

Financial Aid Basics

THE FAFSA

The Free Application for Federal Student Aid (FAFSA) is the form that determines eligibility for almost all types of federal, state and institutional student aid, including the Pennsylvania State Grant Program. If you are a dependent student, you will need to include both your and your parents' information. Families can submit a paper FAFSA or complete the form online.

You may access the FAFSA online at [PHEAA.org/FAFSA](https://phea.org/FAFSA). Filing your FAFSA electronically speeds up turnaround time and helps eliminate errors. To file online, you and one parent (in single parent households, the parent you live with most) will need a **Personal Identification Number (PIN)** to serve as your electronic signature. Visit pin.ed.gov to obtain your PIN before completing the FAFSA.

You are urged to file the FAFSA as soon as possible after January 1. Awards have varying deadlines, so be sure you submit your FAFSA as early as possible, but never later than your earliest award deadline.

You have a choice when completing the FAFSA. Either complete last year's tax return and use that information to do the FAFSA, or use estimated tax information. If you use estimated information, you can correct it later. The important thing is to complete the FAFSA by your earliest deadline. EducationPlanner.org offers a free FAFSA tutorial.

DEPENDENT OR INDEPENDENT

For financial aid purposes, you are generally considered to be dependent if you are under 24 years old, unmarried, have no legal dependents, and are not an orphan or ward of the court or a veteran of the U.S. Armed Forces.

Students who are considered dependent for financial aid purposes, but are estranged from their parents, should contact the school's financial aid office for assistance.

STUDENT AID REPORT (SAR)

Within a week of submitting your FAFSA (if you do it online), the federal government will send you and your schools of interest a Student Aid Report (SAR). **Your SAR will inform you and your schools of your Expected Family Contribution (EFC), the amount the federal government feels you and your parents are expected to contribute toward your education costs.** The amount of college costs not covered by your EFC is your financial need.

Total Student Budget – Your EFC = Your Financial Need

You should review your SAR for accuracy. If there are changes to be made, you should complete the correction page and return it according to the instructions on the SAR. EducationPlanner.org has both a College Cost Calculator to help you determine your annual student budget for school and an EFC Calculator to help you determine your Expected Family Contribution.



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SCHOLARSHIPS, GRANTS AND LOANS

We encourage you to apply for free money awards like scholarships and grants before considering loans. You must provide written documentation of all aid you receive to the financial aid office at the schools to which you are applying.

EducationPlanner.org offers one of the largest, free scholarship search databases featuring nearly 1.8 million awards worth almost \$8 billion.

Information from the FAFSA is used to determine your eligibility for a Pennsylvania State Grant. First-time applicants for the State Grant Program will receive an electronic status notice requesting some additional information that was not requested on the FAFSA.

AWARD LETTERS

You will receive a financial aid award letter from each of the schools to which you are accepted. **Each letter will list the types and amounts of aid that the school offers.** Consider each financial aid package and each school to determine which best meets your needs and follow the instructions on the letter.

EducationPlanner.org has a Financial Award Analyzer to help you compare award letters.

FEDERAL STAFFORD LOAN MASTER PROMISSORY NOTE (MPN)

If the financial aid packages offered by your schools of interest include a student loan, you will need to sign a Stafford Loan Master Promissory Note (MPN). You can complete your MPN online at PHEAA.org or your school may send you an MPN to complete. Complete the MPN according to instructions and follow the instructions on the document.

ADDITIONAL LOANS, IF NEEDED

Your parent(s) may apply for a PLUS Loan if you are a dependent, undergraduate student and need additional loan assistance. PLUS MPNs are available at your lender of choice, from your school or you can complete an online credit check and apply online at PHEAA.org.

Only consider private loans as a last resort to fill any “gaps” in your financial aid package as they are more expensive in terms of interest rates and other fees.

PHEAA/AES is one of many Guarantors participating in the Federal Family Education Loan Program (FFELP). A student or parent borrower may obtain a FFELP loan from a lender that uses PHEAA/AES as the Guarantor or any other participating lender. These materials have been developed and paid for by PHEAA/AES for informational purposes. The information contained herein is believed to be accurate at the time of printing. Due to the rapidly changing nature of the law and the industry, information contained in this document may become outdated and PHEAA/AES does not guarantee the accuracy of the information herein. You should verify that this information is correct.

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