

# **Understanding the Basics: What You Need to Know About Financial Aid**

**Kendra Feigert  
Director of Financial Aid  
Lebanon Valley College**

# Topics We Will Discuss

- What is financial aid?
- Determining financial need
- Categories and sources of financial aid
- Free Application for Federal Student Aid (FAFSA®)
- Special circumstances
- Financial aid offer

# What Is Financial Aid?

Financial aid consists of funds provided to students and families to help pay for postsecondary educational expenses.

Includes grants, scholarships, loans, and student employment



# What Is Financial Need?

**Cost of attendance (COA)**

**– Student Aid Index (SAI)**

---

**= Financial need**

# What Is Cost of Attendance (COA)?



Tuition and fees



Housing and food



Books and supplies



Transportation



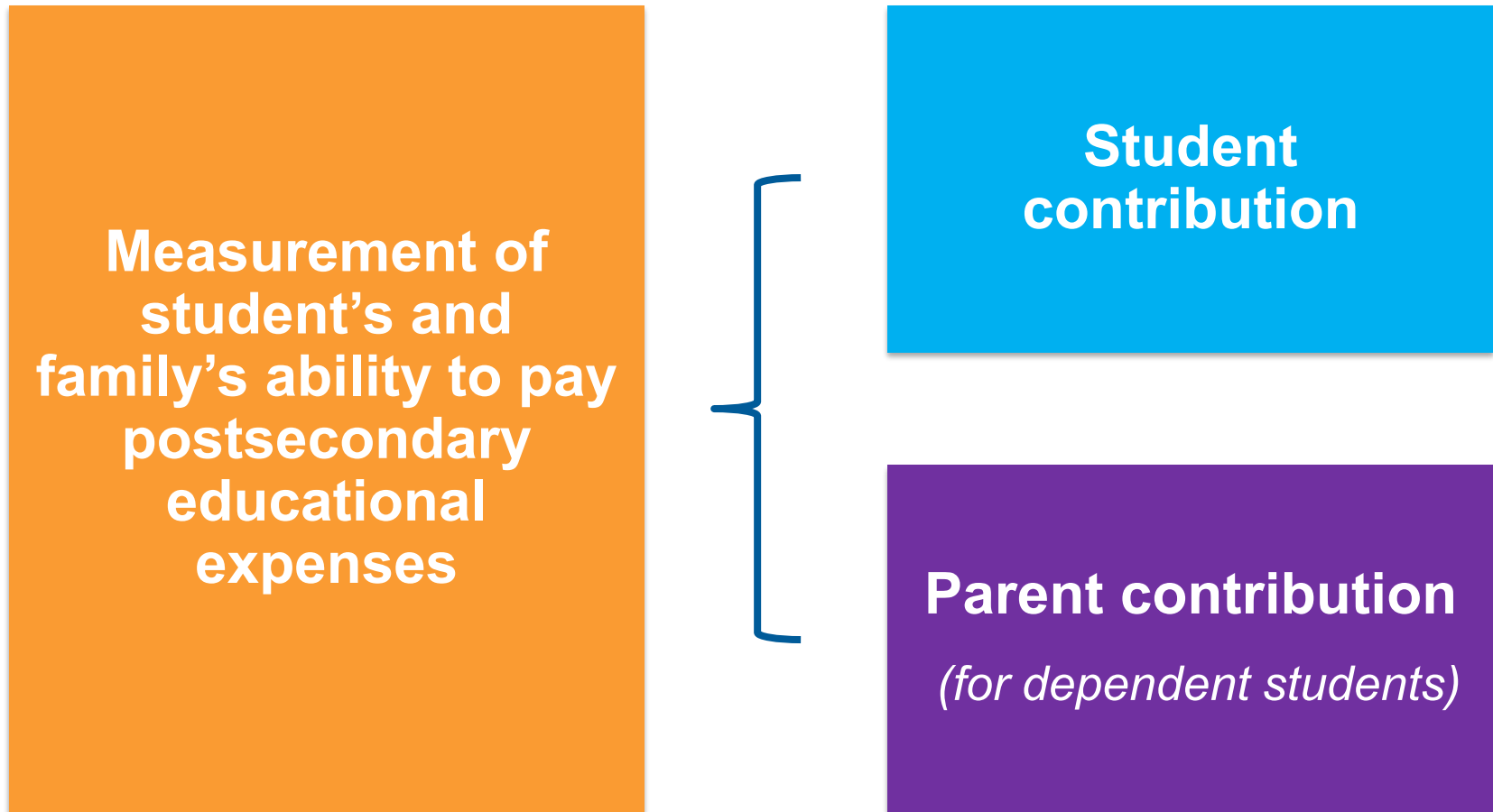
Miscellaneous personal expenses

# Important Note

**Do not rule out an institution based on cost without going through the financial aid process.**

- Many institutions no longer require an application fee
- The FAFSA is free
- Many private institutions are offering generous grants and scholarships

