

Glossary of Financial Aid Terms

- **Cost of Attendance (COA):** The total amount (not including grants and scholarships) that it will cost you to go to school during the applicable academic year. COA includes tuition and fees; housing and meals; and allowances for books, supplies, transportation, loan fees, and dependent care. It also includes miscellaneous and personal expenses, such as an allowance for the rental or purchase of a personal computer; costs related to a disability; and reasonable costs for eligible study-abroad programs. For students attending less than half-time, the COA includes tuition and fees; an allowance for books, supplies, and transportation; and dependent care expenses.
- **Direct Subsidized Loan:** Loans that the U.S. Department of Education pays the interest on while you're in school at least half-time, for the first six months after you leave school (referred to as a grace period*), and during a period of deferment (a postponement of loan payments).
- **Direct Unsubsidized Loan:** Loans that the borrower is responsible for paying the interest on during all periods. If you choose not to pay the interest while you are in school and during grace periods and deferment or forbearance periods, your interest will accrue (accumulate) and be capitalized (that is, your interest will be added to the principal amount of your loan).
- **Expected Family Contribution:** A number used by your school to calculate the amount of federal student aid you are eligible to receive. It is based on the financial information provided in your Free Application for Federal Student Aid (FAFSA). This is not the amount of money your family will have to pay for college, nor is it the amount of federal student aid you will receive.
- **Federal Work-Study:** A federal student aid program that provides part-time employment while the student is enrolled in school to help pay his or her education expenses. The student must seek out and apply for work-study jobs at his or her school. The student will be paid directly for the hours he or she works may not automatically be credited to pay for institutional tuition or fees. The amount you earn cannot exceed the total amount awarded by the school for the award year. The availability of work-study jobs varies by school. Please note that Federal Work-Study earnings may be taxed in certain scenarios; however the income you earn will not be counted against you when calculating your Expected Family Contribution on the FAFSA.
- **Grants and Scholarships:** Student aid funds that do not have to be repaid. Grants are often need-based, while scholarships are usually merit-based. Occasionally you might have to pay back part or all of a grant if, for example, you withdraw from school before finishing a semester. If you use a grant or scholarship to cover your living expenses, the amount of your scholarship may be counted as taxable income on your tax return.
- **Loans:** Borrowed money that must be repaid with interest. Loans from the federal government typically have a lower interest rate than loans from private lenders. Federal loans, listed from most advantageous to least advantageous, are called Direct Subsidized Loans, Direct Unsubsidized Loans, and Parent PLUS Loans. You can find more information about federal loans at StudentAid.gov.
- **Net Price:** An estimate of the actual cost that a student and his or her family need to pay in a given year to cover education expenses for the student to attend a particular school. Net price is determined by taking the institution's cost of attendance and subtracting any grants and scholarships for which the student may be eligible.
- **Non-Federal Private Education Loan:** A private education loan is a loan issued expressly for postsecondary education expenses to a borrower (either through the educational institution or directly to the borrower) from a private educational lender, rather than as a Title IV, HEA loan offered by the Department of Education.
- **Origination Fees:** An upfront fee charged by a lender for processing a new loan application. It is compensation for putting the loan in place. Origination fees are quoted as a percentage of the total loan.
- **Parent Plus Loan:** A loan available to the parents of dependent undergraduate students for which the borrower is fully responsible for paying the interest regardless of the loan status.
- **Tuition Payment Plan:** A tuition payment plan offered by an institution may allow students to spread out their payments. It includes an extension of credit of 90 days or less in which the educational institution is the lender, or of one year or less where an interest rate will not be applied to the credit payment.
- **VA Education Benefits:** Benefits that help Veterans, service members, and their qualified family members with needs like paying college tuition, finding the right school or training program, and getting career counseling. You can find more information here: <https://www.va.gov/education/>.
- **For more information visit <https://studentaid.gov>.**