

**Financial Aid Glossary**  
**(Source: [www.gafutures.org](http://www.gafutures.org))**

**A**

**Academic Year:** This is the amount of the academic work you must complete each year, and the time period in which you are expected to complete it, as defined by your school. For example, your school's academic year may be made up of a fall and spring semester, during which a full-time undergraduate student is expected to complete at least 24 semester hours, usually called credits or credit hours, over the course of 30 weeks of instructional time. Academic years change from school to school and even from educational program to educational program at the same school.

**ACT:** The American College Test. is a national college admissions exam that consists of subject area tests in English, Mathematics, Science, Reading and a writing test.

**Adjusted Gross Income (AGI):** Most financial aid forms require parents or students to state their taxable AGI based on income minus maximum allowable adjustments.

**Admissions Counselor:** A college or university employee who advises students during the admissions process.

**Accuplacer (The College Board):** Accuplacer is a suite of tests that quickly, accurately, and efficiently assess reading, writing, and math. This assessment may be used for placement in college courses in English and Math as well as for admissions to Technical System of Georgia schools Move On When Ready program.

**Alternative Loans:** Private student loans from banks or other lending institutions that are not federally supported or guaranteed. Students must be enrolled to apply for these loans.

**AP:** The Advanced Placement Program lets high school students study college-level subjects for advanced placement and/or credit upon entering college.

**Armed Services Vocational Aptitude Battery (ASVAB):** A series of tests used by all branches of the military to determine how qualified you are to enlist, as well as your qualification for certain military jobs and your signing bonus.

**Associate's degree:** An undergraduate academic degree granted after completion of two years of study. Community colleges and career colleges generally award associate degrees.

**Award Letter:** An offer from a college or career school that states the type and amount of financial aid the school is willing to provide if you accept admission and register to take classes at that school.

**B**

**Bachelor's Degree:** Generally awarded after a minimum of 120 credit hours which is, usually four to five years of study.

**C**

**Capitalization:** The addition of unpaid interest to the principal balance of a loan. When the interest is not paid as it accrues during periods of in-school status, the grace period, deferment, or forbearance, your lender may capitalize the interest. This increases the outstanding principal amount due on the loan and may cause your monthly payment amount to increase. Interest is then charged on that higher principal balance, increasing the overall cost of the loan.

**Certificate:** (1) Given in a nondegree program, usually in a vocational or technical area, to prepare for a specific occupation. Certificate programs generally last six to 12 months. (2) Given

in specialized areas to people who have completed master's, doctorate or professional degrees.

**COA:** Cost of Attendance. The total cost of attending a college or university, including tuition, room and board, books, lab fees, transportation and basic living expenses.

**COMPASS®:** (Computer Adaptive Placement Assessment and Support System) A college placement test that helps educators quickly evaluate incoming students' skill levels in Reading, Writing Skills, Writing Essay, Math, and English as a Second Language; place students in appropriate courses; and connect them to the resources they need to achieve academic success.

**CSS Profile:** The College Scholarship Service Profile is a financial aid form that many colleges and universities use to determine how much non-federal financial aid a student may be eligible for.

**Community College:** Sometimes called junior college or two-year college. Students can take classes, and then transfer to a four-year school, or they can earn certificates, diplomas or associate degrees.

**Credit Hour:** Credit hours are units of value given to classes. Some classes may be worth two or three credits, while others are worth four credits. Credits vary by class and by school. Many schools base tuition costs on the number of credit hours taken. Some charge a specific dollar amount per credit hour.

## D

**Data Release Number (DRN):** The four-digit number assigned to your FAFSA that allows you to release your FAFSA data to schools you did not list on your original FAFSA. You need this number if you contact the Federal Student Aid Information Center to make corrections to your mailing address or the schools you listed on your FAFSA. You find this number below the confirmation number on your FAFSA submission confirmation page or in the top right-hand corner of your Student Aid Report (SAR).

**Diploma:** Given in a non-degree program, usually a vocational or technical field, to prepare for a job. Diploma programs are generally nine to 18 months long. This diploma is not the same as the diploma you receive when you graduate from high school.

**Deferment:** A deferment is an approved pause in repaying a student loan. For example, students may seek a deferment on undergraduate loan payments while in graduate school.

