

## Financial Aid Terms

**Award Letter/Package** - The document you receive from a college that explains the terms of the financial aid that the college is offering you. The information includes the types and amounts of financial aid offered, what you're expected to do, to keep the award and a deadline for accepting the award.

**Cost of Attendance (COA)** - The total price of attending a particular college. It includes tuition, fees, room, board, books, supplies, meal plan, and other living expenses, such as transportation.

**Demonstrated Need** - The difference between your expected family contribution (EFC - see below) and the total cost of attendance (COA - see above).

**Dependency Status** - A student is either dependent or independent. Dependent students must report parental information on the FAFSA.

**Direct Costs** – Educational expenses paid to the college.

**Expected Family Contribution (EFC)** – A measure of how much the student/family may be able to contribute towards annual educational costs. The EFC is calculated according to a formula specified in federal regulations and based on information provided on the FAFSA.

**FAFSA form** – Free Application for Federal Student Aid. Collects information to determine the EFC.

**Federal Student Aid (FSA)** – Financial aid from the federal government to help for educational expenses. Grants, loans, and work-study are types of federal student aid. The FAFSA must be completed to apply for this aid.

**Financial Aid** - Money given or loaned to you to help pay for college. Financial aid can come from federal and state governments, colleges, and private and social organizations.

**FSA ID** – A 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.

**Gift Aid** - Gift aid is money that does not need to be repaid or earned, such as grants, scholarships, fellowships and tuition waivers.

**Grants** - Money you don't have to pay back. Grants are generally based on financial need.

**Indirect Costs** – Educationally related expenses that are paid to a third party (not to the college)

**Loans** - Money you borrow from the government, a bank or another source. Loans need to be paid back, usually over an agreed period of time. You will most likely also have to pay interest on a loan as well as an origination fee for borrowing the money

**Merit Aid / Non-Need based aid** - Financial aid given to students based on their personal achievements. Generally awarded for success in school such as, academics, leadership, or community service.

**Need-based Aid** - Money awarded to students when their family can't afford to pay the full price. Need-based aid may come in the form of grants or scholarships, but it can also be loans with lower interest rates.

**Net Cost** - The amount you will actually pay for college; this is usually far less than the advertised price.

**Satisfactory Academic Progress (SAP)** - Satisfactory academic progress includes quantitative and qualitative measures of a student's progress to a degree or certificate. Students must generally maintain at least a 2.0 GPA on a 4.0 scale and be passing enough classes to graduate within 150 percent of the normal timeframe for the degree or certificate.

**Scholarship**— Money awarded to students based on academic or other achievement to help pay for educational expenses. Generally do not have to be repaid.

**Self-Help Aid** – Financial assistance in the form of loans or student employment.

**Work-Study** - A program in which students are given a job on campus to help pay for college bills. There's the Federal Work Study program and some colleges also have their own programs.

For additional information refer to:

<http://time.com/money/collection-post/4181339/financial-aid-dictionary/>

<https://www.edvisors.com/glossary>

<https://studentaid.ed.gov/sa/glossary>

[https://www.nasfaa.org/Glossary\\_of\\_Terms\\_for\\_Award\\_Notifications](https://www.nasfaa.org/Glossary_of_Terms_for_Award_Notifications)

<https://bigfuture.collegeboard.org/pay-for-college/financial-aid-101/financial-aid-glossary-learn-the-lingo>