PARENT FINANCIAL AID GLOSSARY



* **College:** a technical, two-year, or four-year college or university.
* **Postsecondary education and training:** education and training programs after high school.
* **Financial Aid:** Any grant, scholarship, loan, or work-study (specific paid employment) offered to help a student meet their college expenses.
* **Federal Financial Aid:** Financial assistance/aid programs funded and administered by the federal government to help students pay for college costs.
* **State Financial Aid:** Financial assistance/aid programs funded and administered by the state to help students pay college costs.
* **Free Application for Federal Student Aid (FAFSA):** The standard form students must complete to apply for federal and state need-based assistance programs and, in some circumstances, campus-based assistance/aid. Learn more at fafsa.ed.gov.
* **Washington Application for State Financial Aid (WASFA):** The application available to eligible noncitizens for the State Need Grant and College Bound Scholarship. Learn more at readysetgrad.org/wasfa.
* **Financial Aid Applicant:** The individual who financial assistance/aid is being sought out for. The college student in the case of the FAFSA or WASFA.

# **Types of Financial Aid:**

* **Grants:** a form of gift aid, usually based on financial need. A grant does not need to be repaid, except in rare circumstances.
  + **Federal Pell Grant:** a federal grant award for students demonstrating high financial need as determined by the FAFSA. The Pell award amount varies annually. For 2018-19, the maximum award was $6,095 per year.
  + **Federal Supplemental Educational Opportunity Grant (FSEOG):** A federal campus-based grant award to students with exceptional financial need as determined by the FAFSA. Students who qualify for the Pell grant are given priority consideration for FSEOG grants. FSEOG grants range from $100-$4000 per year.
  + **Washington State Need Grant (SNG):** A state grant program for low-income Washington State resident students to pay for college or skill and career training. Students can use the grant at eligible technical, career, 2- and 4-year institutions in Washington. Students are awarded the SNG through their FAFSA or WASFA.
* **Scholarships:**  money given to a student that does not need to be paid back, except in exceptional circumstances. Scholarships are typically awarded based on personal, athletic, academic or other achievement, talent, personal traits or characteristics, and similar.
  + **Portable:** some scholarships are bound to a specific college (you cannot receive the funds unless you attend and are otherwise eligible to receive the money at a specific school). Portable scholarships can be used at the college of your choice and follow you to whatever school you attend.
  + **Renewable:** a scholarship that can be received for more than one year if all eligibility requirements are met.
  + **Private scholarship:** a scholarship funded by a private organization, company, or individual/foundation. These scholarships can range in amount from $100-total cost of attendance. Most require a separate application.
  + **School-based or Institutional Scholarships and Grants:** non-federal scholarships or grants funded by a college foundation or administered by a college. Students may need to complete FAFSA/WASFA to be considered for these scholarships and some may require an additional application.
  + **Act 6 Scholarship:** a leadership training and full-tuition, full-need scholarship for emerging urban and community leaders. The program connects local faith-based community affiliates with faith- and social justice-based colleges to equip emerging urban and community student leaders to engage the college campus and their communities at home.
  + **Washington State Opportunity Scholarship:** A public-private partnership scholarship of up to $22,500 for low- and medium-income students pursuing bachelor’s degrees in high-demand STEM fields like aerospace, engineering, technology and health care. In addition to funding, the scholarship provides professional development, skills-building workshops and industry exposure.
  + **College Bound Scholarship:** a state financial aid program created for low-income students in Washington. The scholarship covers tuition (at comparable public college rates), some fees, and a small book allowance. Eligibility for the scholarship is a two-part process. Students in 7th or 8th grade whose family meets the income requirements must submit and complete an application by June 30 of the student’s 8th grade year. Then students must meet the College Bound Pledge requirements and income-eligibility as determined by the student’s FAFSA or WASFA in their senior year of high school.
* **Loans:** A loan is money you borrow and must pay back with interest.
  + **Loan Interest:** The amount of money a lender adds to the original amount of money an individual borrows each month or year. The **loan interest rate** determines how much money is added to the original amount borrowed each month or year. The lower the interest rate, the less expensive it will be to repay the loan over time. Some loans have fixed interest rates that will not change over time (including Federal student loans) and others have rates that can change over time (some private loans, for example).
  + **Federal Student Loan**: Loans made by the federal government (typically the Department of Education), which usually offer borrowers lower interest rates and have more flexible repayment options than loans from banks or other private sources. Students are considered for these loans through the FAFSA. For more information on the federal loan program: studentaid.ed.gov/sa/types/loans.
    - **Subsidized Loan:** a federal student loan that does not accrue interest while the student is enrolled in college at least part-time, during a 6-month grace period after the student graduates from or otherwise does not enroll in college, and/or during a deferment period (a status you can request when in repayment).
    - **Unsubsidized Loan:** a federal student loan that accrues interest while the student is enrolled in college.
    - **Federal Plus Loans (For undergraduate students: Parent PLUS loan):** A federal loan that allows *parents* to borrow, for education related expenses, up to the total cost of attendance at their child’s college less any other aid that the student receives. These are unsubsidized loans, which means the loan amount will accrue interest immediately. The parent is responsible for repaying the loan and interest and repayment typically starts immediately. Parents must show creditworthiness to receive these loans, which are requested through the student’s college financial aid office after the student receives their financial aid award letter.
  + **Private Loan**: a loan offered by a bank, for-profit institution, or other private lending entity. These loans typically require a separate application. Private loans usually carry a higher interest rate and have more limited repayment options than federal loans. Also, if the student is applying for the loan, private loans may require an adult co-signer, who may also be held responsible for loan repayment.
  + **Institutional loan:** a non-federal loan programs administered and offered by a college. Colleges that offer institutional loans will have a separate application for the loan and interested students should contact the school’s financial aid office for more information.
  + **Work Study:** Federal and state programs that provide part-time jobs for students with financial need in order to help pay for education related expenses. Being awarded work study does not guarantee a student a job, specific number of work hours, or specific pay rate. Jobs available to work study eligible students are usually on-campus (for example, in the library, campus bookstore, student services office, etc.) and students receive funds through a standard pay check as they earn it. Students apply and are awarded work study eligibility through the FAFSA or WASFA. WASFA eligible students are only eligible for work-study if they have DACA.

