

Glossary of Terms for Financial Aid Offers

This glossary of terms contains universally accepted definitions of language typically contained on financial aid offers given to current and prospective students. The intent of this glossary is to provide greater clarity and understanding of commonly used financial aid terms.

Cost of Attendance (COA): The estimated cost of attending a particular institution for one academic year. This amount includes the following:

- Expected charges for one year of tuition and fees
 - Tuition – Charges assessed for classes
 - Fees – Charges assessed for other college services
- Room and board for resident students
- Estimated living expense -- allowance for rent, utilities, and food for off-campus living
- Estimated transportation costs
- Estimated books and supplies
- Miscellaneous costs

Direct Costs: Expenses the student/family pays to the college.

Educational Loan: A form of financial aid that must be repaid with interest. Educational loans have varying interest rates and repayment terms. Students and/or parents are required to sign a promissory note when accepting an educational loan.

- **Student Loan:** Aid offered to the student that must eventually be paid back to the lender by the student.
 - **Federal Direct Student Loan:** Loan funds provided *to the student* by the U.S. Department of Education, through the school. Repayment of principal begins six months after the borrower ceases to be a student on at least a half-time basis. The Free Application for Federal Student Aid (FAFSA) is the annual application. There are two types of Federal Direct Student Loans: subsidized and unsubsidized. Students with financial need can qualify for a subsidized loan, and the government pays the interest on the loan while the student remains enrolled at least half time. Students who don't demonstrate financial need qualify for an unsubsidized loan and interest accrues while the student is in school.
 - **Federal Grad PLUS Loan:** Loan funds provided *to graduate students* by the U.S. Department of Education, through the school. This federal loan program allows graduate students with no adverse credit history to apply for up to their Cost of Attendance each year, less any financial aid. To be eligible, the student must be enrolled at least half time in an eligible program of study and first borrow the maximum allowable through the Federal Direct Student Loan program. Repayment of principal and interest begins 30 to 60 days after the loan is fully disbursed with deferment and forbearance options available.
 - **Private (Alternative) Loan:** A loan from a commercial, state-affiliated or institutional lender used to pay for up to the annual cost of education, less any financial aid received. Private loans usually require the applicant to be creditworthy or have a co-signer and have varying interest rates, fees and repayment options. Repayment of interest (and often principal) generally begins immediately, with some lenders offering deferment options for in-school periods.
- **Federal Parent Loan (PLUS):** A federal loan program that allows parents who have no adverse credit history to apply for up to the Cost of Attendance each year, less any financial aid. PLUS loans must be repaid with interest.

Enrollment Level: Level of the degree-granting program in which a student is enrolled. Basic levels of enrollment include: undergraduate (students seeking an associate's degree, a certificate, or a baccalaureate degree); post-baccalaureate (such as teacher certification); graduate (students working on a master's degree or professional degree); and post-graduate (such as students enrolled in a doctoral program). The amounts and types of financial aid a student is eligible for is determined, in part, by their enrollment level.

Enrollment Status: Academic workload (or course load), as defined by the institution, that a student is carrying for a defined academic period. This normally relates to the number of credit hours or clock hours taken by a student during a given academic period. For most traditional undergraduate term-based schools:

- Full-time status = at least 12 credit hours
- Three-quarter time status = at least 9-11 credit hours
- Half-time status = at least 6-8 credit hours.

Expected Family Contribution (EFC): A measure of how much the student and his or her family can be expected to contribute to the cost of the student's education for the year. The EFC is calculated according to a formula specified in the law and is based upon the information provided by the student and his or her family during the FASFA filing process.

Family Financial Responsibility: Many schools offer institutional scholarships and grants. This can result in a higher (or lower) financial responsibility for the student (and his/her family) than the FAFSA might indicate with its Expected Family Contribution (EFC) estimate.

Federal Pell Grant: A grant provided by the federal government to qualified undergraduate students who demonstrate exceptional financial need and have an Expected Family Contribution below a threshold designated annually by the U.S. Department of Education, based on the amount of program funds appropriated by Congress.

Federal Supplemental Educational Opportunity Grant (FSEOG): A grant provided by the federal government to qualified undergraduate students who demonstrate exceptional financial need. Priority is given to Pell Grant recipients and funds must be offered by the school in lowest EFC order. Unlike Federal Pell Grants, schools receive a limited annual funding allocation.

Federal Work-Study (FWS): A program that provides part-time employment to students attending institutions of higher education who need the earnings to help meet their postsecondary costs.

Gift Aid: Funds offered to the student that do not have to be repaid, unless the student fails to meet certain terms, such as a service requirement, specified as a condition of the grant. Gift aid includes aid/resources with titles such as grants, scholarships, remissions, waivers, etc. Gift aid can be aid/resources based upon many factors, including (but not limited to) financial need, academic excellence, athletic, musical, and theatrical talent, affiliation with various groups, or career aspirations.

Grant: Gift aid offered to the student that does not need to be repaid. Grants are typically based on financial need.

Indirect Costs: Expenses incurred as a result of attendance that the student/family may pay to a third party (merchant, landlord, etc.) other than the college.

Net Cost: Amount of direct and indirect costs remaining after all gift aid (scholarship and grant) is subtracted.

Out-of-pocket Cost: Difference between the cost of attendance and all gift aid. Out-of-pocket cost can be covered through a variety of sources, including: savings, income and educational loans.

Scholarship: Gift aid offered to the student that does not need to be repaid. Scholarship funded are typically based on merit or a combination of merit and need, such as academic excellence, talent, affiliation with various groups, or career aspirations.

Self-help: Financial aid in the form of loans or student employment. Loans are used to help pay the remaining net costs after gift aid is deducted. Student employment earnings (including Work-Study offer) are generally not deducted from billed costs but can be used to help cover indirect costs and are paid in the form of wages to the student.

Verification: Process to confirm the accuracy of data provided by the applicant on the FAFSA. In order to complete the verification process, students are required to provide certain documents to the school for review.