



## Financial Aid Reference Guide

### Introduction

The Office of Financial Aid publishes this reference guide annually for current undergraduate students to provide you with valuable information regarding your financial aid and scholarship awards while at the University of Dayton. We partner with families in making the possibility of a UD education possible and are dedicated to ensuring that our students receive all aid for which they are eligible. Our goal is to provide a level of service to our students and families that is consistent with our Catholic, Marianist mission.

Remember, we don't charge academic fees to our undergraduates and we are committed to tuition transparency for our students and families. This means that University of Dayton will provide incoming students with a complete overview of tuition costs and financial aid, including scholarships, grants available. This overview provides a complete picture of the investment you are making and provides a guarantee of net tuition costs for each year of a student's enrollment.

There are many sources of funding for higher education and we award our students all federal and state aid for which they are eligible. This includes grants and student loans. We have monthly payment options which many of our families find useful in managing their budget. Also, we are fortunate to be able to award scholarships to our students, which are gifts to UD, from alumni, families, corporations and foundations. These gifts are awarded to our students from our benefactors who are deeply committed to the mission of the University and who wish to support our students.

At times, the process of applying for and receiving financial aid may appear overwhelming. We are only a phone call, a visit or an email away, to help with any questions or concerns you may have. We look forward to working with you during your time enrollment at the University of Dayton!

Sincerely,

Catherine W. Mix, '02, '05  
Associate Vice President of Student Enrollment Services  
Director of Financial Aid



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## Understanding Your Financial Aid Offer

Your financial aid offer includes your renewable university-funded gift aid as well as any additional awards as determined by reviewing your Free Application for Federal Student Aid (FAFSA). Your award may include a combination of the awards listed below and eligibility will be determined in the following order:

- **Scholarships and Grants** — funds that do not have to be repaid
- **Educational Loans** — borrowed funds that are repaid after graduation
- **School-Year Employment** — an opportunity to earn funds by working on campus or in a local community-service based setting during the academic year

Your eligibility may be revised in any of the following instances:

- Your FAFSA data changes
- Your enrollment status changes
- Your residency plans change (ex. commuting from home vs. living on campus)
- You are awarded additional resources from internal and/or external sources
- Satisfactory Academic Progress is not maintained

## Viewing and Responding to Your Award

Once you've been notified via email that your financial aid offer is ready for the year, you will log in to [PORCHES](#) to view the award. We invite you to use this guide while reviewing your award. Any loans or student employment offers included on your award are optional and require your "acceptance" of these aid options on Porches. After reviewing these options and what they mean, you may accept, reduce or decline these awards on the 'Accept Award Offer' tab.

Let us know about any other financial aid awards you will receive that are not currently listed on your award letter. Please provide us with the name of the award, contact information from the scholarship organization, the annual amount and whether the award is renewable. You may inform us about such awards by:

- Making updates under the 'Resources/Additional Information' tab on [PORCHES](#)
- Sending an email to [fss@udayton.edu](mailto:fss@udayton.edu)

## Cost of Attendance

Information about the cost of attendance for the academic year can be found on the 'Award Overview' tab and can be used to assist you in calculating the amount of additional funds you may need to cover your costs – both direct and indirect. The annual cost of attendance includes allowances for tuition, living, personal and transportation expenses during the nine month academic year. You will find more information regarding options for borrowing and payment plans further along in this guide.



## Determining Financial Aid Eligibility

The Office Financial Aid provides our students with a comprehensive set of financial aid opportunities, designed to assist families from all income levels. Many students qualify for a combination of scholarships and grants that are renewable based on the student's academic performance. Educational loans, school-year employment, alternative loans and payment plans are also available.

### The FAFSA

We encourage you to file the FAFSA each year so we can determine your complete financial aid eligibility. Priority for need-based aid is given each year to returning, full-time undergraduate students who have FAFSA results to us by our April 1<sup>st</sup> priority date. This is later than the February 1<sup>st</sup> priority date for an incoming, first-year student. Applications received *after* the priority date will still be considered and awards will be made if funds are available.

Upon submitting your FAFSA, the U.S. Department of Education will verify some of your information with various federal agencies, such as the Social Security Administration, Department of Homeland Security, and Department of Justice, for conflicting information. We will notify you of any issues that must be resolved prior to the determination of your aid for the year.

In addition, approximately 30 percent of families applying for financial aid are selected for the federal verification process each year. If your application is selected for review, we will provide you with an estimated financial aid offer letter and let you know which documents are needed to complete the verification process and confirm your awards. Necessary documents may include federal tax returns and household certification information and should be submitted within 30 days of first request.

