

Types of Financial Aid

Sources of Financial Aid:

- ❖ **GRANTS.** Grants are often need-based money that you do not have to pay back. Grants can come from the Federal Government, State Government, college or career school, or a private or nonprofit organization. The Federal Government offers a variety of grants to students attending four-year colleges or universities, community colleges, and career schools. Federal Grants can include; Federal Pell Grants, Federal Supplemental Educational Opportunity Grants (FSEOG), Teacher Education Assistance for College and Higher Education (TEACH) Grants, and Iraq and Afghanistan Service Grants. You must submit the FAFSA to determine your eligibility for Grant money.
- ❖ **SCHOLARSHIPS.** Money that you do not have to pay back. There are thousands of scholarships, from all kinds of organizations, and they're not hard to find. You might be able to get a scholarship for being a good student, a great basketball player, or a member of a certain church, or because your parent works for a particular company, or for some other reason.
- ❖ **LOANS.** If you apply for financial aid by completing the FAFSA, you may be offered loans as part of your school's financial aid offer. A loan is money you borrow and must pay back with interest. If you decide to take out a loan, make sure you understand who is making the loan and the terms and conditions of the loan. Student loans can come from the federal government or from private sources such as a bank or financial institution. Loans made by the federal government, called federal student loans, usually offer borrowers lower interest rates and have more flexible repayment options than loans from banks or other private sources. The U.S. Department of Education has two federal student loan programs. 1.) The Federal Perkins Loan Program is a school-based loan program for undergraduates and graduate students with exceptional financial need. Under this program, the school is lender. 2.) The William D. Ford Federal **Direct Loan** (Direct Loan) Program is the largest federal student loan program. Under this program, the U.S. Department of Education is your **lender**. There are four types of Direct Loans available:
 - Direct Subsidized Loans are loans made to eligible undergraduate students who demonstrate **financial need** to help cover the costs of higher education at a college or career school.
 - Direct Unsubsidized Loans are loans made to eligible undergraduate, graduate, and professional students, but in this case, the student does not have to demonstrate financial need to be eligible for the loan.
 - Direct PLUS Loans are loans made to graduate or professional students and parents of dependent undergraduate students to help pay for education expenses not covered by other financial aid.
 - Direct Consolidation Loans allow you to combine all of your eligible federal student loans into a single loan with a single **loan servicer**.
- ❖ **FEDERAL WORK STUDY PROGRAMS.** Federal Work Study Programs provide part-time jobs for undergraduate and graduate students with financial need, allowing them to earn money to help pay education expenses. The program encourages community service work and work related to the student's course of study. Following a quick overview of Federal Work-Study:
 - It provides part-time employment while you are enrolled in school.
 - It's available to undergraduate, graduate, and professional students with financial need.
 - It's available to full-time or part-time students.
 - It's administered by schools participating in the Federal Work-Study Program. Check with your school's financial aid office to find out if your school participates.

For more information on the types of financial aid available, visit www.studentaid.ed.gov/types.

Financial Aid Checklist

September - December:

- Complete the FAFSA (Free Application for Federal Student Aid) at www.fafsa.gov as soon as possible after October 1. Pay attention to the deadline, since some states require you to submit the FAFSA by mid-February or March. Keep a photocopy for your records. Have ready your SS#, driver's license#, parents recent bank statements, and investment records.
- Start applying for scholarships and grants, which you will do throughout the school year. Visit www.edgerton.k12.oh.us for a list of Edgerton local, state, and national scholarship opportunities.

January/February:

- Complete any required college specific financial aid application materials before deadlines. If your college requires you to submit the [CSS Financial Aid PROFILE](#), be sure to submit it by the deadline. Promptly request to any schools request for additional information or documentation, such as copies of federal tax returns, verification worksheets, or other forms.
- Review your Student Aid Report (SAR). After you apply, you'll receive a Student Aid Report. Your SAR contains the information reported on your FAFSA and usually includes your Expected Family Contribution (EFC). The EFC is an index number used to determine your eligibility for federal student aid. Review your SAR information and make any corrections or changes, if necessary. The school(s) you list on your FAFSA will get your SAR data electronically.
- Contact the school(s) you might attend. Make sure the financial aid office at each school you are interested in has all the information needed to determine your eligibility. If you're eligible, each school's financial aid office will send you an award letter showing the amount and types of aid (from all sources) the school will offer you. The award letter describes the types and amounts of financial aid for which you qualify, the cost of attendance, and your expected family contribution. You can compare award letters from the schools to which you applied and see what aid you can receive from each school.