# What Is Student Aid Index(SAI)?

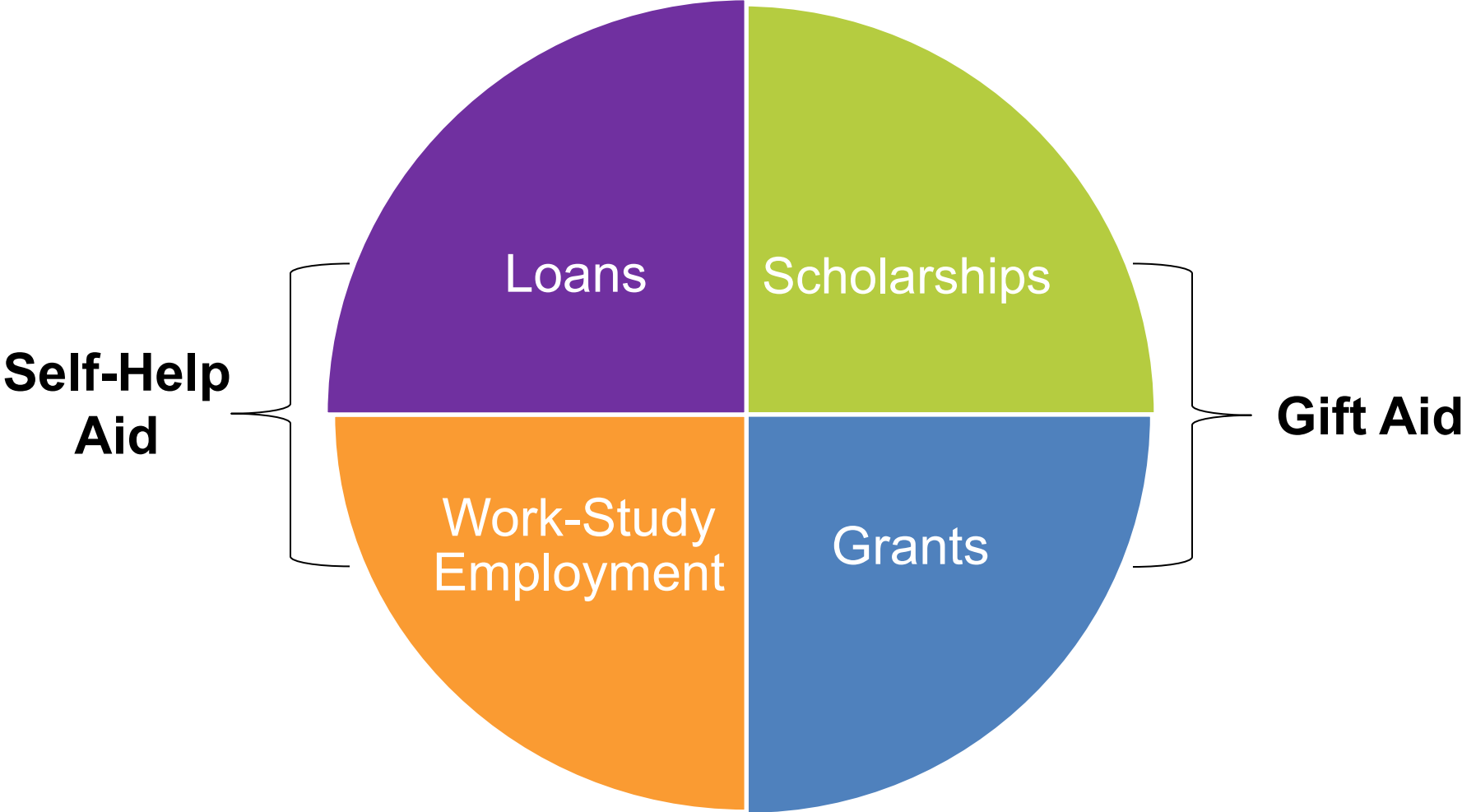


# Categories of Financial Aid

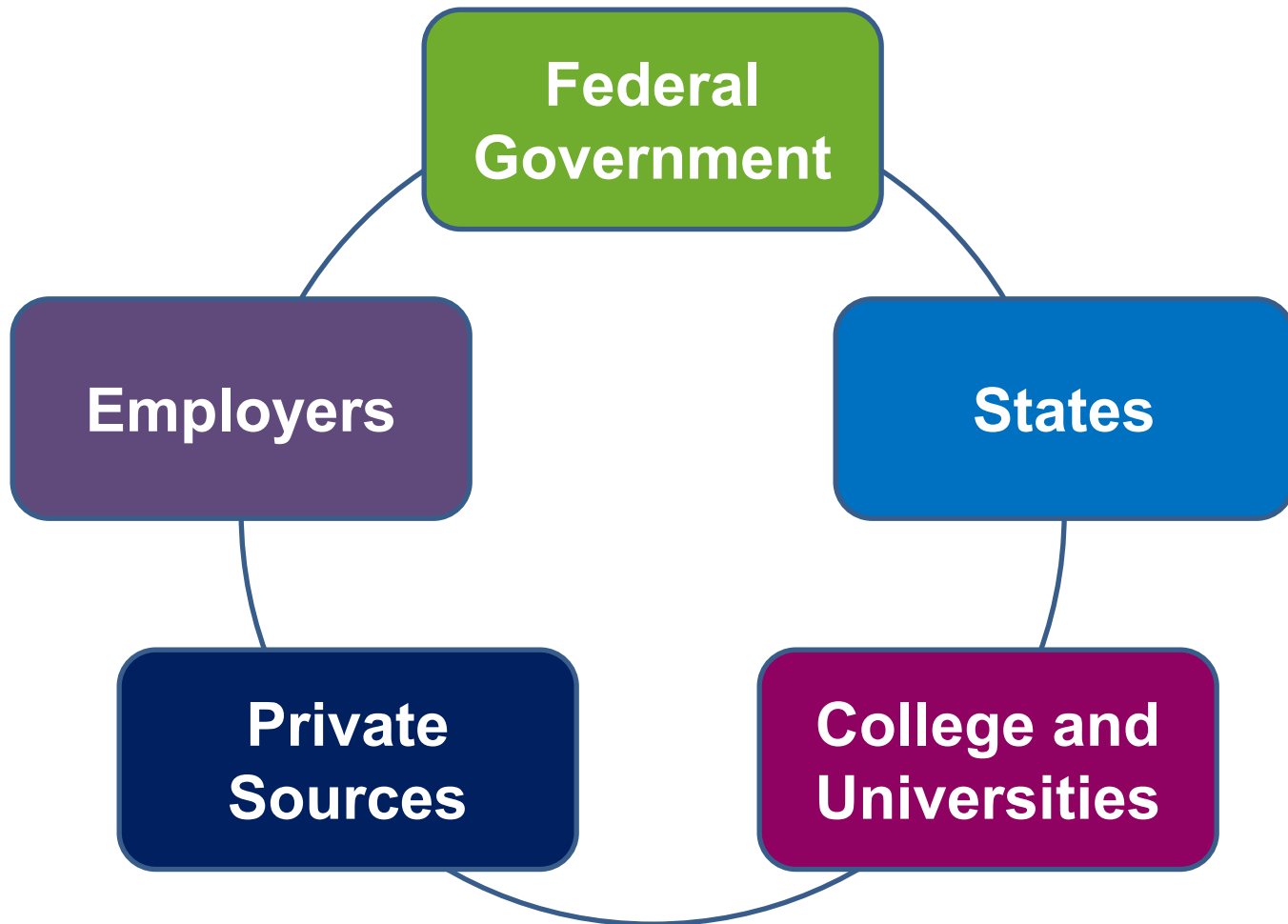




# Types of Financial Aid



# Sources of Financial Aid



# Federal Government

Largest source of financial aid

Aid provided primarily based on financial need

Must apply each year using the FAFSA

Eligibility requirements must be met

# Federal Student Aid Programs

Federal Pell Grant

Iraq Afghanistan  
Service Grant  
(IASG)

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

# Federal Direct Student Loans

## **Subsidized:**

- Based on financial need
- Interest-free while enrolled

## **Unsubsidized:**

- Interest accrues while enrolled

Fixed Interest Rate 2023-24  
– 5.49% and 1.057%  
origination fee (up front free)

