

Financial Aid Glossary of Terms and Definitions

Award Letter : The official document, issued by the Office of Financial Aid, which lists all the financial aid awarded to the student. While award letters vary among institutions, the letter generally lists the Expected Family Contribution (EFC), Cost of Attendance (COA), and all the terms of the aid awarded. The award letter may be via paper or online.

Candidate's Reply Date: A national policy among members of the National Association for College Admission Counseling that permits a student to wait until May 1 to choose among offers of admission and financial aid.

College Scholarship Service Profile (CSS PROFILE) – This application must be completed by all students who wish to be considered for institutional financial aid at Rhodes College. Apply online at the CSS PROFILE website: profileonline.collegeboard.com.

Cost of Attendance (COA): The total amount it will cost you to go to school—usually stated as a yearly figure. COA includes tuition and fees; room and board (or a housing and food allowance); and allowances for books, supplies, transportation, loan fees, and dependent care. It also includes miscellaneous and personal expenses, including 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 and an allowance for books, supplies, transportation, and dependent care expenses, and can also include room and board for up to three semesters or the equivalent at the institution. But no more than two of those semesters, or the equivalent, may be consecutive. Contact the financial aid administrator at the school you're planning to attend if you have any unusual expenses that might affect your COA.

Direct Loan: A federal student loan, made through the William D. Ford Federal Direct Loan Program, that eligible students and parents borrow directly from the U.S. Department of Education at participating schools. Direct Subsidized Loans, Direct Unsubsidized Loans, Direct PLUS Loans, and Direct Consolidation Loans are types of Direct Loans.

Direct PLUS Loan: A loan made by the U.S. Department of Education to graduate or professional students and parents of dependent undergraduate students. The borrower is fully responsible for paying the interest regardless of the loan status.

Expected Family Contribution (EFC): An amount that a student and parents can reasonably be expected to contribute toward college costs. For federal aid purposes, this is computed according to federal guidelines. For institutional aid purposes, this is computed using data submitted on the CSS PROFILE. The EFC is subtracted from total Costs of Attendance to arrive at an estimate of a student's demonstrated need.

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.

Expected Family Contribution (EFC) -This is the number that's used to determine your eligibility for federal student financial aid. This number results from the financial information you provide in your FAFSA[®] form, the application for federal student aid. Your EFC is reported to you on your Student Aid Report (SAR).

Free Application for Federal Student Aid (FAFSA) -This application must be completed by all students who wish to be considered for federal and state financial aid

Federal Direct Loan Program – Federally sponsored loan programs, which include the Direct Loan, Graduate PLUS Loan and the Parent PLUS Loan (for parents of undergraduate students).

Federal Methodology (FM) – The formulas used to determine a student's eligibility for federal Title IV funds. The formulas take into account income, some assets, expenses, family size, and other factors. FM is created by the U.S. Department of Education, approved by Congress, and revised every 5 to 8 years.

Financial Aid Package – A combination of aid (may include merit-based scholarship, grants, loans, and /or work study) awarded by an institution's financial aid office and based on the FAFSA and CSS Profile submitted by the student and her family.

FAFSA4caster - An online tool that provides an early estimate of your federal student aid eligibility to help you financially plan for college.

Federal Family Education Loan (FFEL) Program - Under this program, private lenders made education loans that were guaranteed by the federal government. These loans included Subsidized Federal Stafford Loans, Unsubsidized Federal Stafford Loans, FFEL PLUS Loans, and FFEL Consolidation Loans. No new loans under the FFEL Program have been made since June 30, 2010.

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.

Financial Need - The difference between the cost of attendance (COA) at a school and your Expected Family Contribution (EFC). While COA varies from school to school, your EFC does not change based on the school you...

Grant - Financial aid, often based on financial need, that does not need to be repaid (unless, for example, you withdraw from school and owe a refund).