March/April/May:

- If your family's financial circumstances have changed significantly since you submitted the FAFSA, send a letter to the financial aid administrator at the school, requesting a professional judgment review of your case. Describe the change in circumstances, and include documentation if possible.
- If your financial aid application is selected for verification, the school will require you to submit additional documentation, such as signed copies of your tax returns, W-2 and 1099 forms. The federal government selects 30% of the FAFSAs for verification. Some schools, to be fair, require all students to complete verification.
- Compare the financial aid packages from each school. Do not look solely at the total amount of aid, but conduct a bottom-line analysis of the net out-of-pocket cost of attending each school. Different schools, for example, may have different costs for room and board.
- Decide which school you want to attend and accept their offer. Also, accept the financial aid award package by signing it and sending it in with a copy of your SAR. Keep a photocopy for your records. The school may also require a nonrefundable deposit to confirm that you will attend.
- If you previously attended any institution of higher education, you must request that each institution send a Financial Aid Transcript (FAT) to the school you will attend, even if you did not apply for or receive any financial aid from the institution.
- Apply for education loans (Student Loans and Parent Loans). If you don't receive enough aid from the school's aid package and government loans, investigate Private Loans.

June/July/August:

- You will probably receive your first bill for tuition, fees, room and board during the summer. Ask the school about interest-free or low-cost tuition payment plans that let you pay your tuition in monthly installments, instead of a lump sum up front.
- If you applied for education loans, the financial aid office will provide you with information about the disbursement of the loan proceeds. You may be required to visit the financial aid office to sign the promissory note and complete college entrance counseling. Make sure you read and understand all of your rights and responsibilities.
- Notify the financial aid office of any outside or private scholarship, grant, or other types of student aid you have received or expect to receive.
- If you were awarded Federal Work-Study (FWS) assistance, visit the student employment office to find out how students are placed in FWS positions and what FWS campus jobs are available, including descriptions of job responsibilities and wages.

Subsequent Years:

- You will need to reapply for financial aid each year you are in school. Even if you did not qualify this year, you should reapply next year, since financial circumstances can change. The number of family members in college, for example, can have a big impact on your eligibility for financial aid.
- If you submitted a FAFSA during the previous year, you may be able to complete the shorter Renewal FAFSA form instead. The Renewal FAFSA will be mailed to your home. The Renewal FAFSA preprints most of your answers from the previous year's FAFSA. Verify that the old responses are still accurate and supply corrections or new answers where appropriate. If you don't receive a Renewal FAFSA by February 15, fill out a new FAFSA form.
- Continue to apply for [Scholarships](#) as your qualifications change and as new scholarships get added to the on-line databases.

Don't Think You Are Eligible for Financial Aid?

Don't assume that you don't qualify for financial aid. Nearly all US citizens or eligible non-citizens enrolled at least half-time are now eligible for some form of financial aid, including Student Loans and Parent Loans. Even if you don't qualify for a grant, you may still be eligible for other forms of financial assistance.

Many families don't apply for financial aid because they believe that they earn too much money. However, you don't need to be poor to get financial aid. Some loans and scholarships are available regardless of need, and the number of family members in college can significantly affect your eligibility

Financial Aid Resources

Financial Aid Websites:

- ❖ www.fafsa.ed.gov: Submit the FAFSA (Free Application for Federal Student Aid)
- ❖ www.studentaid.ed.gov: Federal Student Aid, an Office of the U.S. Department of Education
- ❖ www.ohiohighered.gov/sgs: Ohio Board of Regents, State Grants and Scholarships
- ❖ www.finaid.org: The Smart Student Guide to Financial Aid
- ❖ www.ed.gov: US Department of Education
- ❖ www.collegesavings.org: College Savings information
- ❖ www.ohiocollegegoalsunday.org: Professional and free help completing the FAFSA
- ❖ www.nsls.ed.gov: National Student Loan Data System
- ❖ www.oasfaa.org: Ohio Association of Student Financial Aid Administrators
- ❖ www.collegeboard.com: College Board

Scholarship Opportunities

Visit www.edgerton.k12.oh.us → Jr./Sr. High → Guidance

All Edgerton local scholarship opportunities and applications are posted on my website. Also on my website...

- ❖ Select college, state, and national scholarship opportunities
- ❖ Scholarship search engines
- ❖ Scholarship Scam Tips
- ❖ Winning a Scholarship Reference Guide
- ❖ Scholarship Help
- ❖ Scholarship Application Tips
- ❖ Scholarship Interview Tips
- ❖ Scholarship Thank You Letter Tips
- ❖ Financial Aid Information and links
- ❖ College Planning Information
- ❖ Career Planning Information

College Cost Comparison Worksheet

This worksheet can be used as a guide to calculate a student expense budget, and to help determine the resources needed to meet the costs for the school year when comparing colleges.

