



" UNDERSTANDING YOUR FINANCIAL AID"
HANDBOOK

2022-2023

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Financial Aid...What is it?

Financial Aid is funds awarded to students to help pay educational costs. **It is classified into three basic types:** *grants*

FAFSA: How to Apply for Financial Aid

The single most important form that you will complete in the financial aid process is the Free Application for Federal Student Aid (FAFSA). Rivier requires students to complete the FAFSA online at <https://studentaid.gov/> from home or at one of the self-serve computers located on campus in the Regina Library, in the computer labs, or the Student Financial Services Office. **A new FAFSA must be filed after October 1st each year.** After the first year of receiving aid, returning students will receive a [FAFSA Renewal Application](#) notification, which contains pre-populated information from the previous year's FAFSA application. Keep in mind that eligibility for financial aid may change significantly from year-to-year depending on things such as current economic status or number of family members enrolled in college.

Rivier University, along with most schools, recommends that your FAFSA be completed no later than June 30 each year. It is also recommended that you apply early, but not before October 1st of each new academic year. You do not need to be admitted to the University before you submit your FAFSA application. Rivier's priority deadline is March 1st. However, your financial aid eligibility will not be assessed until you have applied. If you would like to be considered for work-study employment, you should indicate it on the FAFSA. Priority for work-study employment funds will be given to applicants who are new students seeking student employment for the first time or returning students continuing in prior student employment positions.

Take Time to Complete an Error-free FAFSA Application

Read the FAFSA instructions carefully to assure that you understand what information is requested. Each item must be completed. An incomplete FAFSA will delay processing of your financial aid. You must report information that is accurate at the time that you complete the application. Report your name and your social security number on the FAFSA exactly as they appear on your social security card. If you are single, under the age of 24, and have no dependents, you must provide parental information and signatures in order to be considered for all available funds-*Dependent vs. Independent* (see page 18).

aid until all of the requested documentation is received, reviewed, and verified. Students will be notified of any changes to their aid.

Institution (Rivier) Merit Scholarships

In addition to completing the FAFSA to be considered for need-

Federal Direct Loans for Parents (PLUS Loan)

Parents who want to help their undergraduate children afford college are also able to borrow federally guaranteed loans called PLUS loans (Parent Loans for Undergraduate Students). Contact Financial Aid for more information on Federal Student Loans for Parents or log on at <https://studentaid.gov/>. Under the Parent Tab, click “Apply for a Parent PLUS Loan.”

Private Student Loans (also called Alternative Loans)

When federal financial aid is insufficient or education expenses exist outside of the coverage of federal student loans, private student loans can be used to fill the gap between federal financial aid and the full *cost of attendance* (see page 12). Private lenders offer private loans and there are no federal forms to complete. Eligibility for private student loans often depends on your credit score. Rivier is committed to first assist students in exhausting all grant, scholarship, and federal loan financing options before recommending private student loans.

Repaying Your Student Loans

The process of repaying your student loans is even more important than the process of getting them. Prompt, on-

Verification Changes

The most recent guidance issued by the Department of Education is for the 2022-23 academic year. Applicants selected for verification by FSA may be not be required to provide documentation to a school, though if conflicting information is present on the FAFSA, then a school is required to request information to clear the conflict or discrepancy.

IMPORTANT NOTE: To help streamline the verification process and to reduce the amount of documentation that may be requested, we encourage all students to use the IRS Data Retrieval Tool when completing the FAFSA.

Pell Grant Eligibility

The duration of Pell Grant eligibility remains to the equivalent of 12 full-time semesters. **The Federal Pell Grant maximum award for 2022-2023 Award Year is \$6895.**

Repeating Coursework

New federal regulations limit eligibility for Title IV federal aid due to repeated courses. Students may only receive Title IV federal aid for the first retake of a previously passed course. In addition, any subsequent retakes (after the first retake) of a previously passed course will not count towards the student's federal aid eligibility.

