

## KEY FINANCIAL AID TERMINOLOGY

### A

#### **Academic Year (AY)**

Refers to the school year. This is measured by the amount of academic work (in either credit or clock hours) a student must complete each year, and the time period in which they are expected to complete it, as defined by the school.

For example, many schools' academic year is 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.

#### **Accreditation**

Confirms that the college or career school meets certain minimum academic standards, as defined by an accrediting body recognized by the U.S. Department of Education. Schools must be accredited to be eligible to participate in federal student aid programs. Collin College is accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACS).

#### **Additional Eligibility (A.k.a. Year-Round Pell)**

From the 2017-18 award year and forward, eligible students can receive up to one and one-half federal Pell Grants (150%) within a single award year. Students must meet certain requirements, such as being enrolled at least half-time in summer, in order to take advantage of this additional eligibility.

#### **Adjusted Gross Income (AGI)**

Your or your family's wages, salaries, interest, dividends, etc., minus certain deductions from income as reported on a federal income tax return.

#### **Adjustment**

An adjustment is a change to data elements on the FAFSA that are used to calculate the student aid index (SAI), or the cost of attendance (COA). Adjustments occur at the discretion of the college financial aid administrator (advisor) through a process

known as professional judgement and after a review of documented special circumstances.

### **Admission**

College admission is the process of applying and being accepted for enrollment in a college or university. Most colleges have an Admissions Office that handles this process. Some schools (most) have Admissions standards or requirements (for example, test results, GPA from high school, etc.) that a student must meet before being granted admissions. Collin College is what is known as an open enrollment school; meaning we have no admissions requirements.

### **Aggregate Loan Limit**

The aggregate or cumulative loan limit is the maximum amount that may be borrowed in total according to the terms of a loan.

### **Alternative Student Loans**

An alternative student loan, typically called a private student loan, is a non-federal education loan made by a bank, financial institution, or state. The terms of a private student loan are set by the lender, not the federal government, and the loan is not guaranteed against default by the federal government.

Commonly, the terms of the loan including the interest rate and payment terms are not nearly as advantageous as federal student loans.

### **Annual Loan Limit**

The annual loan limit is the maximum amount that may be borrowed per year under the terms of the loan. In the case of federal student loans, the annual loan limit changes based on the student's grade level and if the student is dependent or independent.

### **Appeal**

A financial aid appeal is a request for reinstatement because a student was not meeting the satisfactory academic standards (SAP). At Collin, students must have a mitigating circumstance that caused them not to meet SAP, as well as supporting documentation.

**Alien Registration Number (ARN or A-Number)**

The “A” number is a unique seven-, eight-, or nine-digit number assigned to a noncitizen. The A number (because the number is preceded by the letter A), identifies aliens in the U.S. as having been approved for legal immigrant status.

**Articulation Agreement**

An articulation agreement between two colleges that specifies which courses at one college, such as a community college, are accepted for credit at a second college, such as a 4-year college. The articulation agreement will specify the minimum required grade for each class. Articulation agreements may specify whether the courses satisfy prerequisite requirements at the second college. Articulation agreements help ensure a smooth transition for transfer students.

**Associate Degree**

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

**Award Amount**

Amount of aid a school expects to pay a student based on the student’s current grant and loan eligibility, enrollment, Expected Family Contribution (EFC), and Cost of Attendance (COA).

**Award Letter**

The document (typically email) a student receives from the college that explains the terms of the financial aid that the college is offering the student. The information includes the types and amounts of financial aid offered, what the student is expected to do to keep the award, and a deadline for accepting the award (if there is one).

**Award Year**

School year for which financial aid is used to fund a student’s education. This time-frame is federally defined as the 12-month period that begins July 1 of one year and ends on June 30 of the following year (i.e., the financial aid year).

## **B**

### **Bachelor's Degree**

An undergraduate academic degree awarded for a course of study that generally lasts four years. Colleges or universities generally award Bachelor's degrees.

### **Bankruptcy**

Bankruptcy refers to the cancellation (discharge) of all or part of a borrower's debts. It allows borrowers who can no longer pay their debts to get a clean slate. It may involve liquidating the borrower's assets and distributing the proceeds to the borrower's creditors (Chapter 7) or reorganizing a borrower's loans to provide a 3 to 5-year repayment plan (Chapters 11, 12 or 13).