**Department of Education:** This government agency administers several federal student financial aid programs.

**Dependent Student:** A student who does not meet any of the criteria for an 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, someone with legal dependents other than a spouse, an emancipated minor or someone who is homeless or at risk of becoming homeless.

**Direct Loan:** A federal student loan, made through the William D. Ford Federal Direct Loan Program, for which eligible students and parents borrow directly from the U.S. Department of Education at participating schools. Direct Subsidized Loans, Direct Unsubsidized Loans, Direct PLUS Loans, and Direct Consolidation Loans are types of Direct Loans.

**Doctorate:** A degree that usually takes three or more years after a bachelor's to complete.

**Dual Credit Program:** Program in which courses satisfy high school graduation requirements and earn college credit hours.

**Dual Enrollment:** A student enrolled in two separate academically related institutions. In Georgia, high school students can take college-level courses through the [Move On When Ready](#) program.

## E

**Expected Family Contribution (EFC):** This is the number that's used to determine your eligibility for federal student financial aid. This number results from the financial information you provide in your FAFSA, the application for federal student aid. Your EFC is reported to you on your Student Aid Report (SAR).

## F

**Federal Direct Student Loan Program (FDSLP):** Through this program, student loans are provided directly to the student from the federal government, rather than through commercial lenders.

**Federal School Code (also, Title IV Institution Code):** Each college, campus or program has a six-character institution code. You must include the code related to each of your college applications when filling out a FAFSA. These codes are available by contacting the school or checking an online listing.

**Federal Supplemental Educational Opportunity Grant (FSEOG):** This federal government program provides need-based grants to low-income college students with the most need, and is administered through the school's financial aid office.

**Federal Work-Study Program:** A federally-funded, need-based program administered by each school, this program allows students to work on campus in exchange for a portion of their tuition.

**Financial Aid Administrator (FAA):** An FAA is a college or university employee involved in the administration of financial aid. Also known as financial aid advisors, officers or counselors.

**Financial Aid Counselor:** A college or university employee who is involved in the administration of financial aid.

**Financial Aid Form (FAF):** This is the generic term used for any financial aid form.

**Free Application for Federal Student Aid (FAFSA):** Filling out a FAFSA form is the first step in the financial aid process. To be eligible to receive federal financial aid, a student must complete a FAFSA.

**FSA ID:** A username and password combination that serves as a student's or parent's identifier to allow access to personal information in various U.S. Department of Education systems and acts as a digital signature on some online forms.

**Full Time:** For GSFC purposes, 12 quarter hours or 15 semester hours is considered full-time enrollment. Full-time status may vary by school.

## G

**General Educational Development (GED):** Classes that can lead to a high school equivalency diploma for adults who did not earn one. Recipients must pass five tests that assess their knowledge of language arts/writing, language arts/reading, social studies, science and math to earn the diploma.

**Grace Period:** A period of time after borrowers graduate, leave school, or drop below half-time enrollment where they are not required to make payments on certain federal student loans. Some federal student loans will accrue interest during the grace period, and if the interest is unpaid, it will be added to the principal balance of the loan when the repayment period begins.

**Grant:** A grant is money given to students for their education. Often based on need, grants may come from federal or state programs, or sometimes from private charitable organizations. It does not have to be repaid.

**Graduate student:** Student who has earned a bachelor's degree and is working toward a master's, doctorate or professional degree.

**GSL:** Guaranteed Student Loan. Now called the Federal Direct Student Loan Program (see FDSLP).

## I

**Independent Student:** Independent students are self-supporting students who are not financially dependent on their parents.

**Institutional Aid:** Student financial aid administered by the college or proprietary trade school.

**Interest:** A charge for a loan, usually a percentage of the amount borrowed.

**Internship/Practicum:** A program that provides a student the opportunity to earn academic credits through a planned work experience, usually to learn about a specific career area.

**Institutional Student Information Record (ISIR):** This form contains the data results from the FAFSA and is submitted to schools electronically. The ISIR is made available to the colleges the student selects on the FAFSA as well as servicers and state agencies that award need-based aid.

**IRS Data Retrieval Tool:** An online tool that allows applicants who have already filed their federal income tax returns to prefill the answers to some questions on their FAFSA by transferring data.

