

Glossary of Terms

CANDIDATES REPLY DATE AGREEMENT

A college subscribing to this nationally recognized agreement will not require any applicant offered admission as a first year student to notify the college of his/her decision to attend or to accept an offer of financial aid (need-based or merit based) before May 1 of the year the applicant applies.

COLLEGE SCHOLARSHIP SERVICE

A service of the College Board that distributes and analyzes the CSS/Financial Aid PROFILE to assist post secondary institutions, state scholarship programs, and other organizations in the equitable distribution of financial aid funds.

COST OF ATTENDANCE (COA)

The expenses for attending a college or university for one year, includes tuition and fees, housing, food, transportation, books and supplies, personal expenses, and may include other costs, depending on the student's individual circumstances.

CSS/FINANCIAL AID PROFILE

The need analysis form published and processed by the College Scholarship Service. The PROFILE form is required by private schools only.

DEMONSTRATED FINANCIAL NEED

The difference between the cost of attendance and the expected family contribution as determined by a standard formula.

EXPECTED FAMILY CONTRIBUTION (EFC)

The dollar amount that student and family is expected to pay toward the cost of attendance determined by a formula which analyzes the family's financial information.

FEDERAL PELL GRANT PROGRAM

A federally funded and administered program that provides grants to undergraduate students with exceptional need. The amount of a student's grant is based on his/her federal eligibility for financial aid and on the cost of education at the institution the student attends. Currently, Pell Grants range from \$400 to \$4050.

FEDERAL PERKINS LOAN PROGRAM

A federally funded loan program that is administered by individual institutions; funds are awarded based on financial need. Interest is not charged while the student is in school; interest at the rate of 5% begins to accrue when repayment begins nine months after graduation or withdrawal from school. An undergraduate may borrow a maximum of \$4000 annually.

FEDERAL PLUS LOANS

These loans are made to creditworthy parents of undergraduate students. Not based on need, PLUS Loans may equal the total cost of the student's education minus other financial aid. PLUS Loans have a variable interest rate that will not exceed 9%; repayment begins 60 days after the loan is disbursed.

FEDERAL STAFFORD LOAN PROGRAM

These low interest loans are provided by private lenders. The interest rate is variable and will not exceed 8.25%. The maximum loan for a first year student is \$2625; for a sophomore is \$3500; for a junior or senior the amount is \$5500. If the loan is made on the basis of financial need, the federal government pays the interest while a student is enrolled in college (subsidized Stafford Loan). Students without financial need will be expected to make interest payments while enrolled in school (unsubsidized Stafford Loan).

FEDERAL WORK-STUDY PROGRAM

A federally funded employment program that is administered by colleges and universities. Participating colleges provide employment opportunities for students with demonstrated financial need.

FINANCIAL AWARD LETTER

A notice from the college or other financial aid funding agency that tells a student how much and what kind of aid is being offered. The award letter also usually explains how a student's financial need was determined, describes the contents of the financial aid package, and outlines any conditions attached to the award.

FINANCIAL AID PACKAGE

The total amount of the financial aid a student receives usually includes scholarships, grants, loans, work study program, etc.

FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA)

The form completed by all applicants for federal student aid. This is also the only application to apply to the TN Ed. Lottery Scholarship. Applications are available in the guidance office the middle of December. May also file online at www.fafsa.ed.gov for quicker results. Applications can be filed after January 1.

MERIT BASED AID

Student assistance awarded because of a student's achievement, talent and or potential in a particular area.

NEED ANALYSIS

The process used to evaluate a family's financial situation and estimate a student's need for financial assistance to help meet educational expenses.

NEED BASED AID

Student assistance awarded because a student's family financial resources are not sufficient to cover the cost of post secondary education.

STUDENT AID REPORT (SAR)

A report produced by the US Dept. of Education and sent to students who have completed the FAFSA. The SAR must be submitted to the college that the student attends to certify his/her eligibility for Federal Pell Grants and other federal financial aid programs.

TUITION PAYMENT PLANS

Plans which allow families to make monthly payments for direct college costs.

UNMET NEED

The difference between resources sufficient to meet the measured needs of students at an institution and the total available resources.