Borrowers with a Chapter 7, Chapter 11 or Chapter 12 bankruptcy are ineligible for a Federal PLUS loan for five years from the date of the bankruptcy discharge.

The US Bankruptcy Code at 11 USC 523(a)(8) establishes an exception to discharge that makes it almost impossible to discharge federal and private student loans in bankruptcy. Borrowers must demonstrate undue hardship in an adversarial proceeding, which is a very harsh standard.

### **Board**

An old term representing the cost of food for regular meals (e.g., a meal plan). One of the items included in the school's cost of attendance (COA) or budget. Now simply referred to as "food."

### **Borrower**

A borrower agrees to repay a loan of money, usually with the addition of interest.

### **Budget**

A term often used interchangeably with the Cost of Attendance (COA).

### **Bursar**

The college official responsible for handling billing and payments for tuition, fees, housing and other related expenses. The cashier's offices on the campus report to the Bursar.

# C

## **Campus-Based Aid**

Campus-based aid includes the Federal Perkins Loan (now defunct), Federal Work-Study and Federal Supplemental Educational Opportunity Grant (FSEOG) programs.

## **Cancellation**

Cancellation of a debt eliminates the obligation to repay the debt. There are several types of loan cancellation, including loan forgiveness (cancellation in exchange for particular activities by the borrower) and discharge (cancellation based on circumstances that affect the borrower's ability to repay the debt).

In financial aid, cancellation can also refer to a process by which the financial aid department cancels a student's aid on the system. This could be because the student requested their offer of a student loan be canceled; because the student is receiving aid at another institution; because a student is not enrolled; and so forth.

## **Capitalization**

Capitalization of interest occurs when unpaid interest is added to the principal balance of the loan. After interest is capitalized, interest may be charged on interest, not just principal, increasing the cost of the loan.

## **Case-by-Case**

A case-by-case professional judgment review considers each student's situation separately from all others. College financial aid administrators may not have broad policies or practices that treat all students or students in a similar category the same, regardless of the details of the student's circumstances.

## **Certificate**

A certificate is an education credential awarded for completion of a program that is less than 2 years in length.

## **Character of Service**

The character of service of a veteran's discharge papers (DD214) determines eligibility for veteran's benefits and whether the veteran is considered an independent student on the FAFSA. There are six entries for character of service on

the DD214 including: Honorable, Under Honorable Conditions (General), Under Other Than Honorable Conditions, Bad Conduct, Dishonorable, and Uncharacterized. A veteran with a character of service of “dishonorable” is not considered a veteran on the FAFSA.

### **Cohort**

A cohort is a group of students, such as a group of student borrowers who entered repayment on their loans at the same time, or a group of students who enrolled in college for the first time in a particular academic year.

### **Cohort Default Rate (CDR)**

A cohort default rate is the percentage of a school's borrowers who enter repayment on certain federal student loans during a particular federal fiscal year (FY), October 1 to September 30, and default or meet other specified conditions prior to the end of the second following fiscal year.

### **Completion**

Completion of a degree or certificate program occurs when a student receives the degree or certificate.

### **Confirmation Page**

For financial aid students, the confirmation page is displayed after a student successfully submits FAFSA on the Web. The confirmation page not only confirms the date and time the FAFSA was filed, but also includes the expected family contribution (EFC), estimated Federal Pell Grant and Federal Stafford loan eligibility, and a list of schools that will receive data from the student's FAFSA.

### **Conflicting Information**

Conflicting information is any discrepancy or inconsistency in the information provided to a college, including information from the FAFSA, tax documents, high school completion, and so forth.

### **Consolidation Loan**

A consolidation loan is a form of refinance, where a new loan repays the outstanding balance on other loans, replacing them with a single new loan. Consolidating a borrower's loans will streamline and simplify repayment and may result in a lower

or higher interest rate, depending on the type of consolidation loan and whether the borrower's credit has improved.

### **Cost of Attendance (COA)**

The cost of attendance, (also known as the budget) for a student is an estimate of that student's educational expenses for the period of enrollment. A student's cost of attendance is generally the sum of the following:

Tuition and fees	Housing and Food
Books and supplies	Transportation
Miscellaneous personal expenses	

### **Creditor**

A creditor is a lender or other entity to whom a debt is owed.

