Financial Aid Glossary! Become Savvy About Financial Aid and College Terminology

If you’re not familiar with the world of higher education, the terms and verbiage can essentially be an entire new language to learn. If you find yourself feeling a bit lost, don’t let that get you down! We’ve created a higher education term glossary to help you navigate the college scene. Think of this your first college course but without the pressure of an exam!

**Academic Advisor** - Academic advisors are staff members assigned to students in their department. They help students choose majors and minors, design a course of study and help ensure students fulfill graduation requirements.

**Academic Transcript** – Official document describing the academic history of a student.

**Academic Year** – One complete school year. At Mat-Su College our academic year always runs from the Fall semester through the following Summer.

**Alaska Commission on Postsecondary Education (ACPE)** – The ACPE website is where you can track your Alaska state funded awards such as the APS and the AEG awards. https://acpesecure.alaska.gov/

**ACT** - The American College Test is a standardized test that estimates a student’s readiness for college coursework. Either the ACT or SAT is required for many college and university applications—but it’s not a universal requirement.

**Add/Drop Period** - Time frame when students can drop or add courses to their course load without consequences, including incomplete marks on their transcript.

**Admission Requirements** - many colleges require applicants to submit an application, transcripts and standardized test scores among other materials. Not to be confused with prerequisites or registration. Once you are admitted you are recognized as a formal student in the university.

**Aid Offer Letter** – A notice sent each award year to students informing them of their award status and policies. At Mat-Su College, the first notice will be sent in the mail and subsequent notices will be sent via email.

**Annual Taxable Income** – Your annual taxable income is the amount of income used to determine how much tax you owe in a given year. This can include wages, salaries, bonuses, tips, investment income and unearned income.

**Alaska Performance Scholarship (APS)** – The APS provides an opportunity for Alaska high school students to earn a scholarship to help cover the cost of an Alaskan postsecondary education. Alaska high school students who take a more rigorous curriculum. Get good grades, and score well on college placement or work ready exams, can earn an APS to qualified Alaska colleges, universities or vocational/technical programs. https://acpe.alaska.gov/FINANCIAL-AID/AK-Performance-Scholarship

**Associate's Degree** - Undergraduate degree that generally requires two years of full-time study.
**Bachelor's Degree** - Undergraduate degree that generally requires four years of full-time study. Students must declare a major in a particular field of study and choose a Bachelor of Arts or Bachelor of Science degree path.

**Core Courses** - Include fundamental classes like English, math, general science and history that provide a foundation for major-specific classes. The exact class requirements may vary depending on your major. Core courses may also be referred to as general education courses.

**Course Load** - This refers to the total amount of courses a student is taking per term.

**Credit** – Credit refers to the amount of money you borrow and your ability to borrow and purchase goods and services. Credit is extended to you from a credit grantor with which you make an agreement to pay back the amount spend, plus applicable interest and fees within an agreed upon time.

**Credits** - A measure of a class’s time based on how many hours students spend in class, but specific numbers largely depend on the institution.

**Cost of Attendance (COA)** - The estimated total cost of attending an institution for one academic year. This amount may include the following expenses, estimated charges for one academic year of tuition and fees, housing, food, estimated transportation and parking costs, estimated costs for books and supplies, purchase or rental of a computer, miscellaneous costs such as personal hygiene, laundry, and reasonable entertainment, Other costs specific to certain student circumstances related to attendance, such as dependent care during periods of class attendance or study, expenses related to disabilities, study abroad, educational loan fees, and others and student health insurance costs.

**Debt Collection** – The course of pursuing payments of loan debts due by borrowers.

**Debt Consolidation** – Debt consolidation is a method of debt refinancing that involves taking out one loan to pay off others.

**Default** – Default is failure to repay a loan outlined in the agreed promissory note. Most federal student loan default occurs when a payment isn’t made in more than 270 days. It can result in legal consequences and a loss of eligibility for additional federal student aid.

**Deferment** – A postponement of payment on a loan that is allowed under certain conditions and during which interest does not accrue on Direct Subsidized Loans, Subsidized Federal Stafford Loans and Federal Perkins Loans. All other federal students’ loans that are deferred will continue to accrue interest. Any unpaid interest that accrued during the deferment period may be added to the principal balance of the loan(s).

**Delinquent** – A loan is delinquent when loan payments are not received by the due dates. A loan remains delinquent until the borrower is unable to make payments, he or she should contact his or her loan servicer to discuss options to keep the loan in good standing.

**Direct PLUS Loan** - These loans are federal loans that graduate or professional students and parents of dependent undergraduate students use to help pay for education expenses.