# **Financial Aid People & Places**

* **Financial Aid Office:** located at colleges, this office helps to process financial aid applications and make financial aid awards. The office also typically helps students understand their financial aid award, provides information on funding resources, and can help students search for scholarships and work study jobs.
* **College and Career Readiness Staff:** people at a high school specifically responsible for supporting students with college and career readiness, including advising, financial aid, and college applications. Staff may include counselors, college access organization staff (College Access Now, College Success Foundation, etc.), advisory teachers, AVID or GearUp staff, and more.
* **Department of Education:** The federal department responsible for, among other things, establishing policies on federal financial aid for education and distributing as well as monitoring those funds. Through its office of Federal Student Aid, the Department of the Education also manages websites like studentaid.ed.gov, which provides public information and educational materials about federal financial aid.
* **Washington Student Achievement Council:** The Washington State agency responsible for administering the majority of the state’s student financial aid programs and the WASFA application.

# **Financial Aid Process:**

* **Priority Financial Aid Application Deadline**: A date that you need to file a FAFSA or WASFA by in order to receive priority consideration for financial aid funding. This deadline may be earlier or the same as the financial aid application deadline.
* **Financial Aid Application Deadline:** The annual deadline set by colleges for completion of the financial aid application in order to be considered for financial aid for the school year. This date may be the same or different than a school’s priority deadline and some schools no longer have a final deadline (though the type of aid a student may be eligible to receive will be more limited the later in the year the student applies, and so it is best to apply for financial aid as soon as possible after October 1).
* **FSA ID or login:** A username and password used to access all federal student aid websites, such as the FAFSA and sign electronic documents. Both student and a parent need to create separate FSA IDs with their own emails. Parents with more than one child attending college can use the same FSA ID to sign all applications. The WASFA does not require an FSA ID.
* **IRS Data Retrieval Tool:** Allows applicants and/or their parents/guardians who have already filed their federal income tax returns to prefill the answers to some questions on the FAFSA by transferring datafrom the IRS (Internal Revenue Service) system.
* **Student Aid Report (SAR):** a paper or electronic document that gives you some basic information about your eligibility for federal student aid and lists your answers to the questions on your Free Application for Federal Student Aid (FAFSA). The WASFA does not have a SAR, but students will receive similar information after their WASFA is processed.
* **Verification:** the process where colleges confirm information on a student’s financial aid application is correct. Colleges and universities are required to randomly select a certain number of applications to verify or confirm each year. If a student is selected for verification they will be notified by the school and told specific documents they must submit to the school before their financial aid application can be processed and financial aid can be awarded.
* **Financial Aid Award Letter**: An official notification from a school where you have been accepted that outlines your financial aid award package. It may include financial aid from a variety of sources.
* **Disbursement:** the release of financial aid dollars to pay for the student’s tuition and fees and/or to the student. Usually financial aid is automatically applied to a student’s tuition and fees upon disbursement.
* **Refund**: If the total of a student’s financial aid is greater than their tuition and fees charged, remaining funds are typically be disbursed directly to the student, after tuition and fees are paid, for expenses related to their cost of attendance. Students may need to fill out additional paperwork or complete an online process before they receive this money.