### **CSS/Financial Aid PROFILE**

The CSS/Financial Aid PROFILE is a financial aid application created by the College Scholarship Service of the College Board. The PROFILE is used by more than 400 (usually top tier) colleges, universities and private scholarship programs to award their institutional financial aid funds.

### **Custodial Parent**

The custodial parent is the parent who provided the most (more than 50%) support during the 12 months preceding the filing of the FAFSA. If the parents claim equal support, the custodial parent is the parent with more income & assets.

## **D**

### **DD214**

Also known as a Certificate of Release or Discharge from Active Duty, a DD-214 is a document issued by the U.S. Department of Defense to members of the U.S. Armed Forces upon the service member's retirement or discharge from active-duty service.

### **Default**

Failure to repay or otherwise meet the terms and condition of a loan. Default typically occurs after six months of delinquent payments. Penalties include a bad

credit rating, loss of future financial aid eligibility, withholding of tax refunds, garnishing wages and loss of monthly payment options.

### **Deferment**

Period during which the repayment of the loan is suspended because the borrower meets certain eligibility requirements (e.g., enrolled in college at least half time).

### **Delinquent**

A loan is delinquent when loan payments are not received by the due dates. A loan remains delinquent until the borrower makes up the missed payment(s) or receive a deferment or forbearance that covers the period when the borrower was delinquent.

### **Dependency Override**

A dependency override changes a student's status from dependent to independent. College financial aid administrators may perform a dependency override on a case-by-case basis when justified by documented unusual circumstances.

### **Dependent Student**

A student who does not meet any of the criteria for an independent student. Dependent students must provide parent data on the FAFSA.

See definition of independent student for criteria.

### **Department of Homeland Security (DHS)**

U.S. Department of Homeland Security. Determines and confirms status for non-citizens.

### **Diploma Mill**

An unaccredited school (or a business claiming to be a school) that awards a degree or other credential for a fee while requiring little or no classwork meeting college-level standards.

### **Direct Cost**

An expense that is billed to your student account and paid directly to the school. Direct costs include tuition, fees, and on-campus housing/meal plan (if you live on

campus). Direct costs are some of the components in the cost of attendance (budget).

### **Disbursement**

The process by which funds are made available to students for use in meeting educational expenses. Financial aid funds are disbursed to each student's account (administered by the Bursar) to first pay any billed charges: tuition, fees, room & board, and any incidental expenses such as college health insurance. Any funds in excess of the billed charges constitute a credit balance and are refunded to the student.

### **Dual Enrollment**

Dual enrollment programs allow high school students to take college courses and simultaneously earn credit toward a high school diploma and a college degree or certificate. Students who are enrolled in a dual enrollment program are not eligible for federal student aid because they are still enrolled in high school.

## **E**

### **Eligible Noncitizen**

A U.S. national (includes natives of American Samoa or Swains Island), U.S. permanent resident (who has an I-151, I-551 or I-551C [Permanent Resident Card]), or an individual who has an Arrival-Departure Record (I-94) from U.S. Citizenship and Immigration Services (USCIS) showing one of the following designations:

- Refugee
- Asylum Granted
- Cuban-Haitian Entrant (Status Pending)
- Conditional Entrant (valid only if issued before April 1, 1980)
- Victims of human trafficking, T-visa (T-2, T-3, or T-4, etc.) holder
- Parolee (Must be paroled into the United States for at least one year and must be able to provide evidence from the USCIS that they are in the United States for other than a temporary purpose and that they intend to become a U.S. citizen or permanent resident.)

People who meet the noncitizen criteria above are eligible to receive federal student aid.

## **Emancipated Minor**

An individual (under the age of 18) who has legally been determined to be an adult by a court in his or her state of legal residence.

## **Enrollment Intensity**

Is a percentage of a full-time enrollment using the formula, “# of credit hours divided by 12 (full-time enrollment at Collin College) equals the student’s enrollment intensity.” Starting with the 2024-25 academic year, student’s eligible for Pell Grant are paid Pell based on their enrollment intensity and not the enrollment statuses described below.

