



Pennsylvania Department of the

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## News for Immediate Release

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### **Auditor General DePasquale Hosts Meeting to Help Students, Parents Make Informed Decisions About Paying for College**

#### ***Announces Follow-up on Audit of State's Student Loan Agency***

**HARRISBURG** – Auditor General Eugene DePasquale tonight hosted a meeting to help students and parents make informed decisions about paying for college.

“I want to ensure that Pennsylvania is doing what it can to make higher education affordable and that students understand all the repercussions of borrowing for college,” DePasquale said. “The average student loan debt in Pennsylvania now stands at close to \$36,000.”

During the event, DePasquale announced that his department will produce a special report to follow up on an earlier performance audit of the Pennsylvania Higher Education Assistance Agency (PHEAA), the state's student loan agency. It will include a review of PHEAA's efforts to educate students and parents about factors to consider before seeking financial aid or taking out student loans.

The meeting was held at the Dixon University Center, headquarters of the Pennsylvania State System of Higher Education (PASSHE), which operates the 14 state-owned universities. Panelists scheduled to participate were:

- Kevin Jensen, Assistant Vice Chancellor for Student Success, PASSHE;
- Tiffanie DeVan, Higher Education Access Partner, PA Higher Education Assistant Agency (PHEAA);
- Andrew Marah, Director of Financial Aid for Harrisburg Area Community College (HACC); and
- Christopher Mowl, Assistant Director of Financial Aid for Harrisburg University

#### **Start by Being “SMART”**

As a starting point to aid prospective college students, PHEAA offers five tips for [SMART Borrowing](#):

- Research pay levels in your future career, find an affordable school, and borrow realistically.
- Before selecting your major, research job availability in your chosen field.
- Consider all types of financial aid carefully.
- Educate yourself on the many loan options available before borrowing.
- Remember that inconsistent or untimely loan repayment could affect your future.

“Before taking out loans, students and parents should do their homework and make sure they take advantage of every type of ‘free’ assistance for which they might qualify,” DePasquale said.

The first step is to fill out the Free Application for Federal Student Aid (FASFA®). Students must complete it in order to be eligible for grants, work-study programs, scholarships and federal student loans. In order to be considered for a Pennsylvania State Grant, the FASFA application must be completed by May 1.

“Nationally, nearly 37 percent of 2018 high school graduates did not complete the FASFA application,” DePasquale noted. “The average amount each Pell Grant-eligible graduate left on the table that year was almost \$4,000.”

Students should also compare financial aid packages that may be offered by schools, which can differ greatly from school to school. It’s important to remember that tuition is only the starting point when determining the total cost of attendance.

Other helpful tips from PHEAA include:

**Borrow only what you need.** Remember, student loans MUST be repaid. So borrow only what you need to cover your costs, not what you are eligible to receive.

**Exhaust other types of aid before using private loans.** If you need additional funds after obtaining financial aid through grants, scholarships, and federal loan programs, consider private loans as a last resort.

**Read your promissory note.** Before you receive your student loan, you must sign a promissory note. The promissory note is a "promise to pay" contract between you and the lender that is providing your loan money. This legally binding document specifies your responsibilities for paying back the loan.

**If you withdraw from school, you still have to pay back your loan.** If you withdraw before completing your degree, you must still pay back your loan. A portion of your loan may be able to be returned depending on the amount of time you spent at the school. Review your school's refund policy to determine if any of the funds can be returned.

**If you can't find a job, you are still responsible for paying back your loan.** Regardless if you can't find a job, you are still responsible for making payments on your student loan. Fortunately, there are options that may be available to you to postpone payments under certain circumstances.

DePasquale noted that some careers, including teaching and certain public service-oriented professions, may offer student [loan forgiveness](#) programs designed to encourage more people to enter those fields.

When it comes to choosing a school, DePasquale urged students and parents to consider the potential cost benefits of attending a community college or one of the 14 state-owned universities operated by the State System of Higher Education.

“Community colleges and state-owned universities can provide students with a path to a rewarding career at a cost that may be lower than many private colleges and universities,” DePasquale said, adding that trade or technical schools may also provide a lower-cost alternative to earning a college degree.

PHEAA offers information to help students and parents learn about student aid, find grants or scholarships, and calculate costs online at [www.educationplanner.org](http://www.educationplanner.org).

Visit Pennsylvania’s 14 state-owned universities online at [www.passhe.edu](http://www.passhe.edu). Harrisburg Area Community College is online at [www.hacc.edu](http://www.hacc.edu). Harrisburg University of Science and Technology is online at [www.harrisburgu.edu](http://www.harrisburgu.edu).

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