

## Intro Vocabulary for Financial Aid

**Award Letter:** An offer from a college or career school that states the type and amount of financial aid the school is willing to provide if you accept admission and register to take classes at that school.

**Dependent/Independent Student:** Your individual status based on age, and whether or not you support yourself. There will be several questions on the FAFSA to help you determine whether you are independent or dependent. If you live with parents or a legal guardian, and are under the age of 23, your status is very likely “dependent”. This means that you will be expected to provide tax information from your parents as you complete the FAFSA.

**EFC:** Expected family contribution. Estimated amount of money that your family will be expected to pay towards your college expenses, based on total family income.

**Enrollment Status:** Reported by the school the student attended, indicates whether the student is (or was) full-time, three-quarter time, half-time, less than half-time, withdrawn, graduated, etc.

**Federal Pell Grant:** A federal grant for undergraduate students with financial need.

**Federal Perkins Loan:** A federal student loan, made by the recipient's school, for undergraduate and graduate students who demonstrate financial need.

**FAFSA:** (The Free Application for Federal Student Aid). Application for financial aid. By filling out the FAFSA, you are asking the United States government to assist you in paying for your college expenses. The information you fill out in the application will be sent to the schools you select while you complete the application. It is up to the discretion of each school to determine how much money they can give you, and what type of money they can give you. (Loans vs scholarships, etc)

**FSA ID:** A username and password combination that serves as a student’s or parent’s identifier that allows you to sign into your FAFSA application and sign it once you are finished. If your parents/guardians are providing financial information that will be used for your FAFSA, they will need to create an FSA ID as well.

**Grant:** A kind of "gift aid" — financial aid that doesn’t have to be paid back. Grants are usually awarded based on need. Learn more about gift aid.

**Merit Based Aid:** Based on a student's skill or ability. Takes grades, awards, and resume into consideration.

**Need Based Aid:** Based on a family's financial need. Takes amount of money your family has into consideration.

**Out-of-state Student:** A student who is attending a college or career school outside of his or her state of legal residence.

**Parent PLUS Loan:** When you take out loans for college they will be in your name. It will be your responsibility to pay them back once you have completed college. Parent PLUS Loans are different, because they come out in your parent's name, and they will be expected to repay them. If your parent chooses to take out a PLUS loan on your behalf, their credit will be checked before they're approved.

**Promissory Note:** A binding legal document that you must sign when you get a federal student loan. It lists the terms and conditions under which you agree to repay the loan and explains your rights and responsibilities as a borrower.

**Room and Board:** The cost of your meal plan and dorm room.

**Scholarship:** Free money that you do not have to pay back. Schools give out scholarships based on merit, need, or athletic ability, as do companies and local organizations.

**Subsidized loan:** A loan based on financial need for which the federal government pays the interest while the borrower is in an in-school.

**TASFA:** Texas Application for Student Financial Aid. This application is necessary for awarding a certain type of state aid. You will only use this application if you do not have a social security number.

**Tuition:** The cost of your actual classes while you are enrolled in school.

**Unsubsidized loan:** A loan for which the borrower is fully responsible for paying the interest regardless of the loan status. Interest on unsubsidized loans accrues from the date of disbursement and continues throughout the life of the loan

**Work Study:** A federal student aid program that provides part-time employment while you are enrolled in school to help pay your education expenses