## **Enrollment Status**

Academic course load that a student is carrying for a defined academic period. This normally relates to the number of credit hours taken by a student during a given academic period. At Collin College:

- Full-time status = at least 12 credit hours
- Three-quarter time status = at least 9 - 11 credit hours
- Half-time status = at least 6 - 8 credit hours
- Less-than-half-time status = less than 6 credit hours

Students’ financial aid, with the exception of Pell Grant (see above), are paid/prorated according to their enrollment status.

## **Entrance Counseling**

Mandatory counseling sessions borrowers are required to attend (or complete online) before receiving their first loan disbursement that explains their rights and responsibilities as a student borrower.

## **Exemption**

Administered by THECB, an exemption is a benefit granted by the State for Texas residents for a variety of reasons including foster care, adoption (from foster care), deaf & blind students, veterans, dual-enrolled student who are on free & reduced lunch in high school, etc. An exemption pays the students tuition, and sometimes

fees, and in one case, the student's books. At Collin, the Financial Aid Office posts most of the exemptions, though there are exceptions.

### **Exit Counseling**

Mandatory counseling sessions that take place before a student graduates or drops below half-time enrollment that explains their loan repayment responsibilities and when repayment begins.

## **F**

### **FAFSA Submission Summary (FSS)**

The official notification sent in either paper or electronic format to students after submitting the FAFSA. The FSS is a summary of the information the student submitted and will give them some basic information about their eligibility for federal student aid, such as their EFC, if they've been selected for verification, etc.

### **Family Educational Rights & Privacy Act of 1974 (FERPA)**

FERPA is a Federal law (Act) that protects the privacy of student education records. According to FERPA law, other than directory information, no information concerning a student's records can be released without written permission from the student. It also provides the student some rights such as the right to view their educational records and make corrections to inaccurate information.

### **Federal 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. The Federal Direct Loan program replaced the Stafford Loan Program (a.k.a. FFEL)

### **Federal Methodology (FM):**

The formulas used to determine a student's eligibility for federal (Title IV) financial aid funds. The formulas, determined by Congress, take into account income, certain assets, certain expenses, family size and other factors. Retirement savings, home

equity and non-custodial parents are not considered; stepparent finances are included.

Distinct from Institutional Methodology (IM), which is used to determine eligibility for financial aid funds at some private institutions and which takes into account much more of the family's financial resources.

### **Federal Pell Grant**

A federal grant for undergraduate students with the lowest EFC's.

### **Federal School Code**

An 6-digit identifier that the U.S. Department of Education assigns to each college or career school that participates in the federal student aid programs. In order to send FAFSA information to a school, students must list the school's Federal School Code on their application. A list of Federal School Codes is available at [fafsa.gov](http://fafsa.gov).

### **Federal Student Aid (FSA)**

Financial aid from the federal government to help students pay for education expenses at an eligible college or career school. Grants, loans and work-study are types of federal student aid. Students must complete the FAFSA form to apply for this aid.

### **Federal Student Aid Programs**

The programs authorized under Title IV of the Higher Education Act of 1965 that provide grants, loans and work-study funds from the federal government to eligible students enrolled in college or career school.

### **Federal Supplemental Educational Opportunity Grant (FSEOG)**

FSEOG is a grant to low-income undergraduate students who demonstrate exceptional financial need. Exceptional financial need is defined as the students with the lowest expected family contribution (EFC) at the school, with a preference for Federal Pell Grant recipients. Part of the FSEOG funding is provided by the school and part by the federal government. The FSEOG program is a form of campus-based aid.

## **Federal Work-Study**

A federal student aid program that provides part-time employment while the student is enrolled in school to help pay his or her education expenses. The student must seek out and apply for work-study jobs at his or her school. The student will be paid directly for the hours he or she works and the amount he or she earns cannot exceed the total amount awarded by the school for the award year. The availability of work-study jobs and hourly rate varies by school.

## **Financial Aid Package**

The total amount of financial aid (federal and nonfederal) a student is offered by a college or career school. The school's financial aid staff combines various forms of aid into a "package" to help meet a student's education costs.

## **Financial Need**

The difference between the cost of attendance (COA) at a school and the student's Expected Family Contribution (EFC). While COA varies from school to school, the EFC does not change based on the school the student attends.

