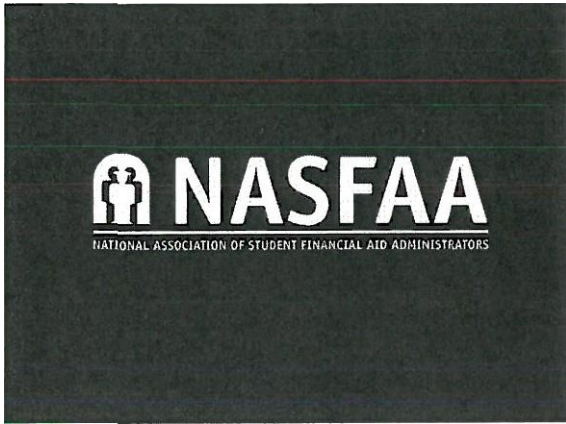


What You Need to Know About Financial Aid



U.S. Department of Education Glossary

Note. • Some of the following glossary terms differ from those which appear on the U.S. Department of Education website. The definitions of some terms have been expanded to provide more information and context.

Academic Year	Period of time schools use to measure quantity of study. For example, a school's academic year may consist of a fall and spring semester during which a full-time undergraduate student must complete 24 semester hours. Academic years vary from school to school and even from educational program to educational program at the same school.
Acceptance Form	The written acknowledgment by the student of receipt of an award offer. The form usually provides for acceptance of aid offered, possible declination of all or part of aid offered, and some means of requesting an appeal, if desired, to modify the award. Frequently, acceptance letters and award letters are combined into a single document. The form may be electronic.
Accreditation	Refers to the school meeting certain minimum academic standards, as defined by the accrediting body. The school must have accreditation from an accrediting body recognized by the U.S. Department of Education to be eligible to participate in the administration of federal student aid programs.
Accrue	The process where interest accumulates on a loan. When "interest accrues on a loan," the interest due on the loan is accumulating.
Adjusted Gross Income (AGI)	All taxable income as reported on a U.S. income tax return.
Adverse Credit History	A summary of an individual's financial history. To qualify for a PLUS loan without an endorser, a parent borrower must not possess an adverse credit history. The Department of Education considers the following to determine if a borrower has adverse credit: <ul style="list-style-type: none">• Is more than 90 days delinquent on the repayment of one or more debts with the total combined outstanding balance of more than \$2,085 as of the date of the credit report, has been placed in collection for that debt, or has had that debt charged off during the two years preceding the date of the credit report; or• Has been subject to a default determination, bankruptcy discharge, foreclosure, repossession, tax lien, wage garnishment, or Title IV debt write-off during the five years preceding the date of the credit report.
Agreement to Serve (ATS)	An agreement under which a student receiving a Teacher Education Assistance for College and Higher Education (TEACH) Grant commits to the specific obligation to teach for four complete years in a designated high-need field at a low-income elementary or secondary school within eight years of completing or ceasing enrollment in a TEACH Grant-eligible program.
Assets	Balance of cash, checking and savings accounts, trusts, stocks, bonds, other securities, real estate (excluding the home), income-producing property, business equipment, and business inventory. Assets are considered in calculating the expected family contribution (EFC).
Associate Degree	An undergraduate academic degree awarded for a course of study two years in length.
Award Letter	An award letter from a school states the type and amount of financial aid the school is willing to provide if the student accepts admission and registers to take classes at that school.
Bachelor's Degree	An undergraduate academic degree awarded for a course of study that is generally four or five years in length.

