2020 Counselor Workshop
Module 1

Meet the Team - Western Pennsylvania

William Lindsey
Manager
wdunlap@pheaa.org
Armstrong, Beaver, Butler, Clarion, and Lawrence Counties

Amy Sloan
asloan@pheaa.org
Crawford, Erie, McKean, Mercer, Potter, and Warren Counties

Marian Hargrave
mhargrav@pheaa.org
Cameron, Centre, Clearfield, Clinton, Elk, Forest, Jefferson, and Venango Counties

Meet the Team - Eastern Pennsylvania

Tiffanie DeVan
tdevan@pheaa.org
Dauphin, Juniata, Mifflin, Northumberland, Perry, Schuylkill, Snyder, and Union Counties

Diona Brown
dbrown1@pheaa.org
Adams, Cumberland, Franklin, Fulton, and York Counties

Robin Walker
rwalker@pheaa.org

Frances McKeown
fmckeown@pheaa.org
Bucks, Delaware, and Montgomery Counties

Michael Burke
mburke@pheaa.org
Carbon, Lehigh, Monroe, Montgomery, Northampton, and Pike Counties

Ron Felder
rfelder@pheaa.org
Philadelphia County

Sonya Mann
Smannmcf@pheaa.org
Berks, Chester, Lancaster, and Lebanon Counties

Creating affordable access to higher education.
Agenda – Module 1

1. Application Process
2. Federal Programs
3. Questions & Answers

Updates

The update symbol notes the numerous updates throughout the manual. Updates include, but are not limited to:
- Documents needed for FAFSA
- Federal Student Aid (FSA) Account (formerly known as FSA ID)
- Process for filing the FAFSA
- Income formula
- Federal Pell Grant Program information

Application Process

Pgs. 11 - 29
Students should know that the Free Application for Federal Student Aid (FAFSA)® is a federal application used to determine student eligibility for:

- Federal programs
- State programs
- School programs

Prior to Applying

- FAFSA – available October 1 in the year prior to attendance
- Federal Deadline – Pell Grants, campus-based aid, Teach Grants, and federal student loans - June 30, 2022 for AY 2021-22
  - School deadlines for need-based grants and scholarships
  - Deadlines vary from school to school
  - Students do not need to be accepted for admission
- PA State Grant Deadlines
  - May 1, 2021 or August 1, 2021 (see Page 49 for details)

Documents Needed to Complete the FAFSA

- Social Security numbers, alien registration number (if not a U.S. citizen)
- 2019 income tax and W2s (if employed)
- Untaxed income (Social Security benefits are not considered)
- CURRENT bank statements and records of other investment accounts (as of the FAFSA filing date)
- Email addresses
- Student’s drivers license (optional)
- FSA Account (formerly known as FSA ID)
Prior-Prior Year – What to Use & When

<table>
<thead>
<tr>
<th>PLAN TO ATTEND COLLEGE FROM</th>
<th>SUBMIT THE FAFSA FROM</th>
<th>USING TAX INFORMATION FROM</th>
</tr>
</thead>
</table>

FAFSA – 7 Sections

1. Student Demographics
2. School Selection
3. Dependency Status
4. Parent Demographics
5. Financial Information
6. Sign and Submit
7. Confirmation

Federal Student Aid Account (FSA ID)

- Electronic signature for FAFSA
- Student and ONE parent need separate FSA Accounts
  - Separate email addresses
  - Separate mobile phone numbers
- Mobile phone number
  - Login
  - Retrieve username and reset password
  - Unlock account
- ONLY the owner of the FSA Account should create the account
Other Uses for FSA Account

- Studentaid.gov
  - Entrance Counseling
  - Master Promissory Note (MPN)
- Import tax information from the IRS
- Make online corrections to FAFSA
- View or print a copy of the SAR
- Parents - Complete a PLUS Loan request

Filing the FAFSA

- Students must file a FAFSA every year they are enrolled in postsecondary education
- Apply online at: studentaid.gov
- Use the myStudentAid mobile app (USDE)
  - Ability to switch between a mobile device and a desktop or laptop

Certified Browsers

- Mozilla Firefox (Version 68+)
- Google Chrome (Version 76+)
- Apple Safari (Version 9+)

Visit studentaid.gov/help/browser-requirements for the most up-to-date information on browsers.
The FAFSA asks who is logging in - the STUDENT or PARENT?