Dropping/ Adding Classes

New, stricter rules, require students to attend and complete their enrolled hours, or pay their financial aid back, even if they still owe tuition. Please contact the Financial Aid Office **BEFORE** you add or drop classes. Both may significantly affect your financial aid award.

Note that the above changes or new items are not all-inclusive and are meant to provide a brief summary of updated or changed Federal Department of Education Regulations. Please contact the Financial Aid Office regarding specific questions or concerns.

Call 603-897-8488
Email..... finaid@rivier.edu
Fax..... 603-897-8810

Determining Cost of Attendance

What is Cost of Attendance?

In simple terms, the Cost of Attendance (also called Budget) is an estimate of how much money will be needed to attend Rivier for one year, including all reasonable expenses. Rivier University provides the cost of attendance in its award letters and in the students' financial aid portal, Net Partner.

What Does the Cost of Attendance Include?

How Does Cost of Attendance Influence Financial Aid?

The Cost of Attendance is one of the factors used by the university to determine the financial aid eligibility of a student. This involves determining the student's cost of attending, subtracting the student's *EFC* (see page 13) and then awarding financial aid to meet the difference between the two. The difference is the student's demonstrated financial need:

$$\begin{array}{r} \text{Cost of Attendance} \\ - \text{Expected Family Contribution (EFC)} \\ \hline \end{array}$$

Students wil

Q: Can I get a federal loan without applying for financial aid (filing the FAFSA)?

A: Loans are a type of financial aid, so you must complete the financial aid application steps to determine whether you are eligible for a student loan.

Federal Financial Aid Programs

The federal government is the largest provider of financial aid. Rivier University believes that it makes sense to know as much as possible about federal financial aid programs and to apply for federal financial aid funds before seeking out other non-federal financial aid sources

Federal Pell Grant

The **Pell Grant** is named after the late former U.S. Senator Claiborne Pell, Democrat of Rhode Island and was originally known as the Basic Educational Opportunity Grant.

Pell Grants are considered the foundation of federal financial aid, to which aid from other federal and non-federal sources might be added. It is gift aid that is awarded to the highest need students. Students are automatically considered for Pell Grant when they file the FAFSA. The Pell Grant, unlike a loan, typically does not have to be repaid. Pell Grants are awarded only to postsecondary students who have not earned a bachelor's or a professional degree. **The maximum Pell Grant award for the 2022-23 award year is \$6895.** The amount received will depend not only on financial need, but also on the student's cost of attendance, status as a full-time or part-time student, and the student's plans to attend school for a full academic year or less.

Important Note: The maximum award amount is given for any Pell Grant-eligible student whose parent or guardian died because of military service in Iraq or Afghanistan after Sept.11, 2001. You must be under 24 years old or enrolled at least part-time in college at the time of your parent's or guardian's death.

Federal Supplemental Educational Opportunity Grant (FSEOG)

FSEOG is a grant award for students with exceptional need (students with the lowest EFC). Students who are eligible for Pell Grant receive first priority consideration for FSEOG. Students are automatically considered for FSEOG when they complete the FAFSA. Awards vary depending on level of need, and the amount of funding available at RIVIER. The average awards range from: \$250 - \$500. Recipients must be U.S. citizens or eligible non-citizens enrolled at least half-time.

Important Note: Since the FSEOG award is based on the availability of funding at Rivier, there is no guarantee that every eligible student will receive an FSEOG grant.

Federal Work Study (FWS)

FWS is a federal campus-based program that provides jobs for undergraduates who are enrolled at least half-time. Most jobs are on-campus (students working for the school), although some are off campus. Students seeking FWS must complete the Free Application for Federal Student Aid (FAFSA) and meet the general requirements for federal aid.

FWS funds are made available to undergraduate students with financial need. Campus employment includes a variety of opportunities within departments of the University. The specific working hours approved per week are arranged so they do not interfere with class attendance or academic progress. Students generally work 4-10 hours per week and may work during the summer under certain conditions. Students are paid at least the current federal minimum wage and are paid every two weeks. The total a student may earn depends on the amount of the student's financial aid award, which is determined by the Financial Aid Office based on the funds available to the University. ***Important Note:*** Since the FWS award is based on the availability of funding at Rivier, there is no guarantee that every eligible student will receive a FWS award.