Borrower	Individual who signed and agreed to the terms in the promissory note and is responsible for repaying the loan.
Budget	A financial plan that helps a student track money, make informed spending decisions, and plan for financial goals.
Capitalized	With certain loans, such as subsidized Federal Family Education Loan (FFEL) or subsidized Federal Direct Student Loan (Direct Loan), the U.S. Department of Education pays the interest that accrues on these loans while the student is enrolled at least half time and during periods of deferment. However, with subsidized loans in forbearance, unsubsidized loans or PLUS Loans, the student, the student's parents, and graduate or professional degree students are responsible for paying interest as it accrues on these loans. When the interest is not paid, it is capitalized or added to the principal balance, which increases the outstanding principal amount due on this loan. Interest that is capitalized subsequently accrues interest, adding an additional expense to the loan.
Certificate	The formal acknowledgment of successful completion of a particular program or course of study, particularly at a community college or career college.
Comprehensive Transition and Postsecondary (CTP) Program	<p>A comprehensive transition and postsecondary (CTP) program for students with intellectual disabilities pursuing a degree, certificate, or nondegree program that:</p> <ul style="list-style-type: none"> + Is offered by an institution of higher education and approved by the U.S. Department of Education; • Is designed to support students with intellectual disabilities who are seeking to continue academic, career and technical training for education, and independent living instruction to prepare for gainful employment; + Offers academic advising and a structured curriculum; and • Requires students with intellectual disabilities to participate on a not-less-than-half-time basis with nondisabled students in (1) regular enrollment in credit-bearing courses, (2) auditing or participating in courses for which the student does not receive regular academic credit, (3) enrollment in non-credit-bearing, nondegree courses, or (4) participation in internships or work-based training. <p>The process of combining one or more loans into a single new loan.</p>
Consolidation	
Cost of Attendance (COA)	The total amount it will cost you to go to school—usually expressed as a yearly figure. It's determined using rules established by law. The COA includes tuition and fees; on-campus room and board (or a housing and food allowance for off-campus students); and allowances for books, supplies, transportation, loan fees, and, if applicable, dependent care. It also includes miscellaneous and personal expenses, including an allowance for the rental or purchase of a personal computer. Costs related to disability are also covered. The COA includes reasonable costs for eligible study abroad programs as well. For students attending less than half time, the COA includes tuition and fees and an allowance for books, supplies, transportation, and dependent care expenses; it can also include room and board for up to three semesters or the equivalent at the institution, but no more than two of those semesters or the equivalent may be consecutive. For correspondence study students, the COA is restricted to tuition and fees, which typically includes books and supplies. Talk to the financial aid administrator at the school you're planning to attend if you have any unusual expenses that might affect your COA.
Data Release Number (DRN)	A four-digit number assigned to a student's FAFSA that allows the student to release the FAFSA information to postsecondary institutions that were not originally listed on the FAFSA.

Default

Failure to repay a loan according to the terms agreed to when you signed a promissory note. For the FFEL and Direct Loan programs, default is more specific—it occurs if you fail to make a payment for 270 days if you repay monthly (or 330 days if your payments are due less frequently). The consequences of default are severe. Your school, the lender or agency that holds your loan, and the state and the federal government may all take action to recover the money, including notifying national credit bureaus of your default. This may affect your credit rating for as long as seven years.

For example, you might find it difficult to borrow money from a bank to buy a car or a house. In addition, the Internal Revenue Service can withhold your U.S. individual income tax refund and apply it to the amount you owe, or the agency holding your loan might ask your employer to deduct payments from your paycheck. Also, you may be liable for loan collection expenses. If you return to school, you're not entitled to receive additional federal student financial aid. Legal action also might be taken against you. In many cases, default can be avoided by submitting a request for a deferment, forbearance, discharge, or cancellation and by providing the required documentation.

Dependent Student

A student who does not meet any of the criteria for an independent student. An independent student is one of the following: at least 24 years old, a married individual, a graduate or professional student, a veteran, a member of the U.S. Armed Forces serving on active duty for other than training purposes, an orphan, an individual in foster care, a ward of the court, an emancipated minor, an individual in legal guardianship, a designated unaccompanied youth who is homeless or at risk of being homeless, someone with dependent children or legal dependents other than a spouse, or someone who presents documentation of other unusual circumstances demonstrating independence to the financial aid administrator.

Direct Loan

William D. Ford Federal Direct Loan (Direct Loan) Program. Loans made through this program are referred to as Direct Loans. Eligible students and parents borrow directly from the U.S. Department of Education at participating schools. Direct Loans include subsidized and unsubsidized Direct Loans (also known as Direct Subsidized Loans and Direct Unsubsidized Loans), Direct PLUS Loans, and Direct Consolidation Loans. You repay these loans directly to the U.S. Department of Education.

Disbursement

Payment of loan proceeds to the borrower via the school by the lender. During consolidation, this term refers to sending payoffs to the loan holders of the underlying loans being consolidated.

