

Glossary of Commonly Used Financial Aid-related Terms

Ability to Benefit (ATB): A US Department of Education approved test for students who do not have a high school diploma or equivalent, such as a GED who wish to receive federal financial assistance. Students without a high school diploma or GED must successfully pass the ATB examination to be considered for federal financial assistance.

Academic Competitiveness Grant (ACG): A federal grant program that provides additional funds to eligible students that pursued a rigorous program of study in high school and who graduated on or after January 1, 2005. The grant encourages students to take more challenging courses in high school, making success in college more likely, according to research, to pursue college majors in high demand in the global economy.

Alternative Loan or Private Loan: Non-federally funded loans that are provided through banks and other lending institutions, based on an approved credit check. Interest, fees and repayment schedules vary based on the lender and the amount borrowed.

Award Letter: Notification that is sent to students after their financial aid package has been completed. The Award Letter will detail the types of aid offered to a student, the Expected Family Contribution utilized to award aid, and the student's Cost of Attendance.

Consolidation: With regards to repaying loans, this practice combines several educational loans into one new loan with a new payment schedule and interest rate.

Consortium Agreement: A written agreement between two or more eligible institutions which allows a student to receive aid while studying at a school other than the home institution. (*See also Visiting Student and Home School.*)

Cost of Attendance (COA): The total estimated amount it will cost students to go to school – usually expressed as a yearly figure. It is determined using rules established by the US Department of Education regulations and law. This figure determines the total aid a student may receive and cannot be exceeded.

Data Release Number (DRN): A four-digit number assigned to Title IV federal student aid applicants. It is listed on the Student Aid Report (SAR).

Default: Failure to repay a loan according to the terms agreed upon when the promissory note is signed. For federal-based Title IV loan programs, default happens after 270 days of non-payment on the account.

Deferment: An approved temporary suspension of loan payments based on certain events and criteria. (*See also Forbearance.*)

Delinquency: Failure to make payments, when due on a student loan, as specified in the promissory note and in the selected repayment plan. Delinquency can lead to default.

Dependent Student: A student is dependent if under the age of 24; not working on a master's or doctorate degree; not married; not providing 51% support for a dependent (a person other than their spouse or child); not an orphan or ward of the court until the age of 18; and not a veteran of the US

Armed Forces. A student who is considered dependent must provide parental information on the Free Application for Federal Student Aid (FAFSA).

Direct Loan (DL) Program: A student loan program administered by the US Department of Education. Participating schools allow their students to borrow directly from the federal government instead of from a private lender. Cuyahoga Community College currently participates in the Direct Loan program. (*See also Subsidized Loans, Title IV Funds and Unsubsidized Loans.*)

Disbursement: The transaction that occurs when grant and /or loan monies are released to an account. This could include when aid is credited to pay a student's balance at their college or when excess financial aid is released to a student in the form of a refund check for non-direct educational expenses.

Expected Family Contribution (EFC): This is the estimated dollar amount a family can reasonably expect to contribute toward college costs. A federal calculation, the EFC is based on family earnings, assets, students in college and size of family. The actual amount a family will pay depends mostly on the cost of the school.

Federal Work-Study (FWS): A program that provides jobs for students with financial need, allowing them to earn money to help pay educational and/or personal expenses. Generally, these positions are on campus or based within the community. (*See also Student Assistant.*)

Financial Aid: Any type of funding that helps students meet their educational expenses.

Financial Aid Package: The total amount of financial aid a student will receive for the academic year detailed by aid program and award amount. It is based on full-time enrollment at Cuyahoga Community College.

Financial Need: The difference between the student's Cost of Attendance (COA) and the family's expected (EFC) ability to pay these costs. Need is reduced by the amount of aid awarded to a student.

Forbearance: The approved temporary suspension or reduction of loan payments due to a financial hardship during which interest continues to accrue. (*See also Deferment.*)

Free Application for Federal Student Aid (FAFSA): The basic form required for federal student aid and various scholarships.

Freshman Grade Level: A freshman is a student who has completed between 0 and 29 credits. Loan amounts vary for students based on freshman and sophomore grade levels.

Full-time Status: A student is considered to be enrolled full-time when they are enrolled for 12 credits or more per semester.

Grace Period: The period after a student graduates, leaves school (either officially or unofficially), or drops below half-time status before loan payments must begin.

Grade Point Average (GPA): A student's cumulative Grade Point Average (GPA) is used to evaluate a student's Satisfactory Academic Progress (SAP) for financial aid and to evaluate academic standing

within the college. GPA may also be considered when determining eligibility for some grant and scholarship programs.

Grant: Generally, grants are need-based and are provided by the US Department of Education or state government and do not need to be repaid. (*See also Title IV Funds.*)

Half-Time Status: A student is considered to be enrolled half-time when they are enrolled for 6 to 8 credits per semester.

Home Institution: With regard to consortium agreements and visiting students. The ‘home institution’ is the accredited school from which the student receives a degree and maintains primary enrollment (ie taking classes at Cuyahoga Community College, but receiving a degree from Cleveland State University). (*See also Consortium Agreement and Visiting Student.*)

Independent Student: Does not have to provide parent financial information on the FAFSA. A student is independent if age 24 or older, working on a master’s or doctoral degree; married; provides at least 51% support for a dependent (a person other than their child or spouse); an orphan or ward of the court until the age of 18; a veteran of the US Armed Forces, or one who is currently serving on active duty.