**Direct Subsidized Loan** - A Direct Subsidized Loan is a federal student loan for which a borrower isn’t generally responsible for paying the interest while in an in-school, grace, or deferment period.
Disbursement – Disbursement refers to the aid payment process or the process of disbursing or applying financial aid to a student’s account.

Expected Family Contribution (EFC) – A snapshot of your family’s financial strength, calculated from your family’s taxed and untaxed income, assets, household size and other factors.

Endorser - An endorser is someone who agrees to repay the Direct PLUS Loan if the borrower becomes delinquent in making payments or defaults on the loan. The endorser may not be the student on whose behalf a parent obtains a Direct PLUS Loan.

Enrollment Status - Enrollment status is reported by the school you attended, and indicates whether you are, or were, full-time, three-quarter time, half-time, less than half-time, withdrawn, graduated, etc.

Entrance Counseling - Entrance counseling explains the obligations you agree to meet as a condition of borrowing a Direct Loan. Topics include: Understand Your Loans, Manage Your Spending, Plan to Repay, Avoid Default and Make Finances a Priority. All first-time borrowers will need to complete entrance counseling.

Exit Counseling - Exit counseling provides important information that you need as you prepare to repay your federal student loan(s). Topics include: Understand Your Loans, Plan to Repay, Avoid Default, and Make Finances a Priority.

FASFA - Stands for Free Application for Federal Student Aid. A free application that a prospective student completes to determine eligibility for federal loans and grants.

Family Size - Household size does not mean people who physically live with you. It's about who you support financially. If you do not financially support anyone, you will just put 1 for yourself.

Federal Pell Grant program - The Pell Grant is the largest federal grant program offered to undergraduates. It is designed to assist students from low-income households. To qualify for a Pell Grant, a student must demonstrate financial need by completing and submitting the FAFSA® form.

Federal Perkins Loan - A Perkins Loan was available to undergraduate, graduate, and professional students until Sept. 30, 2017; the program has since expired. The Perkins Loan is a subsidized loan, meaning the federal government pays the loan’s interest while the borrower is in school.

Federal Student Aid - Federal student aid is aid from the government in the form of grants, loans, and/or work-study to assist students with college or career school. Students have to complete the FAFSA® form to apply for this aid.

Federal Supplemental Educational Opportunity Grant (FSEOG) - The Federal Supplemental Educational Opportunity Grant (FSEOG) is a grant that is awarded to an undergraduate student who demonstrates exceptional financial need to help pay for their education. Awards can range from $100–$4000 and do not need to be repaid.

Federal Work Study (FWS) - Federal Work-Study provides part-time jobs for undergraduate and graduate students with financial need. The program encourages community service work and work related to your field of study. To receive funds, you will need to be awarded work study and secure a job.

Family Educational Rights and Privacy Act (FERPA) – Federal law that protects the privacy of student education records.
Financial Aid - Financial aid is money to help pay for college or career school.

Financial Aid Probation – Status of students whose SAP appeals were approved but not yet fully reinstated. Students on probation must meet with an advisor and follow a strict degree plan created for them in UAOnline – DegreeWorks.

Financial Need – A specific financial aid status according to the information on a student’s FAFSA. It is the difference between the cost of attendance (COA) at a school and your Expected Family Contribution (EFC).

Forbearance - A period of time when your monthly loan payments are temporarily stopped or reduced. Interest will continue to be charged on your loans. Be aware that unpaid interest may be capitalized (added to your loan principal balance) at the end of your forbearance period.

Free Application for Federal Student Aid (FAFSA) - A free application that a prospective student completes to determine eligibility for federal loans and grants.

FSA ID - A Federal Student Aid ID consists of a username and password which gives you access to the U.S. Department of Education’s online systems and can serve as your legal signature when completing electronic documents.

Gift Aid – Aid that is given to a student which does not need to be repaid.

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 accr

Graduate or Professional Student - A graduate or professional student is a student who is pursuing education opportunities beyond an undergraduate (bachelor's) degree. Graduate and professional programs include master's and doctoral programs such as Ph.D., J.D., and M.D., among others.

Grant - A grant is a monetary gift for people pursuing higher education. It is often based on financial need and does not need to be repaid (unless, for example, you withdraw from school and owe a refund).

Grade Point Average (GPA) - Represents the average of a student’s final grades in all their courses. It’s calculated by adding the final grades divided by the number of credit hours, though some classes may be weighted or measured on a different scale.

Gross Income - Gross income is your total income before deductions.

