

Financial aid glossary

Award letter. A document notifying admitted students of the financial aid being offered by the college. The award letter provides information on the types and amounts of aid offered, as well as the students' responsibilities and the conditions governing the awards.

Cost of attendance. The combined expenses of attending college, including tuition and fees, room and board, books and supplies, transportation, and living expenses. The cost of attendance is compared with the student's expected family contribution to determine the student's need for financial aid.

CSS/Financial Aid PROFILE. A Web-based financial aid application provided by the College Board and used by some colleges and private scholarship programs to award their private financial aid funds.

FAFSA (Free Application for Federal Student Aid). The form that must be completed by everyone applying for federal financial aid. It can be completed online at www.fafsa.ed.gov.

Financial aid package. The total financial aid offered to a student by a college, including all loans, grants, scholarships and work-study opportunities.

Financial need. The difference between the total cost of attending a college and a student's expected family contribution (EFC).

Grant. A monetary aid award given to a student that does not have to be paid back. The terms "grant" and "scholarship" are often used interchangeably, but grants tend to be awarded solely on the basis of financial need, while scholarships may require the student to demonstrate merit.

Independent student. Students that are either age 24 or older, married, a veteran, an orphan, or have legal dependents. Independent students do not need to provide parental information to be considered for federal financial aid programs. However, private institutions may require independent students to provide parental information in order to be considered for nonfederal funding.

Merit aid. Financial aid awarded on the basis of academic qualifications, artistic or athletic talent, leadership qualities, or similar attributes. Most merit aid comes in the form of scholarships.

Need-based aid. Financial aid given to students who have demonstrated financial need, calculated by subtracting the student's expected family contribution from a college's total cost of attendance.

Priority date. The date by which applications for financial aid must be received in order to be given the strongest possible consideration. Thereafter applications are considered on a first-come, first-served basis, and only to the extent the college still has aid money left after all the priority offers have been made.

Self-help aid. Student financial aid, such as loans and jobs, that requires repayment or employment.

Subsidized loan. A need-based loan where the entity awarding the loan pays the borrower's interest while he or she is in college at least half-time, thereby subsidizing the loan.

Work-study. An arrangement by which a student combines employment and college study. The employment may be an integral part of the academic program (as in cooperative education and internships) or simply a means of paying for college.

Handout 8A