Federal Direct Loans

Direct Loans are made through the Department of Education. They are low-

- **Subsidized Direct Loans**: Students who are enrolled at least half-time and who demonstrate financial need through the financial aid application process can have the interest paid on Subsidized Direct loans by the federal government while they are in school.
- **Unsubsidized Direct Loans**: Students who are at least half-time, but who do not demonstrate need for Direct Loans may still obtain the Unsubsidized Direct loan, however, interest will start to accrue at disbursement and while the student is in school. Students are advised to pay on this interest while still attending school.

You are currently serving on active duty in the U.S. Armed Forces for purposes other than training

You are a Veteran of the U.S. Armed Forces

You were a foster child after the age of 13

You are an emancipated child as determined by a court judge

You are homeless or at risk of homelessness as determined by the director of a HUD approved homeless shelter, transitional program, or high school liaison

Professional Judgment Override for Dependency Status

In rare cases, Rivier's Financial Aid Office can override the FAFSA results to help you get more aid if you can demonstrate a compelling case that your parents and family provide absolutely no support, and therefore you are not really a dependent. This is called a Professional Judgment Override and while they are granted *rarely*, they do exist.

If you need a professional judgment override for dependency status, gather up as much documentation as you can, from rent bills to utility bills to the legal judgment from a court emancipating you from your parents and bring it to the Financial Aid Office for possible assistance. Keep in mind that in the case of Dependency Overrides, the federal guidelines are extremely clear. Being self-supporting or just because you feel mature enough or responsible enough to be on your own does not erase your parents' obligation to assist you with your education. To be considered for a Dependency Override, you must prove that there was an involuntary dissolution of the family. This means you were forced to leave your parents' home and have no contact with them. You must explain, in detail, why you cannot live with your parents. You must provide official third party letters, on letterhead, that back up your claim.

Federal Direct Student Loan Interest

For borrowers who received their loans on or after July 1, 1994, the interest changes annually (adjusted each year on July 1) and is based on the Federal Treasury Bill rate. However, interest will never exceed 8.25%. Go here for current rates - <https://studentaid.gov/understand-aid/types/loans/interest-rates>.

If you have a **subsidized loan**, you will not be charged interest while you are enrolled in school at least half-time or during any authorized period of deferment. If you have an **unsubsidized loan**, you will be charged interest from the day the loan is disbursed until it is repaid in full, including while you are in school, during the six-month grace period, or during any authorized period of deferment. You have the option to pay the interest during these periods. If you choose not to pay the interest on unsubsidized loans during these periods, it will be capitalized (added to the principle when repayment begins).

Monthly payments, which begin six months after enrollment stops or drops below half-time, are based on the total amount borrowed, but will never be less than \$50 per month. In addition to the FAFSA, these loans have additional requirements (see page 8 or contact the Financial Aid Office).

Federal Direct Student Loan Fees

Borrowers are charged origination fees and insurance fees, which combined cannot exceed 4% of the amount borrowed and they are deducted from your loan before it is disbursed to you (see current rate and fees chart on page 10).

Disbursement of Financial Aid

Pell Grants and Federal Direct Loans are usually disbursed in two installments during the academic year (one disbursement each semester). Disbursements are usually available at the end of the fourth week of classes.

Federal Work-Study checks are disbursed at bi-weekly intervals based on the amount of time worked and reported on the time sheet for the prior two-week period.

All financial aid funds, except Federal Work-study, are applied first toward the student's balance due. Refunds are disbursed by the Rivier Student Accounts Office through our refund processor. Students who pick up refund checks in person must provide a photo proof of identity.

Understanding Your Financial Aid Offer Letter

Reading Your Financial Aid Offer Letter

The Financial Aid Offer Letter breaks down exactly the types of financial aid for which you are eligible. It is important that you read your award letter carefully to be sure you understand all terms and conditions so you can decide if you want to accept any, or all of the financial aid offered. If you wish to make changes to the award amount offer or if you want to accept a lesser amount of your loan offer, please contact the Financial Aid Office. Your aid offer may be revised according to your actual enrollment at the time you register. Remedial courses, but not audited courses can be included in meeting the minimum required credit hours toward eligibility.