Guaranty Agency - A guaranty agency is a state or private non-profit agency that helps administer the Federal Family Education Loan (FFEL) Program. A guaranty agency insures federal loans by repaying the loan holder when a loan defaults, and then collects the defaulted loan from the borrower.

Half-Time Enrollment - Half-time enrollment is an enrollment status applied to students who are only enrolled in half of the expected full-time course load. Half-time enrollment can affect the cost of attendance (COA), and each school may have different half-time enrollment specifications.

Head of Household - For tax purposes, you might claim head of household if you are unmarried and responsible for more than half of the cost of keeping up your and your dependent's home. Whether you are head of household can affect how you report tax return information on the FAFSA® form.
Homeless - A homeless individual is someone without a home who generally lives in shelters, parks, motels, hotels, cars, or with someone else due to not having anywhere else to go. Homeless individuals can still receive federal student aid.

Independent Student - An independent student is at least 24 years old, married, a graduate/professional student, a veteran, a member of the armed forces, an orphan, a ward of the court, someone with legal dependents (not a spouse), an emancipated minor, or someone who is or at risk of being homeless.

Interest - Interest is a loan expense charged for the use of borrowed money. Interest is paid by a borrower to a lender. The expense is calculated as a percentage of the unpaid principal amount of the loan.

Interest Rate – The rate at which interest is paid by a borrower for the use of money that they borrow from a lender. Specifically, the interest rate is a percentage of principal to be paid.

IRS Data Retrieval Tool (IRS DRT) - The IRS Data Retrieval Tool (IRS DRT) allows students and parents who filed a U.S. tax return with the Internal Revenue Service (IRS) to access the IRS tax return information needed to complete the Free Application for Federal Student Aid (FAFSA®) form and to transfer the data directly into their FAFSA form.

Legal Guardianship - Legal guardianship is a designation by a court that authorizes someone to care for an individual in place or absence of parents. Having a legal guardian qualifies you as an independent student, such that you do not have to report your parents’ income on the FAFSA® form.

Lender - A lender is the organization that made the loan (borrower's school, bank, credit union, etc.).

Litigation - Litigation is the act or process of bringing or contesting a legal action in court.

Loan - A loan is money borrowed from the federal government or a private source like a bank or financial institution, and must be paid back with interest.

Loan Discharge - Loan discharge is the removal of a borrower's obligation to repay a loan under certain circumstances including but not limited to death, disability, bankruptcy, fraud, and identity theft.

Loan Fee – A fee charged for each student loan you receive that is a percentage of the total loan amount you are borrowing (gross amount). The loan fee is deducted proportionally from each disbursement of your loan. This reduces the actual loan amount you receive (net Amount).

Loan Forgiveness - Student loan forgiveness is offered to encourage certain types of employment. A loan may be fully or partially forgiven after a certain number of years of qualifying employment.

Master Promissory Note (MPN) - An MPN is a legal document that contains the Borrower's Rights and Responsibilities and Terms and Conditions for repayment. Direct PLUS and Direct Subsidized / Unsubsidized loans have different MPNs. All first-time borrowers at Mat-Su College are required to fill out a Master Promissory Note.

Merit-Based - Merit-based means that something is based on a student's skill or ability. For example, a merit-based scholarship might be awarded based on a student's high grades.

Out-of-State Student - An out-of-state student is a student who is attending a college or career school outside of his or her state of legal residence.
**Over Award** – When a student has been awarded more aid than what the tuition and fees total, this amount is refunded directly to the student via check or if they have direct deposit set up in UAOnline it will be directly deposited to their bank account.

**Placement Test** - Some colleges administer placements tests in subjects like math and English to check the academic skills of new students so they can properly place them in the right courses.

**Practicum** - Practical application of theory learned in the classroom. Often a requirement for programs in Education, Social Work or other clinician fields.

**Prerequisites** - Courses required to take more advanced courses or apply to a program.

**Principal** - Principal refers to the sum of money lent, on which interest is paid.

**Probation** - Academic probation means a student has fallen from good standing status and is at risk of being dismissed from the university. Institutions measure academic standing by GPA and courses passed. Policies regarding this will vary depending on the institution.

**Prorate** – When aid is calculated according to credit load, time attended or other aid-specific requirements.

**Registrar** - A specialist tasked with handling several administrative and logistical areas of academia. The registrar’s office is responsible for many administrative academic duties like registering students for classes, preparing student transcripts, preparing class schedules and analyzing enrollment statistics.

**Registration** - The process of reserving a spot in specific classes for enrolled students.

**Regular Student** - A regular student is one who is enrolled or accepted for enrollment at an institution for the purpose of obtaining a degree, certificate, or other recognized education credential. To be eligible for federal student aid, you must generally be a regular student.