Benefits of Applying Online

- FASTER than paper
  - Online help and skip logic assist applicants in completing accurately
- Save Key feature allows applicants to return to FAFSA within 45 days to complete
- Access the IRS Data Retrieval Tool (DRT)
  - Allows the transfer of federal tax information to their FAFSA
- Easy to compare those schools included on FAFSA form
- FREE

IRS Data Retrieval Tool (DRT)

- Students and parents can transfer IRS tax return income directly into the FAFSA
- The following tax filers are not eligible to use the IRS DRT:
  - Married and filed as Married Filing Separately
  - Married and filed as Head of Household
  - FAFSA marital status doesn’t match PPY IRS tax status
  - Filed a Puerto Rican or foreign tax return

Tax filers flagged due to identity theft can’t use the IRS DRT.
IRS Data Retrieval Tool (DRT)

All information must match tax return. P.O. Box addresses should use P.O. Box number only.

Dependency Status

- A series of student questions to determine if parental data is required
- DEPENDENT – include parental data
  - If they cannot provide parent info - could be special condition
- INDEPENDENT – just student data
  - Most answers require verification

School Selection

Students may list up to 10 schools on their FAFSA. Postsecondary schools will not see that other schools are listed.
Signs the FAFSA

Be sure not to mix up parent's FSA Accounts when signing.

Signature Options

- FSA Account – Preferred method
- Signature Page – Students or parents who are unable or decline to sign the FAFSA with an FSA Account should follow the instructions to print, sign, and mail the signature pages.

Confirmation Page

At the bottom of the confirmation page, you will find the link to the PA State Grant Form (SGF) and the EFC.
In addition to the FAFSA, first-time applicants must also complete the SGF.

How to access SGF:
- The link from FAFSA confirmation page
- Through Account Access at PHEAA.org (24-48 hours after submitting the FAFSA)

Create a student account in Account Access.

PA State Grant Form – eSign

By submitting the electronic Pennsylvania State Grant Form, I/you hereby accept the Statement of Certification and acknowledge that I/you understand the Pennsylvania State Grant Form and that I/you certify: I/you have read and agree to the Rights and Responsibilities, I/you have reviewed the Award Letter, and I/you have reviewed and signed this Pennsylvania State Grant Form. I/you also understand that I/you must print or e-sign this form. I/you understand that I/you must print or e-sign this form.
Additional Applications

- College Scholarship Service (CSS) Profile through College Board
  - Application fee required – $25 for initial application and one school, $16 for each additional school; waivers are available
  - PA schools and scholarship organizations using the CSS Profile are listed on Page 20 of the manual
- Institutional Applications
  - Required by some schools in addition to the FAFSA
  - Requirements are usually posted on their websites

After Applying

- Student Aid Report (SAR) received after FAFSA is processed
- If students provided a valid email address, SAR notification sent via email
- Students without a valid email notified via regular mail
- Students use FSA Account to login to studentaid.gov to view or print their SAR
- Students should carefully review their SAR and follow the directions

Database Matches

- The Central Processing System (CPS) database matches against the FAFSA
- The most common are:
  - NSLDS for loan default and lifetime Pell usage
  - Homeland Security for citizenship status
  - Social Security Administration for SSN verification
  - Selective Service for draft registration of males (gender at birth)
- Discrepancies are flagged and must be resolved through the school before eligibility is finalized
Verification

- FAFSA data checked for accuracy
  - Standard items associated with income, taxes, and household
  - Not using the IRS DRT creates a greater chance of selection
- If selected – a school may require additional documentation, such as:
  - A signed copy of an IRS federal tax return
  - An IRS Tax Transcript (can be ordered at [irs.gov/Individuals/Get-Transcript](https://irs.gov/Individuals/Get-Transcript))

Expected Family Contribution (EFC)

- Remains the same no matter which school the student attends
- Primarily income-driven
- Major factors for dependent student:
  - 2019 parental income and value of assets at the time of FAFSA submission
  - 2019 student income and value of assets at the time of FAFSA submission
  - Family size and number of family members in college at the same time
  - Age of older parent

Parental Income & Assets

Income

- Income is based on 2019 year for AY 2021-22
- Tax filers report AGI from tax return and income from work from W-2
- Allowances are made for taxes, working households, and living allowances based on family size