The most common sources of financial aid you will find on your Offer Letter are

- Federal Pell Grant
- Federal Direct Loans (subsidized and unsubsidized)
- FSEOG Grant
- Rivier Merit Scholarships
- Federal Work Study

Accepting Your Financial Aid Offer

After you have been notified by email that you have a financial aid offer, and you have reviewed your offer on Net Partner, you will need to accept or decline your financial aid. Awards need to be accepted before they can be credited towards your university-related charges and refunded to you for your living expenses. If you are not sure if you want to accept a particular award, you may delay that decision until later. If you have been offered a Direct Loan as part of your award package, you are not required to accept the maximum

Receive scholarships, grants, or assistance from other outside sources not listed in your award package
Receive funds for which you are not eligible
Document expenses that were not reported on the FAFSA, such as childcare or disability related costs
Fail to complete your Master Promissory Note and Direct Loan Entrance Counseling requirements
Are granted a revision to your award package due to special circumstances by the Financial Aid Office.

Important Note: Financial Aid recipients must report all financial aid and scholarship awards received from outside sources to the Financial Aid Office.

Additional Financial Aid Awards

You are required to report all aid that you receive from other sources that are not listed in the Offer Letter in order to avoid being ***over-awarded***. If you are receiving a source of educational funding that is not listed on the offer letter, you must inform the Financial Aid Office by emailing our office at finaid@rivier.edu.

What is an Over Award of Financial Aid?

When the total of all financial aid assistance received by the student exceeds the student's cost of attendance, the student has been ***over awarded***. Federal over award regulations and provisions apply to all students receiving federal *need-based* aid, and demand that the student's awards be adjusted accordingly to eliminate any over award. If an over award occurs, the Financial Aid Office will adjust (cancel or reduce) your award package in order to eliminate the over award. Federal Work-Study awards and loans will be reduced before any reduction is made to scholarship or grant awards.

How Do Over Awards Occur?

Over awards are primarily the result of the student receiving aid that the Financial Aid Office was not aware of when it completed the student's financial aid package and/or processed a loan application for the student.

It is the student's responsibility to report all additional resources (financial aid assistance) to the Financial Aid Office. This should be done as soon as the student becomes aware that he or she will receive the aid.

Veterans Benefits

Chapter 30: Montgomery GI Bill

The Montgomery GI Bill (MGIB) program provides up to 36 months of education benefits. This benefit may be used for degree and certificate programs, flight training, apprenticeship/on-the-job training and correspondence courses. Remedial, deficiency, and refresher courses may be approved under certain circumstances. Generally, benefits are payable for 10 years following your release from active duty. This program is also commonly known as Chapter 30.

Chapter 33: Post 9/11 GI Bill

The Post 9/11 GI Bill, which became effective Aug. 1, 2009, is for individuals who served at least 90 days of aggregate duty on or after Sept. 11, 2001. Individuals who served aggregate period of at least 36 months of active duty will receive 100% of the maximum benefits. Any individual that has served less than 36 months will get a percentage of the

Rivier University has a policy that returns any unearned tuition assistance (TA) funds on a proportional basis through at least the 60 percent portion of the period for which the funds were provided to the military Service Branch.

TA funds are earned proportionally during an enrollment period, with unearned funds returned based upon when a student stops attending. Instances when a Service member stops attending due to a military service obligation, the educational institution will work with the affected Service member to identify solutions that will not result in student debt for the returned portion.

If a student leaves the institution prior to completing 60 percent of a payment period or term, the Financial Aid Office recalculates eligibility for TA funds. Recalculation is based on the percentage of earned aid using the following formula:

Percentage of payment period or term completed = the number of days completed up to the withdrawal date divided by the total days in the payment period or term. This percentage is also the percentage of earned assistance.