## **First-Time Freshman Borrower**

Is a student with 0 to 29 earned credit hours and who has not received student loans before. Federal guidelines state that a first time borrower must wait 30 days before loan funds can be released. This means their first loan disbursement will not go out with the rest of their aid, but a couple of weeks after.

Currently, Collin College is exempt from holding first-time freshman's first disbursement because of our low default rate.

## **Forbearance**

A period during which a borrowers monthly loan payments are temporarily suspended or reduced. The lender may grant the borrower a forbearance if the borrower is willing but unable to make loan payments due to certain types of financial hardships. During forbearance, principal payments are postponed but interest continues to accrue. Unpaid interest that accrues during the forbearance will be added to the principal balance (capitalized) of the loan(s), increasing the total amount owed.

## **Foster Care**

A temporary living arrangement for dependent children when their parent(s) or another relative cannot take care of them. Typically administered by the Department of Family & Protective Services (DFPS) in the state (a.k.a. CPS).

Students who were in the foster care system in the State of Texas after a certain date/age may be eligible for the State of Texas Foster Care exemption which pays the student's tuition and fees at any public school in Texas. Students should check with CPS to see if they are eligible and obtain the required document.

## **Free Application for Federal Student Aid (FAFSA)**

The FAFSA application form is the FREE application used to apply for federal student aid, such as federal grants, loans, and work-study. Located at [fafsa.gov](http://fafsa.gov).

## **FSA ID**

The FSA ID is 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, such as the FAFSA. Required when filing a FAFSA.

## **Future Act Direct Data Exchange (FA-DDX)**

The FA-DDX is a tool within the electronic FAFSA that allows the Department of Education to automatically retrieve the student, spouse (if applicable), and/or parents' (if applicable), IRS tax return information needed to complete the Free Application for Federal Student Aid (FAFSA). The student, spouse (if applicable), and parents (if applicable) must approve and consent or this process cannot be run.

# **G**

## **General Educational Development (GED) Certificate**

A certificate that students receive if they've passed a specific, approved high school equivalency test. Students with a GED certificate are eligible to receive federal student aid.

## **Grace Period**

A period of time after a borrower graduates, leaves school, or drops below half-time enrollment during which they are not required to make payments on certain federal student loans. Some federal student loans will accrue interest during the grace period, which will be added to the principal balance of the loan when the repayment period begins.

## **Graduation Rate**

Measures the progress of students who began their studies as full-time, first-time degree- or certificate-seeking students by showing the percentage of these students who complete their degree or certificate within a 150% of "normal time" for completing the program in which they are enrolled.

## **Grants**

Financial aid that doesn't need to be repaid. Grants are typically need-based. Considered "gift aid".

# **H**

## **Homeless**

A homeless student does not have a fixed, regular, or adequate place of nighttime residence.

## **Homeschool**

Children are educated at home either by parents, legal guardians, or tutors, rather than public or private school. Some states regulate homeschools, requiring them to follow a particular curriculum, or test the student periodically and send the results to the state, and some states do not. Texas does not regulate homeschools in the state.

## **Housing and Food**

The new term used to describe the cost of housing and food while attending college or career school. The old term was, "Room and Board." One of the items in the Cost of Attendance (COA).

## I

### **Independent Student**

A student who meets *one* of the following: is 24 years old or older, is married, is a graduate or professional student, is a veteran, is a member of the (regular) armed forces, is an orphan, a ward of the court, of someone with legal dependents other than a spouse (i.e., children), is an emancipated minor or someone who is unaccompanied and homeless or at risk of being homeless.

### **Indirect Cost**

An estimate of personal and educational expenses that is not directly billed by the school. Indirect costs include books, transportation, and other living expenses (e.g., housing and food). Indirect costs are some of the components in the cost of attendance (budget).

### **Individual Taxpayer Identification Number (ITIN)**

The ITIN is a 9-digit number that begins with the number 9 and which is used to identify taxpayers who are not eligible to have a Social Security Number.

### **Institutional Aid**

If financial aid provided from a college or university's own funds. Typically, in the form of a scholarship.

### **Interest/Interest Rate**

A loan expense (typically expressed as a percentage) 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.

## J

### **Job Placement Rate**

The percentage of graduating students who obtained employment either in the recognized occupation for which they were trained or in a related comparably-recognized occupation within a determined timeframe after receiving their degree or certificate.