Assets

- An asset protection allowance is applied
  - Based on the age of the older parent
- Assets are reported as of the date the FAFSA is submitted
  - Not an asset: value of primary residence, personal property, qualified retirement accounts, and life insurance policies
Student Income & Assets

Income
• Allowances are made for taxes
• Earnings from work-study are excluded
• Income protection allowance of up to $6,970 (AY 21-22) and remaining income assessed at 50%

Assets
• Dependent students must report assets in their name
  – Student assets are assessed at 20%
  – No asset protection allowance

Special Processing Formulas

Simplified Formula
• No student or parental assets count in the EFC calculation, if:
  – Anyone in the parent’s household received means-tested benefits; or
  – Parents did not file an IRS 1040 schedule 1; or
  – A parent was a dislocated worker; and
  – The combined income of the student’s parents is $49,999 or less
• This formula also applies to independent students (and their spouse, if married)

Automatic Zero EFC
• Same conditions as Simplified
• Parental annual income of $27,000 or less

FAFSA Federal Resources

FREE publications for secondary and postsecondary students are available for download in Spanish and English at:
• financialaidtoolkit.ed.gov
  – Searchable database of outreach resources
• Federal Contact Assistance
  – studentaid.gov
  – Twitter/Facebook
  – FAFSA on the Web live help
  – By phone: 800-433-3243
FAFSA Demo Site

- FAFSA Demo Site
- A learning tool for counselors
- Sample FAFSAs for practice completing, correcting, and checking statuses

Counseling Scenarios

Scenario 1
Which parent(s) should complete the FAFSA? The student is living with their biological mother and stepfather, sharing time at their biological father's house every other weekend. Their father is not married and makes less money.

Answer
The student should use the parent(s) who provided more than 50% of their support over the past 12 months. If that parent is remarried, stepparent information is required. In this scenario, since the student only spends time with the father every other weekend, the biological mother's and stepfather's information would be used.

Scenario 2
Who is the parent, and how should they complete the FAFSA? The student lives with their maternal grandparents. The student's biological father was never in the picture. The student's biological mother has been in and out of their life since they were born and is now living close by, but the student is still mostly with their grandparents, who have custody.

Answer
The student is dependent and will either need their mother's information to complete the FAFSA or they could try to file the FAFSA on their own, say they cannot provide parent information, and appeal at the college and with PHEAA for independent status. Because the student is not in legal guardianship through the courts, they are not automatically recognized as independent. Grandparents are never the parents on a FAFSA unless they legally adopted the student before age 13.
Scenario 3
The student's parents are undocumented. Will the student be eligible for state and federal financial aid?
• Parents are undocumented.
• Student is a 17-year-old U.S. citizen, and has lived in PA since 2009.

Answer
The student may complete a FAFSA and qualify for federal student aid, such as a Federal Pell grant and Direct Student Loan. Because the student is under 18, PHEAA will use parent domicile/citizenship to determine eligibility for a PA State Grant. Because they are not citizens, they do not meet the domicile requirements for PA State Grant and therefore, the student would not qualify.

Counseling Scenarios
Creating affordable access to higher education.

Scenario 4
Student and family are refugees, what should they do? Parents and student have been relocated from Nepal. They are on a path to citizenship; however, they won't have their Green Cards until June, after the student graduates from high school. It is now October of the student's senior year.

Answer
In order to be eligible for financial aid, the student must be an eligible non-citizen, which means that they must have a Green Card. If the student will have their Green Card in June after senior year, instruct the student to wait and file the FAFSA at that time. They will not meet the PA domicile requirement at that time, so the PA State Grant deadline doesn't matter. They should contact the school and inform them of the situation. Schools may have priority filing deadlines, but because the student won't qualify for any federal or state aid, it doesn't make sense to file it before June.
3 Types of Federal Student Aid

1. Free money.
   - Based on financial need
   - Typically does not have to be repaid

2. Borrowed money.
   - Helps cover cost of attendance
   - Must be repaid, including interest

3. Earned money.
   - Work while in school to help cover costs
   - Coordinated by school

Federal Eligibility Requirements

- Must be U.S. citizen or eligible non-citizen
- Males 18 - 25 must register for Selective Service
  - Assigned the sex of male at birth
  - FAFSA allows males to register (look for question)
- High school diploma or equivalent
- Not be in default on any federal education loan
- Be enrolled as a regular student at an eligible institution
- Maintain Satisfactory Academic Progress while attending