Funds are returned to the TA program based on the percentage of unearned assistance using the following formula: Assistance to be returned = (100% of the assistance that could be disbursed minus the percentage of earned assistance) multiplied by the total amount of assistance that could have been disbursed during the payment period or term.

If a student earned less assistance than was disbursed, the institution will be required to return a portion of the funds. Please note that when TA funds are returned, the student may owe a debit balance to the institution.

For information on all VA programs, contact the Registrar's Office.

Rivier and Donor-Funded Scholarships

A limited number of Institution (Rivier) and donor-funded scholarships are available each year. These awards are gift-aid and are primarily based on need and merit (academic achievement). Many include other criteria as established by the school or donor. These funds are awarded to eligible recipients by the Financial Aid Office.

Financial Aid Policies

Satisfactory Academic Progress (SAP)

It is important for students to understand that *Title IV eligibility is contingent on students maintaining Satisfactory Academic Progress (SAP)*, which is defined as a set of standards of academic success, which includes qualitative and quantitative measures that a student must maintain in order to retain eligibility for federal financial aid.

Section 668.16 (e) of the General Provisions regulations provide parameters for schools to use in establishing standards for Title IV financial aid disbursements. A financial aid office must verify that each student who applies for Title IV funds (including a disbursement of subsidized or unsubsidized Federal Direct Loans or Federal PLUS Loans) is making satisfactory academic progress on those guidelines prior to distribution of any funds. The General Provisions regulations contain requirements by which satisfactory academic progress must be measured. The standards for Title IV students must be at least as strict than the school's standards for students in the same academic program who are not receiving Title IV aid.

Rivier students must meet or exceed all the requirements for Satisfactory Academic Progress. Failure to meet any of the standard requirements will result in denial of federal financial aid. It is the recommendation of the Financial Aid Office that all students take the time to familiarize themselves with the policy of Satisfactory Academic Progress. Students can read the SAP policy in its entirety on the Rivier website at <https://www.rivier.edu/>.

Return of Title IV Funds Policy for Financial Aid Students Who Withdraw or Drop All Courses

The Department of Education requires Rivier to maintain and publish a written policy regarding federal financial aid recipients who withdraw or otherwise fail to complete the term for which their financial aid was disbursed. It is extremely important that all students who receive Title IV financial aid are aware of the Return of Title IV Funds Policy for

Withdrawal Procedure

To withdraw formally from a course or from Rivier, a student must begin with the Academic Adviser or Registrar's Office. Rivier will not consider a student withdrawn if he or she simply stops coming to classes. Students who fail to withdraw properly will receive a grade of F on their permanent record. Courses may not be dropped within the last ten class days of the semester without special approval of the Academic Dean due to extenuating circumstances. The date of withdrawal will be the date the student begins the withdrawal process or the date, as determined by Rivier, that the student otherwise notified Rivier in writing of their intent to withdraw to zero credits.

Student Rights and Responsibilities

Complete a FERPA Authorization Privacy Release Form

The Family Education Rights and Privacy Act (FERPA) of 1976 requires a written and dated consent from any student (18 years of age or older, or a student that attends school beyond the high school level) before disclosing personal identifiable information from the student's education/financial records to a third party.

That means your personal information about financial aid, account balance, disbursement date, disbursement amount, and such may not be shared with parents or spouse without your written permission. You may find it helpful to have another person help sort through the administrative details associated with the university experience – especially the financial records.

You have the right to know:

What financial aid programs are available at Rivier University

The deadlines for submitting applications for each of the available financial aid programs.

How financial aid is awarded, how decisions on awarding are made and the basis for these decisions.

How financial eligibility is determined including how costs for tuition and fees, room and meals, transportation, books and supplies, personal/miscellaneous expenses, etc. are estimated in the budget.

What resources (such as family contribution and other financial aid, assets) are considered in the determination of financial aid eligibility.

How much financial need has been met.

Information about the various components of the financial aid package.

The Institutional Refund Policy for Rivier University

What portion of financial aid must be repaid and what portion is grant aid, (if the

length of repayment, consequences of default, and the ability to prepay the loan without penalty at any time.