## **Borrowing Limits**

### Freshmen

\$3,500 sub + \$2,000 unsub

### Sophomore

\$4,500 sub + \$2,000 unsub

### Junior and Senior

\$5,500 sub + \$2,000 unsub

Aggregate max for undergraduate degree is \$31,000 (\$23,000 in sub)

Repayment begins 6 months after graduation

# PA State Grant - PHEAA

PA Residency requirements apply – DE, MA, WV, DC, OH, VT are reciprocal states

Grant provided based on need

Use information from the FAFSA  
and State Grant Form

Deadline to file FAFSA is May 1

# Colleges and Universities

Aid provided based on both merit and need

Aid may be gift aid or self-help aid

Use information from the FAFSA  
and/or institutional applications

Deadlines and application requirements  
vary by institution

# Private Sources

Foundations, businesses, churches, civic, and charitable organizations

Deadlines and applications procedures vary

Begin researching private sources early – High School Counseling Office is a great resource



# Free Application for Federal Student Aid (FAFSA®)

- Collects demographic and financial information
- Information used to calculate the Student Aid Index (SAI)
- Colleges use SAI to determine financial need
- Available in English and Spanish

# Free Application for Federal Student Aid (FAFSA®)

- For the 2024-25 academic year, the FAFSA may be filed beginning in December ?, 2023
- Colleges may set FAFSA priority dates
- Two ways to complete the FAFSA:
  - FAFSA on the Web (FOTW)
  - Paper (PDF) FAFSA

# FAFSA on the Web (FOTW)

An official website of the United States government. Help Center English | Español

Federal Student Aid AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION FAFSA Loans & Grants Repayment Loan Forgiveness Log In | Create Account

## Get Money to Pay for School

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

### 2024-25 FAFSA Form

[Start a New Form](#) [Edit Existing Form](#)

Need to access last year's form? [Start or Edit a 2023-24 Form](#)

### Check FAFSA® Deadlines for the State You Live In

Some states and colleges use FAFSA information to award their own grants, scholarships, and loans. Check your state's deadlines here!

School Year  State of Residence

[Find Deadlines](#) [View All FAFSA Deadlines](#)

#### Who Should Complete This?

Any student, regardless of income, who wants to be considered for federal, state, and school financial aid programs, which includes scholarships, grants, loans, and Federal work-study.

#### How Long Will it Take?

It takes most people less than an hour to complete, including gathering any documents or data needed.

#### What Do I Need?




- Verified StudentAid.gov account
- Social Security Number
- Parent or spouse contributor email addresses
- Income and asset information, if required

Website: <https://studentaid.gov>

# FSA ID

- Used for FAFSA completion and allows access to certain U.S. Department of Education websites
- May be used by students and contributors throughout financial aid process, including subsequent school years
- Students and contributors should create their FSA ID 4 days prior to filing the FAFSA
- Apply at <https://studentaid.gov/fsa-id/create-account/launch>

## Create an Account (FSA ID)

 Parents    Students    Borrowers

Whether you're a student, parent, or borrower, you'll need to create your own account to complete federal student aid tasks.

**What You Can Use Your Account For**

- Filling out the *Free Application for Federal Student Aid (FAFSA®)* form
- Signing your *Master Promissory Note (MPN)*
- Applying for repayment plans
- Completing loan counseling
- Using the *Public Service Loan Forgiveness Help Tool*

**Items Needed to Create an Account**

- Social Security number
- Your own mobile phone number and/or email address

[Get Started](#)   or   [Log In](#)

# Direct Data Exchange (DDX)

- Allows for certain tax return information to be transferred from the IRS database onto the FAFSA
- Participation is voluntary and student chooses whether to transfer data to FOTW
- Student and contributor must give consent for their Federal Tax Information (FTI) to be imported on the FAFSA from the IRS (non-tax filers must also give consent)
- IRS will authenticate taxpayer's identity
- If tax record is found, IRS transfers information to populate the FAFSA
- Reduces documents requested by financial aid office

# Information About Parents of Dependent Students and the Student

- Tax, income, and other financial information –  
For 2024-25 FAFSA, use 2022 figures
- Family size/~~number in college~~
- Assets – business and farm included
- Fewer untaxed income questions
- Can list up to 20 schools

# Parent Income/Assets

- Parent Income
  - Income Protection Allowance – based on household size
- Parent Assets (report as of the day you file the FAFSA and do not update) – 12% included in SAI calculation.