* **Reapplication:** Every year a student enrolls in college they must complete a new FAFSA or WASFA in order to receive financial aid. New financial aid is awarded every school year. Students can reapply for the FAFSA or WASFA starting in October each year. There are returning student financial aid deadlines at all schools, which students should be aware of so they do not miss their opportunity for maximum aid.

# **Other**

* **Financial Need:** The amount of money a family needs in order to pay for the total cost of attendance at a college. It is calculated by taking the cost of attendance (COA) at a college minus your expected family contribution (EFC) as calculated by the FAFSA or WASFA.
* **Expected Family Contribution (EFC):** the amount of money that a family is expected to contribute toward the cost of a student's education from its own income and assets. This number, which is determined by a formula based on the information provided in a financial aid application, may or may not actually reflect the amount of money a family believes or knows they can contribute to college costs.
* **Tuition:** The price colleges and universities charge for credits/classes, which pays for things like the instructor and classroom space. Every college has different tuition costs.
* **Fees:** Money students pay to access school activities, fitness centers, libraries, student centers, technology and more. Every college has different fees, some are required/mandatory and others students are charged only to students utilizing certain services or facilities.
* **Cost of Attendance:** The total amount it will cost you to go to college each year. This can include tuition and fees, room and board, books, supplies and transportation, among other things.
* **Money or Funding Gap:** the gap in funding or difference between the amount of financial aid awarded to a student and the amount needed to cover the cost of attendance at a college.
* **Dependent Student**: A student who does not meet any of the criteria for an independent student on the FAFSA or WASFA application. Parent financial and personal information is typically required on the FAFSA and WASFA applications when a student is considered dependent because the student is considered by the government to be in some way still financially dependent of the parent/guardian.
* **Independent Student:** An independent student is one of the following: at least 24 years old, married, a graduate or professional student, a veteran, a member of the armed forces, an orphan, a ward of the court, or someone with legal dependents other than a spouse, an emancipated minor or someone who is homeless or at risk of becoming homeless. These students can apply to the FAFSA or WASFA without parent information or signature.
* **Selective Service:** At this time and since the 1970s, the U.S. military has operated with a volunteer service. However, with very few exceptions, all males between ages 18 and 25 still must register with the Selective Service System (SSS) in order to receive financial aid from the federal government (FAFSA filers). Signing up for the selective service, is not signing up for the military.Learn more at https://www.sss.gov.
* **Tax Return Transcript:** An IRS transcript is a record of your past tax returns. A tax return transcript is a specific kind of IRS transcript that shows most line items from your tax return (Form 1040, 1040A or 1040EZ) as it was originally filed, including any accompanying forms and schedules. A student may be required to submit a Tax Return Transcript if selected for *verification* and can request one from the IRS*.*
* **Fee Waiver:** if paying an application or testing fee would cause a financial hardship, a student can receive a fee waiver from a school to remove or be allowed to not pay the fee. Most schools require you to request a fee waiver and should have instructions on how to request one.
* **Untaxed Income:** income that should be reported on your taxes, but is legally exempt from taxation. For example, untaxed income or benefits may include workers compensation, Black Lung Benefits, untaxed portions of Railroad Retirement Benefits, disability benefits, etc. The FAFSA and WASFA ask parents/students to report any untaxed income, if applicable.