How Rivier determines whether a student is making satisfactory academic progress and the consequences if the student is not making satisfactory academic progress.

You are responsible for:

Completing all application forms accurately and submitting them timely to the Financial Aid Office (or the Central Processor for the FAFSA or Renewal Form).

Providing accurate information (misrepresentation of information on a financial aid application is a violation of federal law).

Supplying all additional documentation and/or information as requested by either the Financial Aid Office or the agency to which an application is submitted.

Carefully reading all forms that require a signature and keeping copies of them.

Accepting responsibility for all agreements signed.

Signing promissory notes for student loans, following the repayment schedule, notifying school, loan servicer agency of changes in name, address, social security number, or attendance, completing the entrance counseling before receipt of first loan disbursement and the exit counseling before leaving Rivier.

Performing the work that is agreed upon in accepting a federal work-study position.

Knowing the Institutional Refund Policy.

Completing an exit interview online (web address provided to student upon exit) when graduating, becoming less than half-time or leaving Rivier University for any reason.

Providing any requested forms to defer repayment of student loans.

Notifying the Financial Aid Office when additional financial aid is received from outside sources.

Providing a personal thank you letter to a benefactor, as requested by the Financial Aid Office.

Consortium Agreement

A Consortium Agreement is a contract between two colleges/universities that recognize the registration of a student.

Other Sources of Information

Federal Student Information Center

For questions about federal student financial aid:

Box 84 Washington, D.C. 20044

8am – 11pm Eastern Time - Monday through Friday

11am -5pm Eastern Time – Saturday and Sunday

1-800-4-FEDAID 1-800-433-3243

TTY Users Call 1-800-730-8913

<https://studentaid.gov/help-center/>

Region I

Office location: Boston, MA

Elizabeth Williamson, Northeast HUB Leader

U.S. Department of Education

POCH Building, 5 Post Office Square

9th Floor, Room 24

Boston, MA 02110

Telephone: 617-289-0100

Fax: 617-289-0151

Acronyms

COA

CPS

ED

EFC

Cost of Attendance

Central Processing System

Department of Education

the borrower had certain derogatory information (e.g., default determination, bankruptcy discharge, foreclosure, repossession, tax lien, wage garnishment, or write-off of a Title IV debt) in the credit history during the five years preceding the date of the credit report

Note that the five-year look back only applies to the derogatory information; it does not apply to the 90-day delinquency which must be a current delinquency. Note also that the absence of a credit history is not considered an adverse credit history. Only about a fifth to a quarter of borrowers will be found to have an adverse credit history, meaning that more than three-quarters of borrowers will be eligible for a PLUS loan. PLUS loans do not use any kind of a debt-to-income ratio or FICO score, unlike private education loans.

Alternative Loans See Private Loans

Appeal

A formal request to have Financial Aid review your aid eligibility and possibly use Professional Judgment to adjust the figures. For example, if you believe the financial information on your financial aid application does not reflect your family's current ability to pay (e.g., because of death of a parent, unemployment or other unusual circumstances), you should definitely make an appeal. Financial Aid may require documentation of the special circumstances or of other information listed on your financial aid application.

Award Letter

An official document issued by a school's financial aid office that lists all of the financial aid offered to the student. This letter provides details on their analysis of your financial need and the breakdown of your financial aid package according to amount, source and type of aid. The award letter will include the terms and conditions for the financial aid and information about the cost of attendance.

Award Year

The academic year for which financial aid is requested (or received). The award year runs from July 1 to June 30.

Bankruptcy

When a person is declared bankrupt, he is found to be legally insolvent and his property is distributed among his creditors or otherwise administered to satisfy the interests of his creditors. Federal student loans, however, cannot normally be discharged through bankruptcy.

Borrower

The person who receives the loan.

Budget

See Cost of Attendance.



