

# GLOSSARY

## of Financial Aid Terms

### **AWARD LETTER**

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.

### **COLLEGE CREDIT**

When a college grants credit for a course, it means that passing that course counts toward a degree. Colleges may also grant degree credit for scores on exams.

### **COST OF ATTENDANCE**

The total amount of college expenses before financial aid. Cost of attendance includes money spent on tuition and fees, room and board, books and supplies, and living expenses.

### **CSS/FINANCIAL AID PROFILE®**

A financial aid application used by more than 400 colleges, universities and private scholarship programs to award their financial aid funds. The College Board offers this service.

### **DEMONSTRATED NEED**

The difference between your expected family contribution (EFC) and the total cost of attendance for a particular college.

### **ENROLLMENT STATUS**

A classification based on the number of credit-hours you're taking; for example, your enrollment status may be full-time or half-time. Some loans or aid may be available only to students with a certain enrollment status, usually half-time or more.

### **EXPECTED FAMILY CONTRIBUTION (EFC)**

A measure of your family's financial strength. States and colleges use this number to help determine your financial aid award. The EFC is calculated using information you supply about your family's financial circumstances.

### **FINANCIAL AID**

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

### **FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA)**

The free application form you submit to apply for federal financial aid. It is required for all students seeking federal student grants, work-study programs and loans. Most colleges require it as well. The FAFSA may also qualify you for state-sponsored financial aid.

### **GRANT**

A kind of "gift aid" — financial aid that doesn't have to be paid back. Grants are usually awarded based on need.

### **LOAN**

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 — a fee for borrowing the money.

### **MERIT AID**

Financial aid given to students based on their personal achievements. Most scholarships are considered merit aid, as they are generally awarded for success in school, the arts, athletics or another area.

### **NEED-BASED FINANCIAL AID**

Financial aid (grants, scholarships, loans and work-study opportunities) given to students because they and their families are not able to pay the full cost of attending a certain college. This is the most common type of financial aid.

### **NEED-BLIND ADMISSIONS**

A policy of making college admission decisions without looking at applicants' financial circumstances. Colleges that use this policy may not offer enough financial aid to meet a student's full need.

### **NET PRICE**

Net price is the true amount a student will pay for a college. A common definition of "net price" is the full cost of attendance at a college (including room and board, supplies, and other expenses) minus the gift aid and education tax benefits.

### **OUTSIDE SCHOLARSHIP**

Also called "private scholarship." A scholarship offered by a private organization — not the government or a college. Outside scholarships are offered by all kinds of groups, individuals, corporations and nonprofit organizations.

### **PRIORITY DATE**

The date by which your application — whether it's for college admission, student housing or financial aid — must be received to be given the strongest consideration. Since financial aid is often limited, meeting the priority date is important to be eligible to receive funds.

### **RESIDENCY REQUIREMENTS**

The amount of time a student has to live in a state before he or she is eligible for in-state tuition prices and state aid.

### **SCHOLARSHIP**

A kind of "gift aid" — financial aid that doesn't have to be paid back. Scholarships may be awarded based on merit or partially on merit. That means they're given to students with certain qualities, such as proven academic or athletic ability.

### **TRANSCRIPT**

The official record of your course work at a school or college. Your high school transcript is usually required as part of your college application and for some financial aid packages.

### **WORK-STUDY**

A program that allows students to take a part-time campus job as part of their financial aid package. To qualify for the Federal Work-Study Program, which is funded by the government, you must complete the Free Application for Federal Student Aid (FAFSA). Some colleges have their own work-study programs.