Colleges:			
A. Direct Educational Expenses			
Tuition:			
Miscellaneous Fees:			
Housing:			
Meal plan:			
Subtotal A:			
B. Financial Aid			
College/University Scholarships:			
Outside Scholarships:			
State/Federal Grants:			
Subtotal B:			
C. Student Loans/Campus Work			
Student Loans:			
Campus Work Study Program:			
Subtotal C:			
Balance (Subtotal A-B-C):			
E. Indirect/Variable Expenses			
Books and Supplies			
Transportation Expenses			
Personal Expenses			
Miscellaneous			
Subtotal E:			
Total (Balance + Subtotal E)			

LOAN TERMINOLOGY

Accrued Interest- Interest that accumulates on the unpaid principal balance of a loan

Alternative Loan - Private loans provide supplemental funding when other financial aid does not cover costs. Offered by banks and other financial institutions. Borrower/co-borrower need to meet credit criteria; often requires school certification; rates and terms differ from federal loan programs

Borrower - The person who receives the loan

Co-Borrower - A person who signs the promissory note, in addition to the borrowers, and is equally responsible for the debt.

Capitalization - Accrued interest is added to outstanding principal balance at designated times

Consolidation Loan –also called Loan Consolidation, combines several student or parent loans into one bigger loan from a single lender, which is then used to pay off the balances on the other loans. Consolidation loans are available for most federal loans, including FFELP (Stafford, PLUS and SLS), FISL, Perkins, Health Professional Student Loans, NSL, HEAL, Guaranteed Student Loans and Direct loans. Consolidation loans often reduce the size of the monthly payment by extending the term of the loan beyond the 10-year repayment plan that is standard with federal loans.

Credit Scoring - A method, based on statistical analysis of applicant characteristics, through which lenders determine the applicant's qualification for credit.

Credit -worthy - An individual with no negative credit history per the criteria established by the lender.

Default - Failure to make scheduled monthly payments according to the agreed - upon terms. Occurs at 270 days delinquency (as of 10/7/98).

Deferment - A period during which a borrower, who meets certain criteria, may suspend loan payments. For some loans the federal government pays the interest during a deferment. On others, the interest accrues and is capitalized, and the borrower is responsible for paying it.

Delinquency – Occurs due to failure to make monthly loan payments when due. Delinquency begins with the first missed payment.

Direct Lender (FDLP) - schools that are given loan funds directly from the federal government to award and disburse to eligible students; also known as the William D. Ford Direct Loan Program for Stafford and PLUS

Disbursement - when funds are made available to the student at the school; school determines dates based on academic year and federal regulations

Disclosure Statement/Notice of Guarantee (NOG) - notice to student regarding loan given at time of guarantee by lender; indicates amounts of disbursements and payment dates

Electronic Funds Transfer (EFT) - Any transfer of

loan funds from lender to school that is initiated

Through electronic means rather than a paper based transaction, such as a check.

Entrance/Exit Interview - pre- and post counseling of student borrowers provided by the school and required by the federal government

Federal Direct Student Loan Program (FDSLP)

Stafford and Plus loans are available directly from the federal government rather than through private lenders. Selected colleges and universities participate in this program.

Federal Family Education Loan Program

(FFELP) - Stafford and PLUS loans are financed by private lenders and guaranteed by the federal government

Forbearance - Temporary cessation of regularly scheduled payments or temporarily permitting smaller payments than were originally scheduled.

Federal Stafford Loan - Loans guaranteed by the federal government and available to students to fund education.

Subsidized - federal government pays interest on loan while student is in school, during grace period and times of deferment; based on need

Unsubsidized - student is responsible for interest on loan; not need based

Grace period - Specified period of time between the date a student graduates or drops below half-time status and the date loan repayment begins.

Guarantee Agency/Guarantor - agency that guarantees the funds for the federal government to the lenders; Great Lakes Higher Education Corporation and United Student Aid Funds are two common agencies in Ohio

Master Promissory Note (MPN) - A promissory note under which the borrower may receive loans for either a single academic year or multiple academic years.

The MPN forms, developed by FFELP participants and approved by the Department, are the Stafford Master Promissory Note (Stafford MPN) and the PLUS Application and Master Promissory Note (PLUS MPN). Can be used for 10 years of loan borrowing from point of signing

NSLDS - National Student Loan Data System; federal database of student borrowers and their borrowing levels

PLUS - Federal Parent Loan for Undergraduate

Students program

Prepayment - Paying off all or part of a loan before it is due

Repayment - repaying student loan as agreed upon in promissory note; students should check with lender at time of repayment to understand responsibilities

Secondary Market - Institutions, like Sallie Mae, that buy student loans from the institutions that originate or own them.

