying for financial aid?

If you are applying for a summer session or just don't know which application to complete, check with the college you are planning to attend.

Which school year should I choose?

Start 2022–23 FAFSA Form

or

Start 2021–22 FAFSA Form



# FAFSA Questions

- ☐ Demographics
- ☐ Household Size
- ☐ Income
- ☐ Number in College
- ☐ Assets

## 2022–23 FAFSA® Form

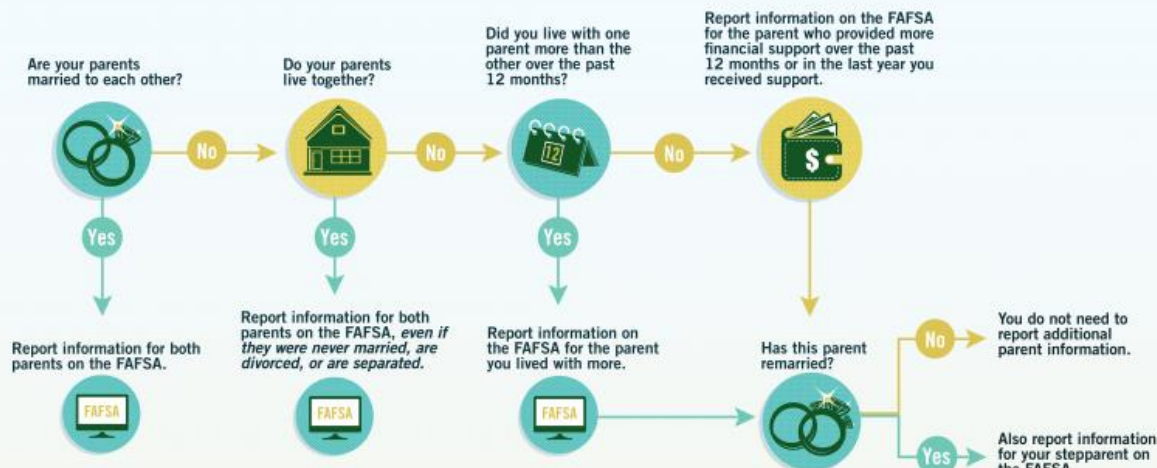
[FAFSA Home](#)[Help](#)[Save FAFSA Form](#)[Review FAFSA Form](#)[Reset FAFSA Form](#)[Exit FAFSA Form](#)**1****Student Demographics****2****School Selection****3****Dependency Status****4****Parent Demographics****5****Parent Financials****6****Student Financials****7****Sign & Submit**

# Parental Information on the FAFSA

## WHO'S MY PARENT WHEN I FILL OUT MY FAFSA?

Dependent students are required to report parent information on the Free Application for Federal Student Aid (FAFSA).<sup>1</sup> For reporting purposes, "PARENT" means your legal (biological or adoptive) parent or stepparent, or a person that the state has determined to be your legal parent.

Use this guide to figure out which parent's information to include (depending on your family situation).



The following people are not your parents unless they have legally adopted you:



Widowed Stepparent



Grandparents



Foster Parents



Legal Guardians



Older Brothers or Sisters



Aunts or Uncles

If you're not sure whom to report as a parent, you can visit [StudentAid.ed.gov/afsa/filing-out/parent-info](https://studentaid.ed.gov/afsa/filing-out/parent-info) or call 800-4-FED-AID (800-433-3243).

<sup>1</sup> If you're not sure whether you are a dependent student, go to [StudentAid.gov/afsa/filing-out/dependency](https://studentaid.gov/afsa/filing-out/dependency)

Federal Student Aid  
An OFFICE of the U.S. DEPARTMENT of EDUCATION

PROUD SPONSOR of  
the AMERICAN MIND®

Source: [www.studentaid.gov](https://www.studentaid.gov)

Grandparents, foster parents, legal guardians, siblings, aunts or uncles should never be considered a parent on the FAFSA unless they legally adopted the applicant.




# IRS Data Retrieval is Your B.F.F.!



RECOMMENDED

## IRS Data Retrieval Tool

Applying is faster and easier if you transfer your tax return information into this FAFSA<sup>®</sup> form with the IRS Data Retrieval Tool (DRT)!

 *For your protection, your tax return information will not display on the IRS website or on the FAFSA<sup>®</sup> form.*

[Previous](#)[Skip IRS DRT and Complete Manually](#)[Proceed to the IRS >](#)



## Get My Federal Income Tax Information

See our [Privacy Notice](#) regarding our request for your personal information.