**Refund** – When a student has been awarded more aid than what the tuition and fees total, this amount is refunded directly to the student via check or if they have direct deposit set up in UAOnline it will be directly deposited to their bank account.

**Repayment** - Repayment is paying back money you borrowed by making scheduled payments to a loan holder or servicer.

**Room and Board** - Room and board is generally the cost of housing and food while attending college or career school.

**Revision** – Any change made to financial aid that has already been awarded, either increase or decrease.

**SAT** - The Scholastic Aptitude Test is a standardized test that measures college preparedness. Either the ACT or SAT is required for many colleges’ and universities’ applications.

**Satisfactory Academic Progress (SAP)** - Satisfactory academic progress is the process a school uses to determine if a student is meeting all of his or her educational requirements and is on target to graduate on time with a degree or certificate. This process may vary across schools.
Scholarships - Scholarships are gifts that don’t have to be repaid and are designed to help students pay for an undergraduate degree. They can be a one-time gift or are renewable, depending on the scholarship.

School Closure - A school closure occurs when an institution no longer provides educational services to students.

Standard Repayment Plan - The Standard Repayment Plan is the basic repayment plan for the William D. Ford Federal Direct Loan (Direct Loan) and Federal Family Education Loan (FFEL) Programs. Payments are fixed and made for up to 10 years (10–30 years for Consolidation Loans).

State Aid - States offer financial assistance to eligible residents to help reduce educational costs. Some state aid is first come, first served, so complete your FAFSA® form early. For Alaska, these can include the Alaska Performance Scholarship (APS) and the Alaska Education Grant (AEG). Mat-Su College doesn’t administer state aid programs. Contact the Alaska Commission on Postsecondary Education for more information.

Student Fraud - Student Fraud is any situation where an individual falsifies information in order to qualify for student aid. Examples of student fraud include using false information on the FAFSA, such as income or marital status, or reporting an invalid high school diploma.

Student Loan Debt Burden - Student loan debt burden is the percentage of a borrower’s monthly income that is dedicated to his or her student loan payments. The smaller this percentage, the lower the debt burden.

Teacher - A teacher is a person who provides professional direct instruction to students.

Title IV Funding – Funds created by the Higher Education Act of 1965, which are federal funds used for federal loans, federal grants and federal work study programs.

Total and Permanent Disability (TPD) Discharge - A total and permanent disability discharge relieves you from having to repay your federal student loan(s) and/or complete your Teacher Education Assistance for College and Higher Education (TEACH) Grant service obligation. Learn more about TPD discharge.

Transfer Student - A transfer student is a student who has completed some academic credits at a college or university and has requested to enroll at a different institution.

Transcript - Official record of courses taken and grades earned at a given institution.

Transfer credits - Course credits carried over from one institution to another.

Tuition – The core price for per college credit. Tuition may be listed as a flat rate for a range of credits, usually 12-18, or priced per credit. Usually lower division classes have one tuition rate and higher division classes will have a higher rate.

Tutors - A more experienced student or teacher who offers one-and-one academic help usually in a specific subject.

Undecided or undeclared - A student enrolled in courses but has not yet declared a major.
Waitlist - A term commonly seen during registration periods. Students hoping to enroll in a full class can opt to be placed on a waitlist. This essentially saves a place in line in case spots open up from registered students dropping or changing plans.

Withdraw - To drop a class after the add/drop grace period. Withdrawing often means receiving a W on your transcript.

Undergraduate Student - An undergraduate student is a student who is enrolled in an undergraduate course of study at a college/university or career school that usually doesn't exceed four years and leads to an undergraduate degree or certificate.

Unsubsidized Loan - An unsubsidized loan borrowed through the Direct Loan Program offers students a low, fixed interest rate and flexible repayment terms. It is not based on financial need. The borrower is responsible for paying all the accumulated interest, until the loan balance is paid off.

Untaxed Income - Untaxed income is income you don't pay taxes on, such as Supplemental Security Income, child support, or federal or public assistance.

Withdrawal – The process of dropping out of a class after it begins and has progressed into the third week. This act carries various financial aid consequences and could result in a student repaying money already received.

Withholding - A withholding is an amount of money that an employer takes out of your wages and pays to the government. If too little is withheld, you will owe additional taxes. If too much is withheld, you receive a refund.

Verification – The process of reviewing the accuracy of information reported on a student’s FAFSA. The student will be notified at the email they used on the FAFSA application and no aid can be disbursed until the verification process is complete.