# K

## K-12

Kindergarten through 12<sup>th</sup> grade, comprising elementary, middle and secondary (high) school.

# L

## Legal Guardianship

A relationship created by court order, through which the court appoints an individual other than a minor's parent to take care of the minor. A legal guardian is not considered a parent on the student's FAFSA form. In fact, a student in legal guardianship does not need to report parent information on the FAFSA form because he or she is considered an independent student.

The State of Texas uses the term, “Managing Conservator” to indicate guardianship. However, unlike legal guardianship, in Texas a parent can be designated as Sole or Joint Managing Conservator. In these cases, the student would not be considered to be in a legal guardianship and would have to provide parent data on the FAFSA.

## Lifetime Eligibility Used (LEU)

The amount of all Federal Pell Grant aid (in percentage) awarded to you, divided by the amount of Pell Grant aid you would have been eligible to receive based on full-time enrollment.

The amount of Federal Pell Grant funds a student may receive over his or her lifetime is limited by federal law to be the equivalent of six years of full-time attendance, prorated for enrollment less than full-time.

## Loan

Borrowed money that must be repaid with interest. Students and/or parents are required to sign a promissory note and complete entrance and exit counseling at designated times when receiving an educational loan.

## Loan Origination Fee

An administrative fee assessed by the federal government and deducted from a loan before funds are made available to the student. Usually around 1% for student loans and 4% for Parent PLUS loans.

**Loan Principal**

The amount originally borrowed. Simple daily interest is calculated based on the loan principal.

**Loan Rehabilitation**

The process of bringing a loan out of default and removing the default notation from a borrower's credit report. To rehabilitate a Direct Loan, the borrower must make nine voluntary, reasonable, and affordable monthly payments within 20 days of the due date over a consecutive 10-month period.

**Loan Servicer**

A company that collects payments, responds to customer service inquiries, and performs other administrative tasks associated with maintaining a federal student loan on behalf of a lender.

**M****Master Promissory Note (MPN)**

The MPN is a signed agreement to repay federal education loans received during a continuous period of enrollment. It sets forth the terms and conditions of the loans.

**Matriculate**

A student matriculates when he or she enrolls in college.

**Merit-based Aid**

Merit-based aid is financial aid awarded to students based on their personal achievements. Most scholarships are considered merit aid, as they are generally awarded for success in school, the arts, athletics or another area.

**Methodology**

A methodology is a financial aid formula.

# **N**

## **National Student Clearinghouse (NSC)**

The National Student Clearinghouse provides degree and enrollment verification services.

## **National Student Loan Data System (NSLDS)**

The National Student Loan Data System (NSLDS) is a database that records all federal education loans and grants made by the U.S. Department of Education as well as student enrollment status information. It replaced the Financial Aid Transcript. A student can see their information via their FSA login.

## **Need Analysis**

Need analysis is a process that evaluates household income, asset and demographic information to determine the family's financial strength and ability to pay for school.

## **Need-based Aid**

Aid based on a student's financial need.

## **Net Price**

An estimate of the actual cost that a student and his family need to pay in a given year to cover education expenses for the student to attend a particular school. Net price is determined by taking the institution's cost of attendance and subtracting any grants and scholarships for which the student may be eligible.

## **Net Price Calculator**

A tool that allows current and prospective students, families, and other consumers to estimate the net price of attending a particular college or career school. Schools are required to have one (or a link to one) on their website.

## O

### **Office of the Inspector General (OIG)**

An independent entity within the U.S. Department of Education (ED) responsible for identifying fraud, waste, abuse, and criminal activity involving ED funds, programs, and operations.

### **Ombudsman**

An ombudsman investigates individual's complaints. The FSA Ombudsman investigates complaints involving federal student loans while the Private Student Loan Ombudsman investigates complaints involving private student loans.

### **Other Financial Assistance (OFA)**

OFA is any educational benefits paid because of enrollment in postsecondary education. Includes federal, state, and institutional aid (which includes scholarships and long-term loans), waivers or exemptions of tuition & fees, fellowships & assistantships, income from insurance programs that pay for a student's education, ROTC living allowances, and outside (private) scholarships.

### **Outstanding Principal**

The remaining portion of the original loan amount, plus any interest that has been capitalized, that is still owed. Interest accrues on the outstanding principal balance.

