The intent of the NASFAA glossary of terms (<https://www.nasfaa.org/glossary>) is:

1. To provide colleges community-defined and accepted definitions of common terms used on institutional financial aid offers
2. To provide greater clarity and understanding by students through consistency in the use and meaning of terms on financial aid offers across all colleges and universities
3. To allow prospective students to more easily compare information from multiple schools because terms used have common definitions

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| **Financial Aid Offer** | A financial aid offer is a document sent by a postsecondary institution to a student that outlines  the amounts and details of the financial aid being offered to the student, which may include  scholarships, grants, loans, employment, or other forms of financial assistance to pay for college  expenses. Sometimes schools refer to these as financial aid “awards”, although this term is  outdated. Schools should refer to these as financial aid offers. |
| **Cost of Attendance** | The Cost of Attendance consists of the sum of educational costs payable to the school (also referred  to as direct or billable costs) and costs paid to others (or indirect, non-billable or discretionary) costs.  The Cost of Attendance represents the highest dollar amount of financial aid a student can receive  during an award year. |
| **Costs Paid to Others** | Costs paid to others(also referred to as indirect, non-billable, or additional costs), are other expenses  not paid directly to the school, but associated with receiving an education. These expenses are estimated  by the school and may differ from student to student based on their individual circumstances. These  expenses may include books, course materials, supplies, equipment, transportation and parking, personal  expenses, childcare costs, computer costs, disability expenses, licensure expenses and off-campus rent  and food. |
| **Costs Payable to the School** | Costs Payable to the school**(**also referred to as direct or billable costs) generally include tuition, fees,  housing, and meals/food (for students residing on campus), health insurance (if minimum insurance  coverage is not documented), or any other expenses paid to the school for enrollment. |
| **Educational Loan** | Money borrowed from the federal government, a college or university, or a private source like a bank  or financial institution to pay for educational expenses and must be paid back with interest. |
| **Federal Loan** | Also known as the Direct Loan Program, which allows eligible students and parents to borrow directly  from the U.S. Department of Education at participating colleges or universities. Federal student loans  include Direct Subsidized, Direct Unsubsidized and the Direct PLUS programs for parents of dependent  students and graduate or professional students. |
| **Federal Direct Subsidized Student Loan** | A Direct Subsidized Loan is an undergraduate federal student loan based on financial need and offers  students a reduced, fixed interest rate and flexible repayment terms. Interest is subsidized, meaning it  does not accrue to the borrower, while in an in-school, grace, or deferment period. Annual and aggregate  limits apply. |
| **Federal Direct Unsubsidized Student Loan** | An unsubsidized loan offers students a fixed interest rate and flexible repayment terms. It is not based  on financial need. Interest begins to accrue when the loan is disbursed and can be paid while the student  is enrolled or when loan repayment begins. Annual and aggregate limits apply. |
| **Federal Direct Graduate PLUS Loan** | Direct Graduate PLUS Loans are federal loans that graduate or professional students use to help pay for  education expenses. A credit check for adverse credit history is required for eligibility. Interest begins to  accrue when the loan is disbursed and can be paid while the student is enrolled or when loan repayment  begins. |
| **Federal Direct Parent PLUS Loan** | Direct Parent PLUS Loans are federal loans that parents of dependent undergraduate students can use  to help pay for education expenses. Parents must pass a credit check for adverse credit history to qualify  for PLUS loans. |
| **Private Loan** | A student or parent loan from a bank, credit union, private company, a nonprofit or state-affiliated  lender, or from the college or university directly to pay for educational costs. Interest begins to accrue  when the loan is disbursed, and repayment begins while the student is still enrolled in school. |
| **Enrollment Status** | The number of credits, clock hours, or classes the student is enrolled in, or whether they have withdrawn,  graduated, etc. Enrollment status affects eligibility for and the amount of financial aid a student may  receive. It also affects when student loans enter repayment status. |
| **Federal Pell Grant** | The Pell Grant is a federal grant program designed to assist undergraduate students in low- and  moderate-income households to pay for college. The award amount is based on the cost of the  institution, SAI, and enrollment status, and is subject to an aggregate limit. |
| **Federal Supplemental Educational Opportunity Grant (FSEOG)** | A federal grant provided by the institution to qualified undergraduate students who demonstrate  exceptional financial need and does not need to be repaid. The amount of funding from this program  varies by institution. |
| **Federal Work-Study (FWS)** | Federal Work-Study provides funding for part-time jobs for undergraduate and graduate students  with financial need. Unlike grants and loans, FWS is paid to students as they earn the funds by working. |
| **Grants & Scholarships** | Any money provided to students that does not have to be repaid. They can be called grants, scholarships,  tuition remissions, gift aid, or tuition waivers. Grants and scholarships are provided based on many  different factors. |
| **Need** | The student's Cost of Attendance minus their Student Aid Index. |
| **Need-based Aid** | Financial assistance provided to students based on their financial situation, determined by completing  the FAFSA. Need-based financial aid can take different forms, including grants, scholarships, work-study  programs, and low-interest loans, like the federal direct subsidized loan. |
| **Net Price** | The difference between the cost of attendance and all grants and scholarships. Net price reflects what  the student is expected to pay for their education on their own and can be covered through a variety  of sources, including savings, student employment, institutional payment plans, or education loans. |
| **Other Funding Options** | Funding options outside of grants and scholarships that a student and their family may use to pay  any remaining costs or expenses. This may include loans, student employment, institutional payment  plans, or personal savings. |
| **Student Aid Index (SAI)** | The SAI is the eligibility index used to determine your eligibility for federal, and in some instances,  state and institutional need-based student financial aid. Generally, students with a higher SAI are  eligible for less need-based financial aid. It is based upon the information provided by the student  and their family on the FAFSA. |
| **Verification** | A federally mandated process to confirm the accuracy of data provided by selected applicants on  the FAFSA. To complete the verification process, the student, their parent(s), or spouse, if applicable,  are required to provide certain documents to the school for review. If the documentation the student  provides the institution doesn't match what was reported on the FAFSA, verification can result in  changes to the student's financial aid eligibility, and/or financial aid offers. |

Visit the [Department of Education's website](https://studentaid.ed.gov/sa/types) for more information on the types of Federal Student Aid.

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