Interest: A loan expense charged to a borrower for the use of borrowed money. Interest is calculated as a percentage of the principal of the loan, which includes the original loan amount borrowed and any capitalized interest.

Less Than Half-Time Status: Students are considered to be enrolled at a less than half-time status when they enroll in 5 credits worth of classes, or fewer, per semester.

Loan: Borrowed money that must be repaid with interest.

Master Promissory Note (MPN): The legal and binding contract signed by the lender and the borrower. This note details all the terms and conditions of the loan, including the amount, interest rate and repayment obligations.

National Student Loan Data System (NSLDS): A database of federal student loan borrowers. If student borrowers want to find out information about their student loans, they may use the NSLDS Financial Aid Review service, operated by the US Department of Education. By entering a social security number, date of birth and personal identification number (PIN), the student will be able to access their current loan information online.

New Student: A student who has not attended another college or university. (*See also Freshman Grade Level.*)

Overpayment: Occurs when a student receives more aid than eligible to receive. This situation makes a student ineligible for Title IV financial aid and must be cleared up before they may receive additional funds.

Parent Loan for Undergraduate Students (PLUS): Loans made to credit worthy parents of dependent undergraduate students through the Direct Loan program. (*See also Direct Loan and Title IV Funds.*)

Personal Identification Number (PIN): An electronic access code that serves as your identifier. The PIN allows access to your personal federal student aid information online from various US Department of Education systems.

Principal: Used to indicate the total sum of money borrowed through a student loan. Loan principal includes the original amount borrowed plus any interest that has been capitalized.

Regular Student Status: A student who is enrolled in a degree or certificate program at Cuyahoga Community College.

Returning Student: Students who have been away from Tri-C for at least one semester and have attended or earned credits from another college or university during that time.

Satisfactory Academic Progress (SAP): The level of academic achievement expected of a student in order to continue to receive financial aid.

Scholarships: Awards that usually do not have to be paid back; They may be given to students who demonstrate or show promise of high achievement in such areas as academics, athletics, music, art, or other disciplines. Generally, scholarships are monies that come from private individuals or organizations, not from the government.

Sophomore Grade Level: A sophomore is a student who has completed 30 or more credits. Loan amounts vary for students based on freshman and sophomore grade levels.

Stafford Loans: The specific name of the educational loans made available to students through the Direct Loan Program. (*See also Direct Loan Program, Interest Rate, Subsidized Loans, Title IV Funds and Unsubsidized Loans.*)

Student Aid Report (SAR): The SAR summarizes the information reported on the FAFSA. The schools students list on the application receive electronic copies of the SAR and use the information to determine a student's eligibility for federal financial aid.

Student Assistant (SA): A program that provides jobs for students with no financial need. Students earn money to help pay educational and/or personal expenses. A SA will not have a federal work-study award. (*See also Federal Work-Study.*)

Subsidized Loans: These are loans on which the federal government pays the interest until the student enters repayment. Additionally, the federal government compensates for the interest while this loan is in a deferment status. After these periods end, payment of interest and capital is the obligation of the student/borrower. (*See also Direct Loan Program, Interest Rate, Stafford Loans Title IV Funds and Unsubsidized Loans.*)

Supplemental Education Opportunity Grant (FSEOG): These federal grants are for undergraduate students with exceptional financial need. Pell Grant recipients with the lowest EFCs will be the first to get FSEOGs. The amount of FSEOG a student may receive varies depending on when they apply, financial need, funding at the particular school and policies of the particular financial assistance office. (*See also Pell Grant and Title IV Funds.*)

Three-quarter Time Status: Students are considered to be enrolled three-quarter time if they are enrolled for 9 to 11 credits per term.

Title IV Funds: Federal financial aid programs authorized under Title IV of the Higher Education Act of 1965, as amended, and regulated and administered by the US Department of Education. Generally, these funds may consist of both grants and/or loans, depending on the student's particular situation. (*See also Direct Loan Program, Grant, Pell Grant, Interest Rate, PLUS Loans, Stafford Loans, Subsidized Loans, Supplemental Education Opportunity Grant and Unsubsidized Loans.*)

Transfer Student: Students who have attended and earned credits from another college or university and plan to enroll in courses at Cuyahoga Community College.

Unmet Need: When the combination of a student's financial assistance package and the family contribution do not cover the cost of attendance, the resulting gap is called the unmet need.

Unsubsidized Loans: Loans on which the student is responsible for paying the interest from the date of disbursement until the loan is paid in full, regardless of enrollment status. The interest rate is the same as the subsidized Federal Stafford Loan, but accrues from the time of disbursement. The student/borrower can either make periodic payments or the interest can be capitalized, at the time of repayment, which means that it will be added to the principal amount of the loan. (*See also Direct Loan Program, Interest Rate, Stafford Loans, Subsidized Loans and Title IV Funds.*)

Verification: A process by which the student financial assistance office substantiates the data that a financial aid applicant has reported on the FAFSA. Additional information from the student, a spouse, and/or parents is used to confirm previously submitted data.

Visiting Student (Transient Student): A student who is currently enrolled in another accredited college or university and applies to Cuyahoga Community College for a specified period of time to take courses as a visiting student. Generally speaking, a visiting student would expect to return to, and graduate from, their home school. (*See also Consortium Agreement and Home School.*)