Eligible Noncitizen

You must be one of the following to receive federal student aid:

- U.S. national (Natives of American Samoa, Swains Island, or U.S. Minor Outlying Islands are U.S. nationals but not U.S. citizens); or
- U.S. permanent resident who has an I-151, I-551, or I-551C (Permanent Resident Card).

If you're not in one of these categories, you must be an eligible noncitizen, and you must have an Arrival-Departure Record (I-94) from U.S. Citizenship and Immigration Services (USCIS) showing one of the following designations:

- "Refugee";
- "Asylum Granted";
- "Cuban-Haitian Entrant, Status Pending";
- "Conditional Entrant" (valid only if issued before April 1, 1980);
- Victims of human trafficking, T-visa (T-2, T-3, or T-4, etc.) holder; or
- "Parolee" (You must be paroled into the United States for at least one year and you must be able to provide evidence from the USCIS that you are in the United States for other than a temporary purpose and that you intend to become a U.S. citizen or permanent resident).

If you have only a Notice of Approval to Apply for Permanent Residence (I-171 or I-464), you aren't eligible for federal student aid.

If you're in the United States on certain visas, including an F1 or F2 student visa, or a J1 or J2 exchange visitor visa, you're not eligible for federal student aid.

Also, persons with G-series visas (pertaining to international organizations) are not eligible. For more information about other types of visas that are not acceptable, check with your school's financial aid office.

Citizens and eligible noncitizens may receive loans from the Direct Loan Program at participating foreign schools. Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau are eligible only for Federal Pell Grants. These applicants should check with their schools' financial aid offices for more information.

Eligible Program

A program of organized instruction or study that leads to an academic, professional, or vocational degree or certificate, or other recognized educational credential. To receive federal student aid, you must be enrolled in an eligible program, with two exceptions:

- If a school has told you that you must take certain coursework to qualify for admission into one of its eligible programs, you can get a Direct Subsidized Loan or Direct Unsubsidized Loan for up to 12 consecutive months while you're completing that preparatory coursework. You must be enrolled at least half time, and you must meet the usual student aid eligibility requirements.
- If you're enrolled at least half time in a program to obtain a professional credential or certification required by a state for employment as an elementary or secondary school teacher, you can get Federal Work Study (FWS), Federal Perkins Loan, a Direct Loan, or your parents can get a PLUS Loan, while you're enrolled in that program.

Enrollment Status

The number of credits a student is registered for in a particular educational program during a specified period of time, such as a semester or quarter. Enrollment status is defined as full time, three-quarter time, half time or less than half time.

Estimated Financial Assistance (EFA)

The total assistance that a student is receiving to offset the cost of postsecondary education, including scholarships, Title IV aid, need-based work assistance, and private loans, that is subtracted from a student's need when determining eligibility for campus-based aid, Direct Subsidized and Unsubsidized Loans, and PLUS.

Expected Family Contribution (EFC)

Your expected family contribution (EFC) is the number that's used to determine your eligibility for federal student aid. This number results from the financial and demographic information you provided in your Free Application for Federal Student Aid (FAFSA) application. Your EFC is reported to you on your Student Aid Report (SAR). See also Need Analysis.

Financial Aid Administrator (FVA)

An individual who works at a college or career school and is responsible for preparing and communicating information on student loans, grants or scholarships, and employment programs. The FVA helps students apply for and receive student aid. The FVA is also capable of analyzing student needs and making professional judgment changes when necessary.

Financial Aid Package

The total amount of financial aid (federal and nonfederal) a student is offered by the school. The financial aid administrator at a postsecondary institution combines various forms of aid into a "package" to help meet a student's education costs. Using available resources to give each student the best possible package of aid is one of the aid administrator's major responsibilities. Because funds are often limited, an aid package might fall short of the amount a student needs to cover the full cost of attendance. Also, the amount of federal student aid in a package is affected by other sources of aid received (scholarships, state aid, etc.).

FSID

The username and password combination that serves as a student's or parent's identifier to allow access to personal information in various U.S. Department of Education systems and acts as a digital signature on some online forms.

General Education Development (GED) Certificate

This is a certificate students receive if they've passed a specific, approved high school equivalency test. Students who have a GED may qualify for federal student aid. A school that admits students without a high school diploma must make available a GED program in the vicinity of the school and must inform students about the program.

