

## Student & Parent Glossary of Financial Aid Terms

**Academic Calendar:** Calendar including; start date, events, days off, registrations, end date, etc.

**Academic Year:** the period in which a student attends an educational institution, usually including a fall, spring, and summer semester.

**Adjusted Gross Income (AGI):** All taxable income as reported on a U.S. incomes tax return.

**Borrower:** The individual who signed and agreed to the terms in the loan's promissory note and is responsible for repaying the loan.

**Budget:** estimate of your total educational and living expenses for the academic year. A student's financial aid can never exceed the financial aid cost of attendance budget.

**Budget Component:** estimated costs of; tuition, course fees, books, course materials, supplies, and equipment; cost of housing and food (or living expenses); transportation expenses; loan fees (excluding any loan fees for non-federal student loans); miscellaneous expenses (including a reasonable amount for the documented cost of a personal computer); allowance for childcare or other dependent care; costs related to a disability; costs of obtaining a license, certification, or a first professional credential; and reasonable costs for eligible study abroad programs. Budget components cannot be excluded from the cost of attendance.

**Common Origination and Disbursement (COD):** System designed to support origination, disbursement and reporting for Direct Loans, Federal Pell Grants, and the Teacher Education Assistance for College and Higher Education Grant programs.

**Contributor:** any individual required to provide consent and approval for federal tax information (FTI) along with their signature on the FAFSA® form, including the student; the student's spouse; a biological or adoptive parent; or the parent's spouse (stepparent).

**Cost of Attendance (COA):** used to determine each student's eligibility for financial aid such as grants and loans. A student's financial aid can never exceed the financial aid cost of attendance budget.

**Course Program of Study (CPOS):** Course Program of Study (CPOS) is a federal requirement that only courses that count toward a student's program of study (your declared major/minor) be considered when determining Federal and State Financial Aid eligibility.

**Deferment (of a loan):** A period during which payments of the principal balance are not required, and for Federal Direct Student Loans, interest does not accrue. The repayment period is extended by the length of the deferment period.

**Disbursement:** process where money is paid out from a dedicated fund to a student's account.

**Entrance Counseling:** explains your rights and obligations you agree to meet as a condition of accepting a Direct Loan. The Entrance Counseling can be completed on [www.studentaid.gov](http://www.studentaid.gov).

**FAFSA:** See also Free Application for Federal Student Aid

**FAFSA Submission Summary (FSS):** replaces the Student Aid Report (SAR). This is a summary of the data on the FAFSA form.

**Family Size:** replaces the term “household size” on the FAFSA form. It captures the appropriate number of family members and dependents in the applicant’s household.

**Federal Direct Graduate Plus Loan:** loan for graduate or professional students used to help pay for educational expenses. A credit check for adverse credit history is required for eligibility. Interest begins to accrue when the loan is disbursed and can be paid while the student is enrolled or when loan repayment begins.

**Federal Direct Parent Plus Loan:** unsubsidized loans available to parents of dependent undergraduate students. This is a credit-based loan in which the parent must complete an application to see if they are eligible. If a student's parent is not eligible for a parent PLUS loan, the student may be eligible to receive additional unsubsidized loans. The Parent Plus Loan Application can be completed on [www.studentaid.gov](http://www.studentaid.gov).

**Federal Direct Subsidized Loan:** loan for undergraduate students with financial need. Loans do not accrue interest while you are in school at least half-time or during deferment periods.

**Federal Direct Unsubsidized Loan:** Unsubsidized loans are available to both undergraduates and graduate students. Interest accrues from the moment the loan money is disbursed (sent) to your school.

**Federal Pell Grant:** A need-based Federal grant program for postsecondary students who have not yet received a baccalaureate or for professional degree: administered by the U.S. Department of Education.

**Federal Student Aid ID (FSA ID):** A username and password combination that serves as a contributor’s identifier, allows access to personal information in various Department systems, and acts as a digital signature on some online forms. Please refer to [“Do You Need an FSA ID?”](#) for more information.

**Federal Supplemental Education Opportunity Grant (FSEOG) Program:** A federal grant provided by the institution to qualified undergraduate students who demonstrate exceptional financial need and does not need to be repaid. The amount of funding from this program varies by institution.

**Federal Tax Information (FTI):** data and information related to federal tax paying. It includes a return or return information received directly from the Internal Revenue Service (IRS) or

obtained through an authorized secondary source such as the U.S. Department of Education. Other return information considered FTI includes the taxpayer's name; mailing address; identification numbers including Social Security number or employer identification number; any information extracted from a return, including names of dependents or the location of a business; information on whether a return was, is being, or will be examined or subject to other investigation or processing; information contained on transcripts of accounts; the fact that a return was filed or examined; investigation or collection history; or tax balance due information.