2020-21 Federal Pell Grant

- Maximum Award – $6,345
- Maximum EFC for Eligibility – 5,711
- Lifetime eligibility is limited to 12 full-time semesters
  - Students can monitor Lifetime Eligibility Used (LEU) by logging in to studentaid.gov
- Year-round Pell

Creating affordable access to higher education.
### Two Campus-Based Programs

- Federal Supplemental Educational Opportunity Grant (FSEOG)
  - $4,000 maximum; need-based
  - Priority given to Pell Grant recipients
- Federal Work-Study (FWS)
  - Earnings do not count as income on subsequent FAFSAs
  - Statistics from the National Center for Education Statistics show students who work have a higher GPA

Program participation, student eligibility, and award amounts may vary among schools.

### Federal Grants

- Iraq and Afghanistan Service Grant – max. award $5,983.34, AY 2020-21
  - Student with a parent or guardian who died due to service in Iraq or Afghanistan after 9/11/2001
- TEACH Grant – max. award $3,772, AY 2020-21
  - Students completing or planning to complete coursework needed to begin a career in teaching
  - Must meet specific requirements
  - Agreement to Serve deadline 10/31
- Children of Fallen Heroes Scholarship
  - Pell-eligible student whose parent or guardian died in the line of duty while performing as a public safety officer
  - Enrolled at the time of student's parent's or guardian's death

### Federal Direct Student Loans

Direct Loans (Subsidized and Unsubsidized)
- Beginning 7/1/13, first-time borrowers are limited to the 150% rule
- No credit check or co-signer requirement
  - Subsidized
    - Government pays interest during in-school, grace and deferment periods
    - Based on need
  - Unsubsidized
    - Borrower is responsible for all interest, beginning date of disbursement
    - Non-need based loan
- Interest and Fees – 2.75% and 1.057% fee, AY 2020-21
Loan Limits

<table>
<thead>
<tr>
<th></th>
<th>Undergraduate Students</th>
<th>Graduate Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual limits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st Year</td>
<td>$4,050/yr</td>
<td>$4,050/yr</td>
</tr>
<tr>
<td>2nd Year</td>
<td>$4,050/yr</td>
<td>$4,050/yr</td>
</tr>
<tr>
<td>3rd Year and Beyond</td>
<td>$4,050/yr</td>
<td>$4,050/yr</td>
</tr>
</tbody>
</table>

• Available to parent (biological, adoptive, or, in some cases, stepparent) of a dependent undergraduate student
• Credit check is required with no debt-to-income
  – If credit check passes, loan is approved
• No annual or aggregate limit to the amount a parent may borrow
  – Cost minus financial aid received equals the amount that can be borrowed
• Repayment begins 60 days after full disbursement
  – Parent can choose to defer payments while student is enrolled
• Interest and Fees – 5.30% and 4.228% fee, AY 2020-21

Direct PLUS Loans for Dependent Students

• Available to parent (biological, adoptive, or, in some cases, stepparent) of a dependent undergraduate student
• Credit check is required with no debt-to-income
  – If credit check passes, loan is approved
• No annual or aggregate limit to the amount a parent may borrow
  – Cost minus financial aid received equals the amount that can be borrowed
• Repayment begins 60 days after full disbursement
  – Parent can choose to defer payments while student is enrolled
• Interest and Fees – 5.30% and 4.228% fee, AY 2020-21

Loan Forgiveness Programs

• Federal Teacher Loan Forgiveness Program
  – Borrowers must teach full-time for 5 consecutive years in a low-income school district or educational service agency, and meet other eligibility guidelines
  – Possible $17,500 may be forgiven
• Public Service Loan Forgiveness (PSLF) Program
  – Encourages individuals to enter and continue working in public service jobs
  – 120 on-time payments under certain payment plans while working in a public service job

For more details, visit studentaid.gov or PSLF Toolkit: https://myfedloan.org/financial-aid-officers/products-tools/pslf-toolkit
• Post 9/11 GI Bill Benefits
  – Aggregate 90 days active duty after 9/10/01, still active, honorably discharged, or disability discharged

• American Opportunity Tax Credit
  – Max annual credit of $2,500 per eligible student – see IRS Publication 970

• Lifetime Learning Credit
  – Up to $2,000 per tax return with income limits – see IRS Publication 970

• Deferment for Active Cancer Treatment
  – During treatment and 6 months following the conclusion of treatment

Creating affordable access to higher education.