



## Understanding Financial Aid Terms

Term	Definition
<b>FAFSA</b>	Stands for Free Application for Federal Student Aid. A document that students complete to determine eligibility for federal loans and grants.
<b>Loan</b>	A loan is money you borrow and must pay back with interest.
<b>Subsidized Loan</b>	Loans made to eligible undergraduate students that have completed FAFSA to help cover the costs of higher education. Subsidized loans do not accrue interest while the student is enrolled at least half-time.
<b>Unsubsidized Loan</b>	Loans made to eligible undergraduate and graduate students that have completed FAFSA. Interest will be charged from the time the loan is processed.
<b>Private Loan</b>	Loan made by a private organization such as a bank, credit union, or state-based organization.
<b>Parent Loan</b>	Federal loans that parents of dependent undergraduate students can use to help pay for college.
<b>Grant</b>	A monetary gift that does not have to be repaid, unless the student withdraws from school.
<b>Pell Grant</b>	A grant awarded only to undergraduate students who display exceptional financial need and have not earned a college degree.
<b>SEOG Grant</b>	The Supplemental Educational Opportunity Grant provides individual universities funds to distribute among eligible students. Unlike the Pell Grant, which is available to every student who qualifies, colleges only receive a limited amount of SEOG funds.
<b>TEACH Grant</b>	The Teacher Education Assistance for College and Higher Education provides grant funds to students who are enrolled in a TEACH Grant eligible program.
<b>MPN</b>	The Master Promissory Note is the legal document used to make one or more Direct Loans, for one or more academic years (up to 10 years). By signing an MPN the borrower agrees to repay all loans.
<b>Entrance Loan Counseling</b>	Entrance counseling ensures you understand the terms and conditions of your loan and your rights and responsibilities. You'll learn what a loan is, how interest works, options for repayment, and how to avoid delinquency and default.
<b>Exit Loan Counseling</b>	Required of all borrowers of university administered student loan programs. It provides information regarding the rights and responsibilities of a borrower and a lender, information about repayment, deferment, and cancellation of loans. Completing this DOES NOT stop you from receiving aid in the future.
<b>FSA ID</b>	A username and password combination you use to log in to U.S. Department of Education websites, including studentaid.gov.
<b>SAI</b>	The Student Aid Index is an eligibility index number that your college's financial aid office uses to determine how much federal student aid you would receive if you attended the school. This is calculated using the FAFSA data for the student and their parents.
<b>Graduate Student</b>	Someone who has earned a bachelor's degree and is pursuing additional education.
<b>Undergraduate Student</b>	Someone seeking one of two higher education degrees, an associate degree or a bachelor's degree.
<b>Associate degree</b>	A two-year undergraduate degree that provides you with a solid academic foundation and professional growth. This can be used as a steppingstone towards a bachelor's degree.
<b>Bachelor degree</b>	A four-year undergraduate degree. The most common types are a Bachelor of Arts (BA) where you major in humanities or social sciences, such as history, psychology, English, or communications. Bachelor of Science (BS) is where you study technology, math, or one of the natural sciences, such as biology, chemistry, finance, or computer science
<b>Cost of Attendance</b>	The maximum amount of money a college costs to attend for one year. Examples are the tuition, fees, housing, and meal plans. This also includes indirect expenses such as textbooks, transportation, dorm furnishings, and other personal expenses.