Student Financial Aid

Penn State is an excellent investment in a student’s future. Financing a Penn State education involves a partnership between the Office of Student Aid and the student. Students and families must be prepared to meet the difference between educational costs and available student aid. The actual costs for the academic year are enclosed in the offer packet’s Costs Brochure and Applying for Student Financial Aid, and can be used for estimating purposes. The Penn State Office of Student Aid Web site has helpful information for both students and parents:

Office of Student Aid
The Pennsylvania State University
314 Shields Building
University Park, PA 16802-1220
Phone: 814-865-6301
Fax: 814-863-0322
www.psu.edu/studentaid

Most of the students you will be calling are dependent and the families will need to supply both student and parent information on the FAFSA – Free Application for Federal Student Aid. In special situations, a student may be classified as an independent and only the student’s information will be required. The FAFSA is the only form required to apply for financial aid at Penn State.

Please encourage families to maximize eligibility by applying on time. Students should:

• Order Personal Identification Numbers (PIN) from the Department of Education at www.pin.ed.gov. Both the student and a parent need PIN numbers, which are electronic identifiers that allow them to electronically sign the FAFSA on the Web.

• Complete the FAFSA at www.fafsa.ed.gov between January 1 and February 15. The online version is highly recommended.

The following information is needed to complete the FAFSA:

—student’s social security number and driver’s license (if they have one)

—parents’ social security numbers and dates of birth

—alien registration number (for eligible noncitizens)

—individual student information

—Federal income tax information from the year prior to enrollment for the student and parents (adjusted gross income and benefits, nontaxable income, and benefits and assets)

—Penn State’s federal school code, which is 003329 for all campuses.

• Sign electronically when prompted using the federal PIN numbers. This will occur after the FAFSA is submitted. Parents must also provide an electronic signature when prompted.

• Print a copy of the FAFSA and keep it with tax information and student aid-related letters.

After the Federal Student Aid Information Center receives the FAFSA, the information is analyzed and forwarded to the Office of Student Aid at Penn State.

Two to three weeks after submitting the FAFSA, students will receive a Student Aid Report (SAR) acknowledgement by e-mail asking them to review the information from the FAFSA. If corrections are necessary, students can make them online through the FAFSA Web site. They should keep a printed copy of corrections for their records. When Penn State receives FAFSA information, the Office of Student Aid reviews it and contacts the student if more information is needed.

Most first-year students will receive a Student Financial Aid Award Notification beginning in mid- to late March. The notification will list all student financial aid programs – loans, grants, work-study, and University scholarships – for which the student is qualified.
Student Financial Aid Programs

For more information on Penn State's financial aid policy, please refer to www.psu.edu/studentaid/needtoknow/asapolicy.shtml.

Financing Options

At Penn State, almost every undergraduate student who applies for student financial aid receives educational loans for assistance. For many students, an educational student loan is the only form of financial aid Penn State can offer. It is a current national trend for students to rely primarily on loans to finance their college education.

There are three types of educational loans—Federal Stafford Loans, Federal PLUS Loans, and private alternative educational loans. The Federal Stafford Loan is awarded to students who indicate their interest in loans on the FAFSA. The Federal PLUS and private alternative educational loans require a separate application in addition to the FAFSA. These applications are available on the Office of Student Aid Web site.

Interest-Free Monthly Payment Option

If families plan to use savings and/or income to cover all or part of the balance after student financial aid, the Interest-Free Monthly Payment Option is available. This option allows payment to be spread over five interest-free monthly payments, rather than large semester payments.

All students and families, regardless of need or financial standing, are eligible for this option, for which there is an annual fee. A brochure with additional information about this payment option is provided to students.

Federal Stafford Loans

There are federal limits on the amount of Federal Stafford Loans a student may borrow. Loan limits increase as a student progresses through school and caps off at a total of $5,500 per academic year. Details of this program are available on the Office of Student Aid Web site.

Federal PLUS Loan

If parent information was provided on the FAFSA, parent(s) may be eligible to borrow a federal Parent Loan for Undergraduate Students (PLUS). Parents may borrow an amount up to the student's cost of attendance (tuition, fees, room and meal expenses, books, transportation, and miscellaneous costs) less any other student financial aid. For the most up-to-date and accurate information about the PLUS Loan, as well as access to the online application, please visit the Office of Student Aid Web site.

Private Alternative Educational Loans

If the PLUS Loan is not an option, students may need to consider a private alternative educational loan. These loans are available through private lenders and generally require a co-signer, who is equally responsible for repayment of the loan. The Office of Student Aid Web site has up-to-date information on alternative loans.

Scholarships

University Scholarships

Penn State University scholarship funds are extremely competitive. Approximately 23 percent of our undergraduate students receive a Penn State scholarship. If the student has already been selected to receive a scholarship, it will appear on the notification. For some scholarships, the student may also receive a separate scholarship award letter.

Private Scholarships

Many first-year students bring private scholarships (i.e., scholarships from individual donors and private organizations) with them to Penn State. Students may want to check with community organizations, employers, and their high school guidance office about private scholarship opportunities within their local community. Free scholarship search engines are listed on the Office of Student Aid Web site. Students should not have to pay for any scholarship search service.