Institutional Methodology (IM) – A nationally accepted standard used by many colleges, universities, graduate and professional schools, and private scholarship programs for assessing a family's financial eligibility to receive funding from the school to help meet the Cost of Attendance. While similar to the federal methodology, IM includes a comprehensive review of assets, income, family size, home equity, and other factors. Institutional Methodology also permits more generous treatment of medical/dental expenses, elementary and secondary school tuition payments, and child support payments in determining a family's total available income to pay for Cost of Attendance. Rhodes uses IM in its institutional financial aid evaluation.

Master Promissory Note (MPN)-the legal document in which you agree to repay your loans and any incurred interest and fees to the US Department of Education. It also explains the term and condition of your loans.

Merit-Based Aid – Financial aid that is awarded based on a student's academic, leadership, or artistic merit, or some other criteria, and does not depend on financial

need. Merit-based awards may look at a student's grades, test scores, special talents or extracurricular activities to determine eligibility. Rhodes College's athletic program is guided by NCAA Division III regulations and does not offer athletic scholarships.

Needs Analysis – A process of reviewing a student's aid application to determine the amount of financial aid a student is eligible for. Completing a needs analysis form is the required first step in applying for most types of financial aid.

Need-Based Aid – Financial aid that is awarded based on a student's financial circumstance. Need-based aid can be awarded in the form of grants, loans, or student employment. Students who believe their families will need help in financing their educational costs are encouraged to apply for federal need-based aid by completing the FAFSA, and institutional aid by completing the CSS PROFILE.

NET PRICE is the amount that a student pays to attend an institution in a single academic year AFTER subtracting scholarships and grants the student receives.

Net Price Calculator - Available on a college's website, net price calculators can help prospective students get a better handle on what they will be expected to pay. Students enter information about their family's financial situation to learn what similar students paid to attend the institution in the previous year.

Parent Contribution – A portion of the Expected Family Contribution that is derived from the parents' family income, assets, state and federal taxes, an allowance for family living expenses, and the costs of other family members in college.

Pell Grant – For undergraduate students, first baccalaureate degree only. Eligibility is based on Federal Methodology. The amount of the award ranges from \$588 to \$5,775, subject to Congressional appropriations, and will be reduced for students who enroll less than full time.

Prior-Prior Year (PPY) - Reporting tax information from a prior-prior tax year (PPY) allowing tax information from two years ago. It also allows students and their families to fill out the FAFSA form earlier than ever before in hopes to have their financial aid packages before making college decisions.

PROFILE (CSS/Financial Aid PROFILE) – A financial aid application administered by the College Board and required by some colleges and universities to determine a student's eligibility for additional aid.

Scholarships – Gift money awarded to students based on merit or other specific talents such as fine arts, athletics, community service or leadership.

Self Help – Financial aid self-help awards are available via programs that require the student to either repay the assistance or work for the assistance. Loans and student employment are examples of self-help awards.

Student Aid Report (SAR) – A form sent to the student after submitting the FAFSA to the federal processor. The SAR shows the information that was processed and indicates Pell Grant eligibility. For duplicate reports, visit fafsa.gov.

Student Contribution – In addition to the amount parents are asked to contribute, students are also expected to help meet a portion of their own educational costs each year. A student's minimum contribution may come from prior year earnings, summer employment, savings, and educational benefits.

Subsidized Loan – The government pays the interest on the loan while the student is in school during any deferment periods. Subsidized loans are awarded based on financial need and may not be used to finance the family contribution.

Supplemental Educational Opportunity Grant (SEOG) – Supplemental Educational Opportunity Grant for undergraduate students, first baccalaureate degree only. Federal grant awarded based on a federal formula using data provided in your aid application. Priority is given to students who are eligible for Federal Pell Grants.

Unsubsidized Loan – With this loan, the government does not pay the interest while the student is enrolled. The student has the option to either pay the accruing interest monthly or allow the interest to capitalize (to be added to the principal). Either way, required payments do not begin until six months after graduation or six months after the student drops below half-time enrollment. Unsubsidized Direct Loans are not based on financial need and therefore may be used to finance the family contribution.

Work Study Program – A financial aid program supported by the federal government and coordinated through the financial aid office, whereby an eligible student (based on need) may work part-time on campus while enrolled at the institution.