**Federal Work-Study (FWS) Program:** Funding for part-time jobs for undergraduate and graduate students with financial need. Unlike grants and loans, FWS is paid to students as they earn the funds by working.

**Financial Aid:** General term that describes any source of student assistance outside of the student or the student's family. Funds provided to a student to help meet postsecondary educational expenses. These funds are generally based on financial need and include scholarships, grants, student employment and loans.

**Food and Housing:** replaces the terms "room and board." A component within a student's Cost of Attendance (COA). See also Budget Component.

**Free Application for Federal Student Aid (FAFSA):** (used to determine an applicant's eligibility for the federal student aid programs.

**FUTURE Act Direct Data Exchange (FA-DDX):** the system replacing the IRS Data Retrieval Tool (DRT) to transfer an individual's FTI to the Department. FA-DDX allows the Department to request, and the IRS to transfer, FTI to determine a student's federal financial aid eligibility.

**Grace Period:** The period of time that begins when a loan recipient ceases to be enrolled at least half-time and ends when the repayment period starts. Loan principal need not be paid and, depending on the loan, interest does not accrue during this period.

**Grant:** A type of financial aid that does not have to be repaid: usually provided on the basis of need. Possibly combined with some skills or characteristics the student possesses.

**Individual Taxpayer Identification Number (ITIN):** is a tax processing number the Internal Revenue Service (IRS) issues to an individual who needs to report income but is ineligible to obtain a Social Security Number (SSN) from the Social Security Administration.

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

**Interest Rate:** An annual rate that is charged on a loan. The interest rates for Title IV loans are determined by federal law.

**Master Promissory Note:** Explains the terms and conditions of your loan and is a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the U.S. Department of Education. The Master Promissory Note can be completed on [www.studentaid.gov](http://www.studentaid.gov).

**Merit Based Aid:** Financial aid provided because of a student's achievement or talent in a particular area, such as academics, athletics, music, etc.

**Origination Fee:** percentage of your loan amount charged by the lender for the processing of your loan. Federal student loans have an origination fee: therefore, the amount you may receive as a disbursement may be slightly lower than the amount you accept.

**Other Financial Assistance (OFA):** term used in lieu of Estimated Financial Assistance (EFA) when factoring in other aid to determine the amount of a student's need- and non-need-based financial aid.

**Primary or Custodial Parent:** for a dependent student, whose parents are divorced or separated, the primary or custodial parent is the parent who provides the greater portion of the student's financial support and is required to provide their information (and if applicable their spouse's information) on the FAFSA form.

**Satisfactory Academic Progress (SAP):** Qualitative and quantitative standards students must meet towards degree or certificate completion in order to remain eligible to receive federal student financial aid.

**Scholarship:** A form of financial assistance that does not require repayment or employment and is usually made to students who demonstrate or show potential for distinction, usually in academic performance.

**Special Circumstances:** special or extenuating situations (such as the loss of a job) that impact a student's financial condition and support a financial aid administrator adjusting data elements in the COA or in the Student Aid Index (SAI) calculation on a case-by-case basis.

**Student Aid Index (SAI):** replaces the Expected Family Contribution (EFC) as a formal evaluation of a student's approximate financial resources to contribute toward their postsecondary education for a specific award year.

**Teacher Education Assistance for College and Higher Education (TEACH) Grant Program:** A federal non need based grant program in which funds are provided to undergraduate and graduate students who want to pursue a teaching career in a high-need field and who agree to teach in a school serving low-income students after graduating. If a recipient does not fulfill the service requirement, funds convert into a Direct Unsubsidized loan.

**Unmet Need:** The difference between a student's total cost of attendance at an institution and the student's total available resources.

**Unusual Circumstances:** conditions that justify a financial aid administrator making an adjustment to a student's dependency status, commonly referred to as a dependency override, based on an unusual situation (e.g., human trafficking or parental abandonment).

**Verification:** A Federally mandated process to confirm the accuracy of data provided by selected applicants on the FAFSA. To complete the verification process, the student, their parent(s), or spouse, is applicable, are required to provide certain documents to the school for review. If the documentation the student provides the institution doesn't match what was reported on the FAFSA, verification can result in changes to the student's financial aid eligibility, and/or financial aid offers.

**Vocational Rehabilitation:** Programs administered by state departments of vocational rehabilitation services to assist individuals who have a physical or mental disability which is a substantial handicap to employment.