### **Overpayment**

The disbursement of more federal student aid funds to a student than he or she is eligible to receive. Student will be responsible for paying the overpayment back (to the school; to ED...). Will be flagged in NSLDS if student owes an overpayment.

### **Override**

A dependency override changes a student's status from dependent to independent. College financial aid administrators may perform a dependency override on a case-by-case basis when justified by documented unusual circumstances. Under the umbrella of professional judgement.

## **P**

### **Packaging**

The process of awarding aid without exceeding the student's financial need or cost of attendance. The process varies from school to school, mostly depending on the types of scholarships or other aid that is available, as well as the characteristics of the student population. While there are numerous packaging philosophies, most schools generally try to find the best combination of aid to meet the financial need of the students they serve. Also, ED dictates some policies on some funds, such as Pell grants first, and sub loan before unsub loans.

### **Parent PLUS Loans**

Federal loans available to parents of dependent undergraduate students to help finance their child's education. Parents may borrow up to the difference between education costs (COA) and financial aid. Parents apply at [studentloans.gov](http://studentloans.gov). A credit check is run for these loans.

### **Pell Grant**

A federal grant program for undergraduate students who demonstrate financial need (and have an EFC that falls within a particular range), and have not yet completed a baccalaureate degree. There is a limit of 6 full-time years (or 12 full-time semesters), prorated for enrollment, after which a student is no longer eligible.

### **Private Loan**

A nonfederal loan made by a lender such as a bank, credit union, state agency, or school.

### **Professional Judgement**

For need-based federal aid programs, financial aid administrators can adjust the expected family contribution (EFC), or the cost of attendance (COA), or change the dependency status (with documentation) when extenuating circumstances exist (for example, if a parent becomes unemployed, disabled or deceased).

### **Proprietary School**

A private, for-profit school that provides education and training.

# R

## **Regular Student**

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

## **Refund**

A credit to a student's account in excess of their charges for a given semester. Will get sent at a designated point (for Collin, after the census date), and either direct deposited if the student signed up, or a paper check mailed to their address on file.

## **Return to Title IV (R2T4)**

Title IV financial aid funds are awarded under the assumption that a student will remain in classroom attendance for the entire period (semester) for which the funds were awarded.

When a student withdraws from all courses (officially or unofficially), regardless of the reason, they may no longer be eligible for the full amount of Title IV funds originally awarded. The return of funds to the federal government is based on the premise that a student earns the financial aid in proportion to the length of time during which he or she remains enrolled.

Once the 60% point in the semester is reached, a student is considered to have earned all of the financial aid originally awarded and will not be required to return any funds.

## **Room & Board**

An old term used to describe the cost of housing and food while attending college or career school. This is an item in the Cost of Attendance (COA). Term is now simply, "Housing and Food."

## **S**

### **Student Aid Index (SAI)**

An index number determined by a formula established by Congress using the information provided on the FAFSA. The SAI is used in determining a student's eligibility for financial aid.

### **Satisfactory Academic Progress (SAP)**

A school's policy concerning if a student is meeting all of their educational requirements (GPA and completion) and is on target to graduate on time with a degree or certificate (maximum number of hours attempted).

At Collin College, students must maintain a cumulative financial aid GPA (differs from the academic GPA by including grades for development and ESL courses), at least a 67% completion rate, and cannot have attempted more than 150% of their program's published credit hours.

### **Scholarship**

A form of financial assistance that does not require repayment or employment and which is usually offered to students who show potential for distinction, or who possess certain characteristics important to the scholarship provider (such as artistic or athletic abilities, hobbies, ethnicity, etc.). Typically provided by private donors/companies. Schools also usually have a scholarship program.

### **School Code**

The Federal School Code is a six-digit number assigned by the U.S. Department of Education to a college or university that is eligible for Title IV federal student aid. If an applicant lists a federal school code on the FAFSA, the college or university will receive a copy of the student's financial aid application data in the form of an Institutional Student Information Record (ISIR).

### **Selective Service**

Male U.S. citizens and immigrants age 18-25 are required to register with the Selective Service System. Male students who fail to register may be ineligible for state and, frequently, institutional student financial aid for college.

## **Servicer**

An organization that is paid by the lender to administer their student loan portfolio. With Direct loans, the government is the lender. But they use private servicer companies to manage the student loan portfolio.