Enter the following information from your 2020 Federal Income Tax Return. [?](#)

All fields are required unless marked otherwise.

**First Name**

**Last Name**

**Social Security Number**

No input required

**Date of Birth**

MM/DD/YYYY



**Filing Status** [?](#)

# Asset Reportings

As of today, what is your total current balance of cash, savings, and checking accounts?


\$	0	.00	?
----	---	-----	---

As of today, what is the net worth of your investments, including real estate (not your home)?

\$	0	.00	?
----	---	-----	---

As of today, what is the net worth of your current businesses and/or investment farms? **Don't include** a family farm or family business with 100 or fewer full-time or full-time equivalent employees.

\$	0	.00	?
----	---	-----	---



**Investments don't include** the home in which you (and if married, your spouse) live; cash, savings and checking accounts; ABLE accounts; or the value of life insurance and retirement plans (401[k] plans, pension funds, annuities, noneducation IRAs, Keogh plans, etc.).

# Sign & Submit!

☒ I, TARA VERRICO, agree to the terms outlined above.

[Previous](#)

[Sign and Submit FAFSA Form](#) 

# Confirmation Page

## Congratulations, TARA!

Your FAFSA form was successfully submitted to Federal Student Aid.

[FAFSA Home](#) | [Exit FAFSA Form](#) | [Help](#)

**Confirmation Number:** F10117508368

**Data Release Number (DRN):** 1013

### Here's what happens next:

- You will receive an email version of this page.
- In 3–5 business days, you will receive an email notifying you that your FAFSA form was processed.
- Your FAFSA information will be made available to your school(s), and they will use it to determine the aid you may be eligible to receive.
- Your school(s) will contact you if they need more information or when they are ready to discuss your financial aid award.
- If you have questions about your financial aid package, contact your school(s).

Start your state application to apply for Pennsylvania state-based financial aid.

[Apply Now](#)

# What is the EFC?

- Expected Family Contribution
  - ▣ Determined by a federal formula through FAFSA completion
  - ▣ EFC is the same for all schools

Note: The EFC does NOT equate to the amount you will be required to pay

# What is Cost Of Attendance?

## Direct costs typically charged by the college:

Tuition and fees



+

Cost of living in dorms



+

Cost of meal plans on campus



## Indirect costs that may *not* be charged by the college:

Allowance for Books and supplies



+

Allowance for Personal expenses and a few meals out



+

Allowance for Transportation



# How an Aid Package is Determined



*\***Note:** This is not the same as the student's bill or the amount a family will actually pay for the student to attend college*



# Aid Types

- Gift Aid: Free Money!
  - ▣ Grants and Scholarships
  - ▣ Can come from Federal (PELL Grant), State (PHEAA), Institutional and Private Sources
  
- Self-Help Aid:
  - ▣ Loans
  - ▣ Employment (Federal Work Study Program)

# Pennsylvania Higher Education Assistance Agency (PHEAA)

- ❑ May 1<sup>st</sup> is the deadline to file the FAFSA for state grant consideration
- ❑ Prompted to complete application after the FAFSA
- ❑ Ensuring student is a Pennsylvania resident
  - ▣ Based on parental address
- ❑ Award is based on financial need
- ❑ Maximum award for 2021-2022 is \$5,000 within PA
- ❑ Maximum award if you go out of state is \$600

# What can I expect?



- ❑ Don't rule out an institution based on sticker price alone
- ❑ Talk with schools to get an idea of cost and aid options
- ❑ Take advantage of Net Price Calculators

# Comparing Financial Aid Award Letters

## School A

ABC Scholarship	\$8,000
Federal PELL Grant	\$4,000
PHEAA Grant	\$3,500
ABC Grant	\$4,000
Subsidized Loan	\$3,500
Unsubsidized Loan	\$2,000
<b>Total Aid</b>	<b>\$25,000</b>

Total Cost = \$30,000  
**Bottom Line = \$5,000**

## School B

XYZ Scholarship	\$3,000
Federal PELL Grant	\$4,000
PHEAA Grant	\$3,500
Subsidized Loan	\$3,500
Unsubsidized Loan	\$2,000
<b>Total Aid</b>	<b>\$16,000</b>

