



## Key Financial Aid Terms

Financial aid terminology can be confusing. Here are a few key terms and acronyms you need to know.

### **Award Letter**

Also referred to as the “Financial Aid Award” or “Financial Aid Package”, this is notification of the various types, terms and requirements of the financial aid funds offered to you. The award is prepared and sent to you by the college, either by e-mail or regular mail.

### **Cost of Attendance (COA)**

The total estimated cost of attending a college for one year. It includes tuition, books, fees, room, board, transportation and other education-related expenses. The COA will vary from college to college. This is not the amount that the college will bill you!

### **Expected Family Contribution (EFC)**

The EFC represents the amount of money the federal government believes your family can contribute toward costs for one year of college. This is not the amount that you will pay for one year of college.

### **Financial Need**

The difference between the Cost of Attendance (COA) and the Expected Family Contribution (EFC) is called financial need

### **Free Application for Federal Student Aid (FAFSA)**

This federal form is the required application for all federal and state financial aid. The FAFSA is often used by the colleges to determine eligibility for institutional funds as well.

### **Gift Aid**

Gift Aid is a type of student financial aid that you do not need to pay back. Gift aid includes scholarships and grants. .

### **Loan Aid**

Loan Aid is a type of financial aid that must be paid back, usually with interest. There are federal student loans, federal parent loans and private or alternative education loans.

### **Student Aid Report (SAR)**

This is the official notification that summarizes the information you provided on your FAFSA.

### **Verification**

A review process to ensure that the information you provided on the FAFSA is correct. The financial aid office may ask you to submit documentation, such as income tax forms.

### **Work-Study**

Work-study is a program that provides part-time job opportunities to students. Jobs are usually available on and off campus. Some jobs are funded through federal funds, and you must have financial need to receive these funds.

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