# Assets - Parents

- Report as of the day you file the FAFSA and do not update
  - Exclude primary residence, qualified retirement plans, value of insurance policies, personal property
  - Include value of college savings plans/529 or pre-paid tuition plan for only the child going to college



# Student Income/Assets

- Student Income – Income Protection Allowance = \$9,410
  - If earnings are greater, 50% included in student contribution
- Student Assets (report as of the day you file the FAFSA and do not update) – 20% included

# Signatures

- Required
  - Student
  - One parent (dependent students)
- Format for submitting signatures
  - Electronic using FSA ID
  - Signature page
  - Paper FAFSA

# Frequent FAFSA Errors

- Social Security Numbers
- Parent marital status
  - Parent wizard -helps student determine which parent goes on the FAFSA
- Family size

# Marital Status

- Report current marital status
- Divorced/Separated/Never Married
  - Parent who provides the greater portion of student's financial support files the FAFSA (even if the student does not live with them)
- If remarried, stepparent's information must be included.

# Applying for Aid

- Everyone should complete the process for the first year
- Get your student involved in the application process

**Remember...this is their education!**

# Email Notification of FSS Processing

Federal Student Aid | FAFSA.gov  
OFFICE of the U.S. DEPARTMENT of EDUCATION

Form Approved  
OMB No. 1845-0001  
App. Exp. 12/31/2022

121-2022 Electronic Student Aid Report (SAR)

This SAR summarizes the information you submitted on your 2021-2022 Free Application for Federal Student Aid (FAFSA).

Application Receipt Date:	10/01/2020	XXX-XX-0007 DE 03
Processed Date:	10/01/2020	EFC: 3157 *
		DRN: 4424

**Comments About Your Information**

Learn about [federal tax benefits for education](#), including the American Opportunity Tax Credit (AOTC).

Based on the information we have on record for you, your EFC is 3157. You may be eligible to receive a Federal Pell Grant and other federal student aid. Your school will use your EFC to determine your financial aid eligibility for federal grants, loans, and work-study, and possible funding from your state and school.

Your FAFSA has been selected for a review process called verification. Your school has the authority to request copies of certain financial documents from you and your parent(s).

There is a limit to the total amount of Federal Pell Grants that a student may receive, which is the equivalent of 6 school years. Based on information reported to the National Student Loan Data System (NSLDS) by the schools you have attended, you have received Pell Grants for the equivalent of between one-half and one school year.

There is a limit to the total amount of subsidized Federal student loans that you may receive. Visit <https://StudentAid.gov> and select Types of Aid/Loans for more information.

**WHAT YOU MUST DO NOW** (Use the checklist below to make sure that all of your issues are resolved.)

If you need to make corrections to your information, click 'Make FAFSA Corrections' on the 'My FAFSA' page using your FSA ID. If you need additional help with your SAR, contact your school's financial aid office or click the 'Help' icon on the FAFSA home page. If your mailing address or e-mail address changes, you can make the correction online.

Based on your EFC of 3157, you may be eligible to receive a Federal Pell Grant of up to \$3,105 for the 2021-2022 school year provided you have not met or exceeded the lifetime limit established for the Federal Pell Grant program.

- If valid email address is provided on FAFSA
- Provides access to electronic FSS FAFSA Submission Summary

# Making Corrections

If necessary, corrections to FAFSA data may be made by:

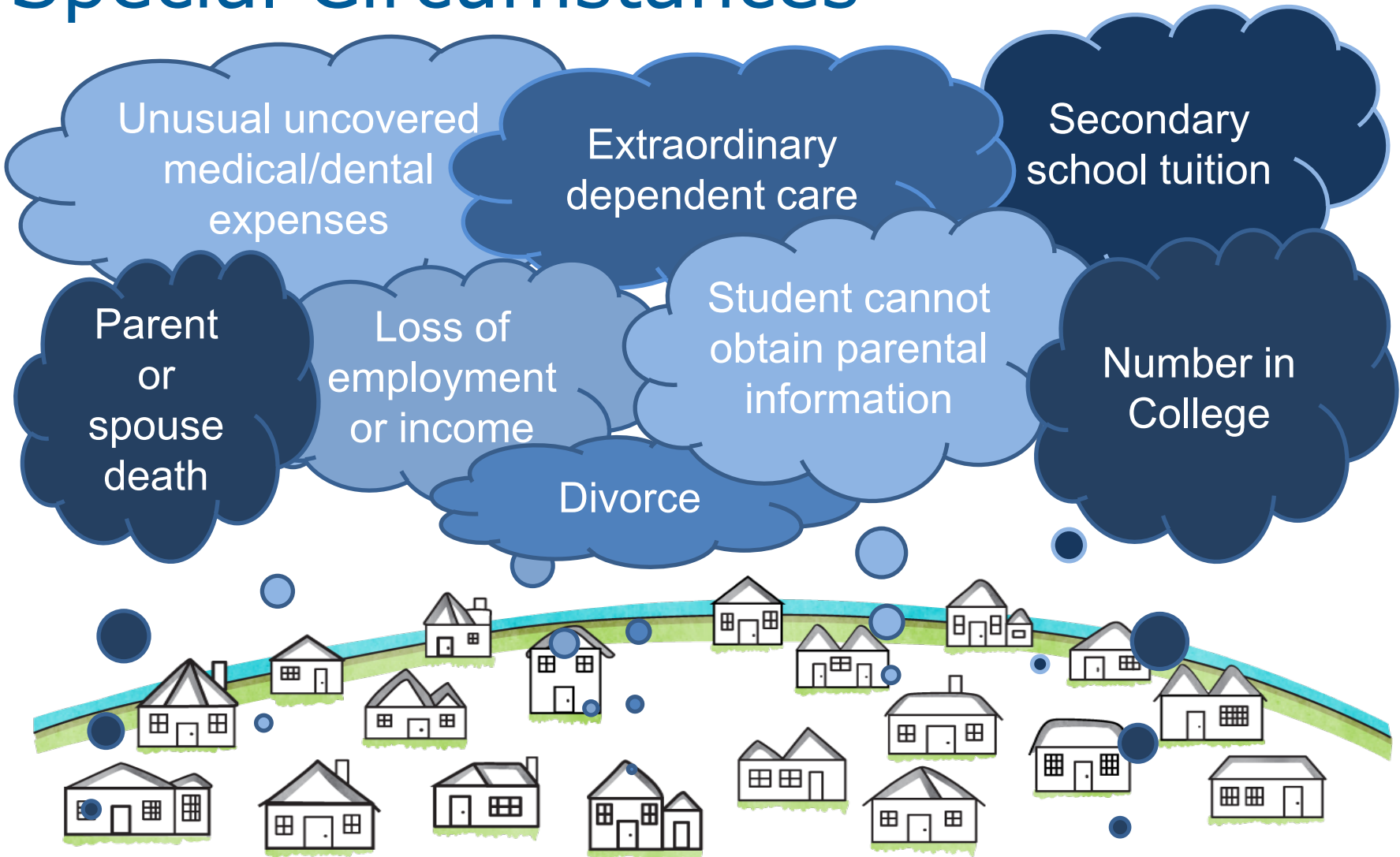
- Using FAFSA on the Web, if student has an FSA ID;
- Updating paper FSS; or
- Submitting documentation to college's financial aid office.

# Special Circumstances & Professional Judgment

- Conditions exist that cannot be documented with the FAFSA
- Send written explanation and documentation to your college's financial aid office
- College will review and request additional information if necessary
- Decisions are final and cannot be appealed to U.S. Department of Education



# Special Circumstances



# Financial Aid Offer

- Beginning winter of senior year, institutions will begin sending/releasing financial aid offers to students who are
  - Admitted **AND** completed all aid applications
- The aid offer will detail the types and amounts of aid for which the student is eligible to receive
- Be sure to compare both out-of-pocket expenses and types of aid

# Financing Options

- Payment Plan
- Federal Parent PLUS Loan
  - 8.05% fixed interest rate (23-24) resets July 1
  - 4.2% origination (up front) fee
- Private Student Loan
  - Student is the borrower, credit-worthy cosigner required
  - Fixed and variable rates available from banks/credit unions
  - Institution may provide a list of recommended lenders

# Maintaining Financial Aid Eligibility

- Make Satisfactory Academic Progress (SAP)
- Meet scholarship GPA requirements
- File the FAFSA/institutional applications each year by the deadlines

**The Financial Aid Office is a great resource!**  
**WE ARE HERE TO HELP YOU!**

# Thank you for attending!

[finaid@lvc.edu](mailto:finaid@lvc.edu)  
717-867-6126  
866.LVC4.ADM