Total Cost = \$20,000  
**Bottom Line = \$4,000**

# Special Circumstances

- ☐ Unemployment
- ☐ Income reduction
- ☐ Divorce/Separation after FAFSA filed
- ☐ Death of Parent
- ☐ High Medical Payments (rare)

**CONTACT YOUR SCHOOL'S AID OFFICE FOR NEXT STEPS!**



# Student Loans

# Federal Direct Student Loans

- ❑ Can be Subsidized (Need Based) or Unsubsidized (Non-need Based)
- ❑ Interest rate for 2021-22 is 3.73%
- ❑ Repayment begins six months after graduation
- ❑ Annual Loan Limits (combined sub/unsub):
  - ▣ \$5,500 for 1<sup>st</sup> year undergraduates
  - ▣ \$6,500 for 2<sup>nd</sup> year undergraduates
  - ▣ \$7,500 for each remaining undergraduate year
  - ▣ \$20,500 for students in a graduate/professional degree
  - ▣ Aggregate Limits: \$31,000 (dependents); \$57,500 (independent); \$138,500 (graduate)

# Federal Direct Parent PLUS Loan

- ❑ Credit based loan in a parent's name
- ❑ Parents have the ability to defer payment until after graduation
- ❑ Interest rate for 2021-22 is 6.28% fixed
- ❑ If parent is deemed not credit-worthy, student can have additional unsubsidized Stafford Loan funds
  - ▣ An additional \$4,000 per academic year for freshmen and sophomores
  - ▣ An additional \$5,000 per academic year for juniors and seniors.



# Private Education Loans

- ❑ Credit based loan in student's name
- ❑ Student can choose a lender of their preference.
- ❑ Interest rate can be variable and usually determined based on credit rating.
- ❑ Repayment begins after graduation, however, some lenders may require interest payments while in school.
- ❑ Students lacking a sufficient credit history will need a credit worthy co-signer.

# Borrowing Tips

---

- ❑ Make sure to file a FAFSA
- ❑ Take advantage of Federal Loan funds first
- ❑ Pay interest while in school
- ❑ Never borrow more than you need!
- ❑ Remember, higher education is an investment

# Outside Scholarship Resources

## Grants & Scholarships

### The Basics on Grants and Scholarships

You may be able to use a grant or scholarship to help pay for college. Get information about these financial aid options and find out how to apply.

[Read article](#)

### Scholarship Opportunities from the College Board

It's never too early to start searching for scholarships, and we're here to help.

[Go](#)

[Scholarships Start Here](#)

### Scholarship Search

Use this tool to find scholarships, other financial aid and internships from more than 2,200 programs, totaling nearly \$6 billion.

[Go](#)

### What Is a Pell Grant?

The federal government offers Pell Grants to help students pay for college. Find out if you qualify.

[Read article](#)

[How Outside Scholarships Affect Your](#)

### FINANCIAL AID CAN HELP YOU AFFORD COLLEGE

Many students use financial aid to cover college costs. Find out what financial aid is, where it comes from and how you can apply.

[Read article](#)

### COLLEGE BOARD OPPORTUNITY SCHOLARSHIPS

Learn about a new scholarship program for all students that guides you through the college planning process and offers you a chance to earn money for college for each

[BLOG](#) [COLLEGE & SCHOLARSHIP SEARCH](#)

Find the right scholarship, grant, or award for you

Scholarship

School, major, or loc...

Search

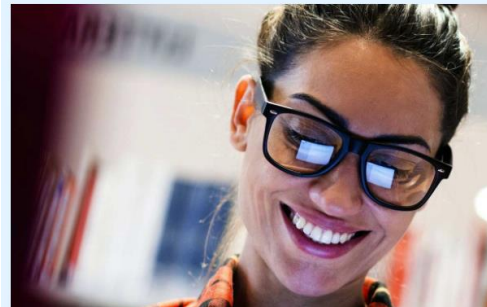
Win \$2,500 for school!

We get it—college is expensive. Start by entering to win Peterson's World's Easiest Scholarship and then search our scholarship database that houses over \$10 billion in private aid!

✓ I need money for college

✓ I need money for grad school

50 MILLION MEMBERS HAVE TRUSTED FASTWEB FOR OVER 25 YEARS



The average Fastweb user matches to **66 scholarships** worth over **\$268,000**.

I am a:

☒ Student ☐ Parent of a student

High School Freshman

Zip Code



# QUESTIONS?

Presented by Robert Morris University