Grace Period

After borrowers graduate, leave school, or drop below half-time enrollment, certain subsidized loans and Federal Perkins Loans that were made for that period of study have several months before payments are due. This period is called the "grace period." During the grace period, no interest accrues on subsidized loans. Interest accrues on unsubsidized loans during grace periods, and this interest is capitalized when borrowers' loans enter repayment. See also Subsidized.

Half Time

At schools measuring progress in credit hours and semesters, trimesters, or quarters, "half time" is at least six semester hours or quarter hours per term for an undergraduate program. At schools measuring progress by credit hours but not using semesters, trimesters, or quarters, "half time" is at least 12 semester hours or 18 quarter hours per year. At schools measuring progress by clock hours, "half time" is at least 12 hours per week. Note that schools may choose to set higher minimums than these. You must be attending school at least half time to be eligible for a Direct Loan. Half-time enrollment is not a requirement to receive aid from the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work Study, and Federal Perkins Loan programs.

Independent Student

An independent student is one of the following: at least 24 years old, a married individual, a graduate or professional student, a veteran, a member of the U.S. Armed Forces serving on active duty for other than training purposes, an orphan, an individual in foster care, a ward of the court, an emancipated minor, an individual in legal guardianship, a designated unaccompanied youth who is homeless or at risk of being homeless, someone with dependent children or legal dependents other than a spouse, or someone who presents documentation of other unusual circumstances demonstrating independence to the financial aid administrator.

Interest

A loan expense charged by the lender and paid by the borrower for the use of borrowed money. The expense is calculated as a percentage of the unpaid principal amount (loan amount) borrowed.

Lifetime Eligibility Used (LEU)	The amount of Federal Pell Grant funds a student has received over his or her cumulative enrollment. Eligibility for the Federal Pell Grant is limited by federal law and is limited to the equivalent to six years of funding for full-time study. Once this limit is reached a student is no longer eligible for Federal Pell Grant funds.
Merit-Based Aid	Financial aid awarded because of a student's achievement or talent in a particular area, such as academics, athletics, music, etc.
National Student Loan Data System (NSLDS)	NSLDS is the U.S. Department of Education's database for federal student financial aid where you can find out about the aid you've received. If you've only just applied for aid, you won't find any information on NSLDS yet. NSLDS receives data from schools, guaranty agencies, and U.S. Department of Education programs. The NSLDS website is generally available 24 hours a day, seven days a week. By using your U.S. Department of Education FSAID, you can get information on federal loan and Federal Pell Grant amounts, outstanding balances, the status of your loans, and disbursements made. You can access NSLDS at www.nsls.ed.gov/nsls SA/ .
Need Analysis	The process of analyzing a student's financial need, known as need analysis, focuses on determining how much the family reasonably can be expected to contribute towards the student's education. Traditionally, determination of an applicant's need is achieved by collecting information about the family's income, assets, and living expenses. For the federal student aid programs, the law specifies a need analysis formula that produces the expected family contribution (EFC). The EFC and the college's cost of attendance (COA) are used by the postsecondary school to establish the student's need, as well as to award grants, campus-based aid, and subsidized loans. The college might ask you to complete other paperwork to determine your need for nonfederal aid.
Net Price	An estimate of the actual cost that a student and his family need to pay for one year's educational expenses at an institution. It considers the institution's cost of attendance and subtracts grants and scholarships for which the student may be eligible.
Overpayment	When a student receives more federal student aid than for which he or she demonstrates eligibility, the excess amount must be repaid in order for a student to receive additional federal student aid funds.
Parent Contribution	A quantitative estimate of the parents' ability to contribute to the postsecondary educational expenses of a dependent student.
Principal	The amount of money borrowed by the student. Interest is charged on this amount.
Promissory Note	A promissory note is a binding legal document you sign when you get a student loan. It lists the conditions under which you're borrowing and the terms under which you agree to pay back the loan. It will include information on how interest is calculated and what deferment, forbearance, and cancellation provisions are available to the borrower. It's very important to read and save this document because you'll need to refer to it later when you begin repaying your loan or at other times when you need information about provisions of the loan, such as deferments or forbearances.
Regular Student	A regular student is one who is enrolled or accepted for enrollment at an institution for the purpose of obtaining a degree, certificate, or other recognized education credential offered by that institution. Generally, to receive federal student financial aid from the programs discussed in this guide, you must be a regular student. There are exceptions to this requirement for some programs.
Satisfactory Academic Progress (SAP)	To be eligible to receive federal student financial aid, you must meet and maintain your school's standards of satisfactory academic progress (SAP) toward a degree or certificate offered by that institution. Check with your school to find out its standards.