Eligible Non-Citizen

Someone who is not a US citizen but is nevertheless eligible for Federal student aid. Eligible noncitizens include US permanent residents who are holders of valid green cards, US nationals, holders of form I-94 who have been granted refugee or asylum status and certain other non-citizens. Non-citizens who hold a student visa or an exchange visitor visa are not eligible for Federal student aid.

Emancipated

To release a child from the control of a parent or guardian. Declaring a child to be legally emancipated is not sufficient to release the parents or legal guardians from being responsible for providing for the child's education. If this were the case, then every parent would "divorce" their children before sending them to college. The criteria for a child to be found independent are much stricter. See Dependency Status.

Enrollment Status

An indication of whether you are a full-time or part-time student. Generally, you must be enrolled at least half-time (and in some cases full-time) to qualify for financial aid.

Entrance Interview/Counseling See

Loan Interviews.

Exit Interview/Counseling See

Loan Interviews.

Expected Family Contribution (EFC)

The amount of money that the family is expected to be able to contribute to the student's education, as determined by the Federal Methodology need analysis formula approved by Congress. The EFC includes the parent contribution and the student contribution, and depends on the student's dependency status, family size, number of family members in school, taxable and nontaxable income, and assets. The difference between the COA and the EFC is the student's financial need and is used in determining the student's eligibility for need-based financial aid. If you have unusual financial circumstances (such as high medical expenses, loss of employment or

easier to get a part-time job. Eligibility for FWS is based on need. Money earned from a FWS job is not counted as income for the subsequent year's need analysis process.

Financial Aid

Money provided to the student and the family to help them pay for the student's education or which is conditioned on the student's attendance at an educational institution. Major forms of financial aid include gift aid (grants and scholarships) and self-help aid (loans and work).

Associate Director of Financial Aid (FAA)

A college or university employee who is involved in the administration of financial aid. Some schools call FAAs "Financial Aid Advisors" or "Financial Aid Counselors".

Financial Aid Notification (FAN) See Award Letter.

Financial Aid Package

The complete collection of grants, scholarships, loans, and work-study employment from all sources (federal, state, institutional and private) offered to a student to enable them to attend the college or university. Note that unsubsidized Stafford loans and PLUS loans are not considered part of the financial aid package, since these financing options are available to the family to help them meet the EFC.

Financial Need See Need.

First-Time Borrower

A first-year undergraduate student who has no unpaid loan balances outstanding on the date he or she signs a promissory note for an educational loan. First-time borrowers *may be* subjected to a

forgiveness may result in a tax liability. There are two main types of loan forgiveness: up-front and back end. Up-front loan forgiveness cancels a portion of the debt for each year of service.

Income Based Repayment

Under an income-based repayment sc

Loan

A type of financial aid which must be repaid, with interest. The federal student loan programs (FFELP and FDSLPL) are a good method of financing the costs of your college education. These loans are better than most consumer loans because they have lower interest rates and do not require a credit check or collateral. The Stafford Loans and Perkins Loans also provide a variety of deferment options and extended repayment terms.

Loan Cancellation See Cancellation.

Loan Consolidation See Consolidation Loan.

L

New Borrower

See First-Time Borrower.

Originate

A lender is said to originate or make a loan when the loan is disbursed to or on behalf of the borrower.

Origination Fee

Fee paid to the lender to compensate them for the cost of administering the loan. The origination fees are charged as the loan is disbursed, and typically run to 3% of the amount disbursed.

Outside Scholarship

A scholarship that comes from sources other than the school and the federal or state government.

Over-awards

A student who receives federal support may not receive awards totaling more than his or her budget.

Professional Judgment (PJ)

For need-based federal aid programs, the Financial Aid Office can adjust the EFC, adjust the COA, or change the dependency status (with documentation) when extenuating circumstances exist. For example, if a parent becomes unemployed, disabled, or deceased, the FAA can decide to use estimated income information for the award year instead of the actual income figures from the base year. This delegation of authority from the federal government to the Student Financial Services Office is called Professional Judgment (PJ).