## M

**Major:** Primary academic field of study in college.

**Master's Degree:** A degree that takes at least a year of additional study after a bachelor's degree to complete.

**Master Promissory Note (MPN):** A legally binding contract between a borrower and a lender. It establishes the conditions under which a student or parent borrows money and the terms under which it must be repaid. The MPN is good for 10 years if the student doesn't change schools.

**Merit-based:** Financial aid based on academic, athletic or some other type of achievement.

**Minor:** Secondary academic field of study in college.

## N

**National Merit Scholarship Program:** Students who do well on the PSAT/NMSQT in their junior year of high school may qualify for scholarships. A few students receive full scholarships.

**National Collegiate Athletic Association (NCAA):** The NCAA Eligibility Center certifies the initial academic eligibility and amateur status of all college-bound student athletes who wish to compete in NCAA Division I or II athletics.

**Need-based:** Need-based financial aid is reserved for low-income students.

**NSLDS:** National Student Loan Data System. U.S. Department of Education database allows students to access their Title IV student loan and grant information.

## P

**Pell Grant:** This federal program provides need-based educational grants for low-income students. Pell Grants do not have to be repaid.

**PLUS:** PLUS loans are federal loans that graduate or professional degree students and parents of dependent undergraduate students can use to help pay education expenses. The U.S. Department of Education makes Direct PLUS Loans to eligible borrowers through schools participating in the Direct Loan Program.

**Promissory Note:** A promissory note is a legal document in which the borrower promises to repay a loan and any accrued interest and fees to the lender. It also explains the terms and conditions of a loan.

**Postsecondary:** "After high school." Postsecondary education can be received at a college, university, community and technical college, or proprietary school.

**PSAT/NMSQT:** The Preliminary SAT/National Merit Scholarship Qualifying Test. Students hoping to receive a National Merit Scholarship must take and pass this test.

## R

**Reserve Officers Training Corps (ROTC):** In this program, the military pays a student's tuition or other expenses. The student takes part in summer training while in college, and commits to military service after college.

**Retention Rate:** Measures the percentage of first-time students who are seeking bachelor's degrees who return to the institution to continue their studies the following fall.

**Room and Board:** An allowance for the cost of housing and food while attending college or career school.

## S

**SAT:** The SAT is a standardized test widely used for college admissions in the United States. It consists of three subject areas: Mathematics, Critical Reading, Writing and Language and an Essay.

**Scholarships:** These funds are given to, or earned by, students, and are used for tuition. There are numerous public and private sources for scholarships. Some are given based on need, some on merit or skill. Others have very specific stipulations on who can receive the scholarship.

**School Counselor:** Someone who works in elementary, middle and high schools to provide academic, career, college access and personal/social support to K-12 students.

**Standardized Test:** A test that is designed to assess individuals against a common standard.

**Student Aid Report (SAR):** A summary of the information you submitted on your FAFSA. You receive this report (often called the SAR) via e-mail a few days after your FAFSA has been processed or by mail within 7-10 days if you did not provide an e-mail address. If there are no corrections or additional information you must provide, the SAR will contain your EFC, which is the number that's used to determine your eligibility for federal student aid.

**Study abroad:** An arrangement that allows students to complete part of their degree program through educational activities outside the United States.

**Subsidized loan:** Direct Subsidized Loans are available to undergraduate students with financial need. The U.S. Department of Education pays the interest on a Direct Subsidized Loan during specified periods of time.

## T

**Title IV Institution Code:** See Federal School Code.

**Transitional courses:** Classes you must take and pay for to get ready for college-level work in basic subjects. They do not count toward your degree.

**Transcript:** Cumulative academic record that lists courses taken, grades received and credits or credit hours received.

**Tuition:** The amount schools charge for instruction and for the use of certain school facilities, such as libraries.

## U

**Undergraduate:** College student who has not yet earned a degree.

**Unsubsidized Loan:** Direct Unsubsidized Loans are available to both undergraduate and graduate students; there is no requirement to demonstrate need. The borrower is responsible for paying the interest on a Direct Unsubsidized Loan during all periods. Unpaid interest that accrues will be added to the principal balance of a loan.

## V

**Verification:** The process your school uses to confirm that the data reported on your FAFSA is accurate. Your school has the authority to contact you for documentation that supports income and other information that you reported.

## W

**Waiver:** Arrangement under which a school does not charge specific costs if a student meets certain qualifications.

**Work-Study:** This program allows students to defray part of their tuition and school expenses by working part time on campus.