Selective Service Registration

In order to be eligible for federal student aid you must register with the Selective Service if:

- You are a male born on or after January 1, 1960;
- You are at least 18 years old; and
- You are not currently on active duty in the U.S. Armed Forces.

Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau are exempt from registering.

Student Aid Report (SAR)

Your Student Aid Report (SAR) summarizes the information you submit on your FAFSA and provides you with your expected family contribution (EFC). After you apply for federal student financial aid, you'll get your FAFSA results in an email report—called a SAR—by the next business day after your FAFSA has been processed, or by mail within 7-10 days. Your SAR details all the information you provided on your FAFSA. If there are no corrections or additional information you must provide, the SAR will contain your EFC, which is the number that's used to determine your eligibility for federal student aid. Whether you applied online or by paper, your data will be automatically sent electronically to the schools you listed on your FAFSA.

Subsidized

Loan for which borrower is not responsible for the interest while in an in-school, grace period, or deferment status. Subsidized loans include Direct Subsidized Loans and Direct Subsidized Consolidation Loans. Only for Direct Subsidized Loans first disbursed between July 1, 2012 and July 1, 2014, the borrower is responsible for the interest that accrues during the grace period.

Subsidized Loan Eligibility Time Limitation (150% rule)

First-time borrowers have a maximum eligibility period for which they are eligible to receive a Direct Subsidized Loan. These borrowers may not receive a Direct Subsidized Loan for a period of more than 150 percent of the published length of the program in which they are enrolled.

Taxable Income

Income earned from wages, salaries, and tips, as well as interest income, dividend income, business or farm profits, and rental or property income.

Title IV Programs

Those federal student aid programs authorized under Title IV of the Higher Education Act of 1965, as amended. Includes the Federal Pell Grant, Iraq and Afghanistan Service Grant (IASG), Teacher Education Assistance for College and Higher Education (TEACH) Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work Study (FWS), Federal Perkins Loan, and Federal Direct Student Loan (Direct Loan) programs.

Unsubsidized

Loan for which the borrower is fully responsible for paying the interest regardless of the loan status. Interest on unsubsidized loans accrues from the date of disbursement and continues throughout the life of the loan. Unsubsidized loans include: Direct Unsubsidized Loans, Direct PLUS Loans, and Direct Unsubsidized Consolidation Loans.

Untaxed Income

All income received that is not reported to the Internal Revenue Service (IRS) or is reported but excluded from taxation. Such income would include but not be limited to untaxed capital gains, interest on tax-free bonds, dividend exclusion, and military and other subsistence and living allowances.

Verification

Verification is a process where your school confirms the data reported on your FAFSA. Your school has the authority to contact you to request documentation that supports income and other information that you reported. If the requested documentation is not provided, you may not be eligible for Title IV aid.

AWARD LETTER COMPARISON WORKSHEET

Different schools have different resources, so financial aid offers can vary greatly from school to school. There are several components of an award letter you should consider:

- » Direct costs, which are billed to you by the school (e.g., tuition and fees), and are not always finalized figures at the time you receive your award letter.
- Indirect costs, which are estimated expenses over which you may have some control (e.g., books and supplies).
- Scholarships and grant awards, referred to as gift aid. Be sure you understand how additional outside scholarships you receive may impact the aid offered by the school.
- Loans and work, also referred to as self-help aid, which you can accept, accept in part, or decline. Always remember: Loans must be repaid! Never borrow more than you need.
- Out-of-pocket costs remaining after subtracting offered aid from the total cost of attendance that you or your parents may have to cover using other resources to cover, such as parent loans, or additional part-time employment.
- Student consumer information and disclosures (such as graduation and transfer-out rates) that the school must provide, either with the award letter, by reference, or by link to other materials—be sure to review carefully.