Promissory Note

A promissory note (or 'note') is a binding legal document that must be signed by the student borrower before loan funds are disbursed by the lender. The promissory note states the terms and conditions of the loan, including repayment schedule (e.g., level monthly payments for a term of 10 years), interest rate, fees (e.g., origination fees, guarantee fees, late fees, collection charges), deferments, forbearances and cancellations. It represents an agreement by the borrower to repay the debt according to the specified terms and conditions. The student should keep this document until the loan has been repaid.

Repayment Schedule

The repayment schedule discloses the monthly payment, interest rate, total repayment obligation, payment due dates and the term of the loan.

Repayment Term

The term of a loan is the period during which the borrower is required to make payments on his or her loans. When the payments are made monthly, the term is usually given as a number of payments or years.

Satisfactory Academic Progress (SAP)

A student must maintain a certain cumulative grade point and completion rate in order to continue receiving federal aid. If a student fails to maintain an academic standing consistent with the school's SAP policy, they are unlikely to meet the school's graduation requirements.

Scholarship

A form of financial aid given to undergraduate students to help pay for their education. Most scholarships are restricted to paying all or part of tuition expenses, though some scholarships also cover room and board. Scholarships are a form of gift aid and do not have to be repaid. Many

Stafford Loans

Federal loans that come in two forms, subsidized and unsubsidized. Subsidized loans are based on need; unsubsidized loans are not. The interest on the subsidized Stafford Loan is paid by the federal government while the student is in school and during the 6-month grace period. The Subsidized Stafford Loan was formerly known as the Guaranteed Student Loan (GSL). The Unsubsidized Stafford Loan may be used to pay the EFC.

Student Aid Report (SAR)

Report that summarizes the information included in the FAFSA and must be provided to your school's FAO. The SAR will also indicate the amount of Pell Grant eligibility, if any, and the Expected Family Contribution (EFC). You should receive a copy of your SAR four to six weeks after you file your FAFSA. Review your SAR and correct any errors on part 2 of the SAR. Keep a

Verification

Verification is a review process in which the FAO determines the accuracy of the information provided on the student's financial aid application. During the verification process the student and parent will be required to submit documentation for the amounts listed (or not listed) on the financial aid application. Such documentation may include most recent Federal tax return transcript for you, your spouse (if any) and your parents, proof of citizenship, proof of registration with Selective Service, and copies of Social Security benefit statements and W2 and 1099 forms, among other things. Financial aid applications are randomly selected by the Federal processor for verification, with most schools verifying at least 1/3 of all applications. If there is an asterisk next to the EFC figure on your Student Aid Report (SAR), your SAR has been selected for verification. Schools may select additional students for verification if they suspect fraud. Some schools undergo 100% verification. If any discrepancies are uncovered during verification, the financial aid office may require additional information to clear up the discrepancies. Such discrepancies may cause your final financial aid package to be different from the initial package described on the award letter you received from the school. If you refuse to submit the required documentation, your financial aid package will be cancelled and no aid awarded.

Veteran

For Federal financial aid purposes such as determining dependency status, a veteran is a former member of the US Armed Forces (Army, Navy, Air Force, Marines or Coast Guard) who served on active duty and was discharged other than dishonorably (i.e., received an honorable or medical discharge). You are a veteran even if you serve just one day on active duty - not active duty for training - before receiving your DD-214 and formal discharge papers. (Note that in order for a veteran to be eligible for VA educational benefits, they must have served for more than 180 consecutive days on active duty before receiving an honorable discharge. There are exceptions for participation in Desert Storm/Desert Shield and other military campaigns.) Having a DD-214 does not necessarily mean that you are a veteran for financial aid purposes. As noted above, you must have served on active duty and received an honorable discharge.

need to be updated. Financial Aid should ask for a copy of the court order that declared the child a ward of the court. If there is any confusion as to whether the child is a ward of the court or not, Financial Aid should ask for a letter from the judge clarifying whether the child is a ward of the court. Note that a child can be a ward of the court and still have contact with his or her biological parents or even still be living with the parents (albeit under court supervision). The biological parents, however, are no longer empowered to make any decisions on behalf of the child.

Work Study

See Federal Work-Study.