## **Special Circumstances**

Special circumstances include significant changes in a family's financial circumstances from one year to the next or circumstances that differentiate the family from the typical family. Examples include job loss, salary reduction, death of a wage-earner, high unreimbursed medical and dental expenses, high dependent care costs and private elementary and secondary school tuition for a sibling. A.k.a., income reduction.

## **Statement of Educational Purpose**

The statement of educational purpose is an agreement by the student to use federal student financial aid funds for educational expenses only. Students in verification groups 4 and 5 must sign this statement in front of a financial aid staff person.

## **Subsidized Student Loan**

A loan in which the interest is paid on your behalf by the government while you are enrolled as at least a half-time student and during grace or deferment periods. Repayment of principal and interest begins six months after you cease to be enrolled at least half-time.

# **T**

## **Title IV Programs**

Federal student aid programs authorized under Title IV of the Higher Education Act of 1965, as amended. Includes Federal Pell Grants, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work Study (FWS), Federal Perkins Loan (defunct), Federal Direct Loan, and Federal Direct PLUS Loan.

## **Transaction Number**

Each time a student's FAFSA is processed, a transaction number is assigned. For example, the initial FAFSA has a transaction number of 01. A correction to the initial FAFSA will have a transaction number of 02. If the applicant then adds several

colleges to the FAFSA, the new Student Aid Report (SAR) will have a transaction number of 03.

The transaction number is located in the lower right-hand corner of each page of a paper SAR (after the Social Security number and the first two letters of the applicant's last name) and in the upper right-hand corner of the online version of the SAR (after the Social Security number).

## **U**

### **Undergraduate Student**

An undergraduate student is pursuing a Certificate, Associate's degree or Bachelor's degree. Undergraduate education typically does not require more than four years of academic study beyond a high school diploma. Engineering degrees may sometimes require five years of academic study.

### **Unmet Need**

Unmet need is the difference between the student's demonstrated financial need and the student's financial aid package. Unmet need may also be referred to as a "gap."

### **Unsubsidized Loan**

The interest on an unsubsidized loan is the responsibility of the borrower. The government does not pay the interest on an unsubsidized loan.

### **U.S. Citizenship and Immigration Services (USCIS)**

USCIS is the government agency that oversees the nation's lawful immigration system including adjudicating requests for immigration benefits. USCIS runs the SAVE system, which is the database that provides immigration status information when a student is flagged for eligible non-citizen status.

## **V**

### **Verification**

If a student's FAFSA is selected for verification, the college financial aid administrator will compare the information submitted on the FAFSA with independent documentation of the information, such as IRS tax transcripts and W-2 and 1099 forms.

## **Veteran**

A veteran for federal student aid purposes is a student who has served on active duty for at least one day in the U.S. Armed Forces (Army, Navy, Air Force, Marines, Space Force, and Coast Guard), or who is a member of the National Guard or Reserves who was called to active national duty for purposes other than training.

The student must also have been discharged with a character of service other than “Dishonorable” (or will be by the end of the award year).

## **W**

### **W-2**

IRS Form W-2, the Wage and Tax Statement, is used to report income from wages, salaries and tips, and the amount of taxes withheld. Employers must mail the W-2 statements to employees by January 31.

### **Waiver**

Administered by THECB, an exemption is a benefit granted by the State for Texas residents for a variety of reasons including veterans and dependents faculty and dependents, teachers, research assistants, foreign service, etc. A waiver waives out-of-state residency costs and allows the student to pay in-state fees. At Collin, the majority of waivers are posted by the Admissions Office. See the Waiver section in the Day 2 training for a complete list.

### **Ward of the Court**

A child is a ward of the court if the court has taken legal custody of the child.

### **Withdraw**

A student who ceases to be enrolled in college is said to have withdrawn. This includes students who officially withdraw (through the Admissions Office) and unofficially withdraw (simply stopped attending classes). When the college learns that a student has withdrawn, the college’s financial aid office must calculate how much of the student’s financial aid was earned, so that the unearned aid may be returned to the source of funding (R2T4).

## **Work Study**

Federal Work-Study is a need-based, part-time student employment program. At Collin College, we have both Federal Work Study (FWS) and Texas Work Study (TWS).