Award letters usually only cover one academic year at a time, and amounts awarded may change from year to year. Check the school's website or publications, or contact the school's financial aid office for more information on the terms and conditions of gift aid (such as renewability in future years) and self-help aid.

Award Letter from School	1.	2.	3.
Cost of Attendance (COA)			
Direct Costs			
Tuition and Fees	\$	\$	\$
Other:	\$	\$	\$
Other:	\$	\$	\$
Other:	\$	\$	\$
Other:	\$	\$	\$
Indirect Costs			
Transportation:	\$	\$	\$
Miscellaneous:	\$	\$	\$
Other:	\$	\$	\$
Other:	\$	\$	\$
Other:	\$	\$	\$
Other:	\$	\$	\$
Other:	\$	\$	\$
Other:	\$	\$	\$
Other:	\$	\$	\$
Total Costs (COA):	\$	\$	\$
Expected Family Contribution (EFC)	-\$	-\$	-\$
Total Need (COA- EFC)	\$	\$	\$

Award Letter from School:	1.	2.	3.
Scholarship and Grant Awards (Gift Aid):			
	Renewable? <input type="radio"/> Yes <input type="radio"/> No	Renewable? <input type="radio"/> Yes <input type="radio"/> No	Renewable? <input type="radio"/> Yes <input type="radio"/> No
	Renewable? <input type="radio"/> Yes <input type="radio"/> No	Renewable? <input type="radio"/> Yes <input type="radio"/> No	Renewable? <input type="radio"/> Yes <input type="radio"/> No
3.	S Renewable?' @ Yes @ No	S 'Renewable?' @ Yes @ No	S Renewable?' • Yes @ No
4.	\$ Renewable? @ Yes @ No	\$ Renewable? <input type="radio"/> Yes @ No	\$ Renewable? @ Yes @ No
Total Gift Aid:	\$	\$	\$
Net Cost (Total Need minus Total Gift Aid)	\$	\$	\$
Work (Self-Help): Source and Hours per Week	Wages	Wages	Wages
1.	\$	\$	\$
Loans (Self-Help). Source and Interest Rates			
Total Self Help:	\$	\$	\$
Unmet Need (Net Cost minus Total Self-Help)	\$	\$	\$
Assumptions			
Enrollment (e.g., full-time, half-time)			
Living status (e.g., on-campus)			
Other:			
Other:			
Consumer information:			
Online?	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
Email?	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
Paper?	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
Contact Information for the Financial Aid Office:			
Deadlines and Next Steps:			
2.			

Award Letter from School:	1.	2.	3.
Total Loan History (for returning students)			
National Student Loan Data System (NSLDS): https://www.nsls.ed.gov/npas/index.htm			
Private or Institutional Loan(s):			



SAMPLE SCHOLARSHIP INQUIRY LETTER

This letter provides a sample format for inquiring about private student aid funds. Of course, you must first identify foundations and organizations which offer such assistance well in advance of any application deadlines. You can get help finding the names and addresses of private aid sources by conducting a scholarship search on the Internet or from a reference librarian in your public library or local school. Once you have obtained contact information you will need to customize this letter to reflect your own background and needs by replacing the bracketed bold text below.

[Your Street Address]
[Your City, State and Zip]
[Date]

[Ms. Susan B. A. Dollar]
[Director of Big Money Awards]
[Lots of Money Organization]
[P.O. Box 9999]
[Moneytown, USA 99999-9999]

Dear [Ms. Dollar]:

I am writing to inquire about any student financial assistance that the [Lots of Money Organization] may offer to college-bound students.

[Enter a concise paragraph about your background and goals. Try to show how you meet the requirements of the organization's financial assistance program(s). If this is a letter to find out if the organization offers aid, write a short paragraph about how your background and ambitions coincide with the mission of the organization and might qualify you for assistance that may be offered.]

I would greatly appreciate information about any student financial assistance available through your organization, including how I may apply for this assistance. Information about application forms and deadlines for the [20XX-XX] academic year would also be appreciated. If you require any further information, please do not hesitate to contact me by phone at [your area code and phone number] or via email at [your email address].

Thank you for your consideration. I look forward to hearing from you soon.

Sincerely,

[Your Name]