Servicer - Organization that administers and collects loan payments. May be either the loan holder

Financial Aid Acronyms and Abbreviations

ACE American Council on Education	LEAP Leveraging Educational Assistance Partnership (was SSIG)
ACG Academic Competitiveness Grant	LLR Lender of Last Resort
AGI Adjusted Gross Income	MLN Mailing List Number (at FSA PUBS)
ATB Ability to Benefit	MPN Master Promissory Note
ATS Agreement to Serve	NASFAA National Association of Student Financial Aid Administrators
AY Academic Year or Award Year	NCAN National College Access Network
BPOS Bulk Publication Ordering System	NSLDS National Student Loan Data System
CCRAA College Cost Reduction and Access Act of 2007	NT4CM National Training for Counselors & Mentors
CIP Code Classification of Instructional Programs	OACAC Ohio Association for College Admission Counseling
COA Cost of Attendance	OAS Ohio Academic Scholarship
CPS Central Processing System	OASFAA Ohio Association of Student Financial Aid Administrators
CR Continuing Resolution	OBR Ohio Board of Regents
CSR (@ FSAIC) Customer Service Representative	OCAN Ohio College Access Network
CSS College Scholarship Service	OCG Ohio Choice Grant
DHS US Department of Homeland Security	OCOG Ohio College Opportunity Grant
DL Direct Loan	OhioCAP Ohio College Access Portal
DRN Data Release Number	OIG or Office of Inspector General
ED U.S. Department of Education	OIG Ohio Instructional Grant
ECASLA Ensuring Continued Access to Student Loans Act of 2008	OMB Office of Management and Budget
EFA Estimated Financial Assistance	OTTA Ohio Tuition Trust Authority
EFC Expected Family Contribution	PDF Portable Document Format
EFT Electronic Funds Transfer	PHEAA Pennsylvania Higher Education Assistance Agency
EIN Employer Identification Number	PIN Personal Identification Number
ESAR Electronic Student Aid Report	PJ Professional Judgment
ETV Education Training Voucher	PL Public Law
FAA Financial Aid Administrator	PLUS Parent Loan for Undergraduate Students
FAFSA Free Application for Federal Student Aid	PSAT/NMSQT Preliminary SAT/National Merit Scholarship Qualifying Test
FAO Financial Aid Officer	SAIG Student Aid Internet Gateway
FDSLPL Federal Direct Student Loan Program	SAP Satisfactory Academic Progress
FERPA Family Education Rights & Privacy Act	SAR Student Aid Report
FFEL Federal Family Education Loan	SASCCO Student Access & Success Coordinating Council of Ohio
FFELP Federal Family Education Loan Program	SC Special Conditions
FM Federal Methodology	SII State Investment in Instruction (formerly State Share of Instruction)
FOTW FAFSA on the Web	SMART Science and Mathematics Access to Retain Talent
FSA Federal Student Aid	SNT Simplified Needs Test
FSAIC Federal Student Aid Information Center	SOTW SAR on the Web
FSEOG Federal Supplemental Educational Opportunity Grant	SSA Social Security Administration
FTC Federal Trade Commission	SSI Supplemental Security Income
FWS Federal Work-Study	SSIG (cf. LEAP) State Student Incentive Grant
FY Fiscal Year	SSN Social Security Number
GA Guaranty Agency	SSS Selective Service System
GAO U.S. General Accounting Office	STEMM Science, Technology, Engineering, Mathematics, Medicine
GEAR UP Gaining Early Awareness and Readiness for Undergraduate Programs	TANF Temporary Assistance for Needy Families
GED General Education Development [certificate]	TEACH Teacher Education Assistance for College and Higher Education
GLHEC Great Lakes Higher Education Corporation	TIN Taxpayer Identification Number
HEA Higher Education Act of 1965, as amended	TTY Teletype
HEOA Higher Education Opportunity Act of 2008 (see HEA)	UGMA Uniform Gift to Minors Act
HERA Higher Education Reconciliation Act of 2005	URL Uniform Resource Locator
HTML Hypertext Markup Language	USPS U.S. Postal Service
IBR Income-based Repayment	UTMA Uniform Transfer to Minors Act
IFAP Information for Financial Aid Professionals	VA U.S. Department of Veterans Affairs
IM Institutional Methodology	WIC Special Supplemental Nutrition Program for Women, Infants, and Children
IPEDS Integrated Post-Secondary Education Data System	
IRS Internal Revenue Service	
ISIR Institutional Student Information Record	