### Appeals

Although the process we use to determine eligibility for need-based financial assistance is the same for all applicants, there is some flexibility. If there are special circumstances affecting the amount your family is able to contribute to your education, we may be able to consider these circumstances when determining your eligibility for need-based financial aid.

Special circumstances include loss of income due to unemployment, death of a parent or spouse, unusual medical/dental expenses, and contributions to unemployed adult children, elder care, legal fees and funeral expenses. We consider special circumstances on an individual basis, and you are encouraged to communicate your situation to us as soon as possible. The [Special Circumstance Appeal Form](#) is available online for parents and students.



## Program Descriptions

### Scholarships

The academic scholarship program at the University of Dayton offers generous financial awards for academic excellence, leadership qualities or specific talents. Examples of institutional scholarships include:

- **Trustees' Merit Scholarship**
- **President's Merit Scholarship**
- **Deans' Merit Scholarship**
- **Father Chaminade Scholarship**
- **Transfer Scholarships**
- **Athletic Scholarship** (renewability determined by the athletic department)
- **Talent Award** (visual arts and music – requires program participation for renewal)
- **Leadership and Service Scholarship** (on-campus leadership requirement)

Scholarships are counted as a resource available to the student and may reduce eligibility for need-based aid. Should these awards affect your eligibility for need-based programs, you will receive notification.

### *Study Abroad Scholarships*

You can expand your perspective and stand out in the global marketplace by taking advantage of opportunities to learn overseas. [Affordable education abroad options and scholarships](#) are available. Financial Aid opportunities will vary from student to student depending on personalized information and dependent on the program selected. We highly encourage students to reach out to our Study Abroad Office of more specific information.

### Grants

Grants, like scholarships, are gift aid — financial aid that does not have to be repaid. Generally, grant amounts are based on financial need, cost of attendance, and enrollment status. There are several sources for grant funding, including federal, state and institutional.

### *Federal and State Funded Grants*

#### *Pell Grant*

[The Pell Grant](#) is awarded by the U.S. Department of Education to students who demonstrate the highest financial need. Students who submit the FAFSA will receive a Student Aid Report from the U.S. Department of Education indicating their eligibility for a Pell Grant. Students must file the FAFSA each year to be considered.

#### *Supplement Educational Opportunity Grant*

[The Supplemental Educational Opportunity Grant](#) (SEOG) is made available by the U.S. Department of Education to the University of Dayton and is awarded to students who demonstrate the highest financial need. Students must file the FAFSA each year to be considered.



## *Ohio College Opportunity Grant*

Recipients of the Ohio College Opportunity Grant must be first-time college students who meet the residency requirements for Ohio. Funding and eligibility requirements are subject to change based on annual review of state budget. Apply by filing the FAFSA each year before October 1.

## *Grants from Other States*

Residents of other states are encouraged to apply to the appropriate state agency for any awards that may be used at the University of Dayton. Successful applicants should notify the Office of Financial Aid regarding the value of awards received so an adjustment can be made to your award package, if necessary.

## *University Funded Grants*

### *Forever Flyer Grant*

Students who submit the FAFSA will be considered for the Forever Flyer Grant on an annual basis. This grant is used to supplement other forms of non-repayable assistance available to the student from federal, state and private donor sources. The award may be increased or decreased throughout the academic year if additional university awards are received by the student.

### *Commitment to Catholic/Private Education Awards*

Students admitted to the University of Dayton are considered for either the Commitment to Catholic Education or Commitment to Private Education awards if they attended Catholic or private secondary school. These awards are renewable and amounts vary according to financial need. Submit the [FAFSA](#) to be considered.

### *UD Dependent of Employee Tuition Remission Benefit*

Students who are dependents of University of Dayton employees may be eligible to receive this educational benefit. The value of this benefit is based on employment status and the employee's length of service. To receive the benefit for their dependent, the eligible employee is **required to submit the 'Tuition Assistance Application for Dependent Child' annually**. This award may replace other university-funded aid and it may reduce one's eligibility for student loans. In addition, students receiving this benefit at its full 95% value or the combination of university-funded aid at the 95% value will not be eligible for the Textbook Scholarship program.

### *Tuition Exchange*

The Tuition Exchange program provides dependents of partner schools within the exchange to receive tuition assistance on an annual basis for eight semesters. This award does replace other University-funded scholarship awards, except for the textbook award. In addition, students receiving this benefit are not be eligible for the net-tuition guarantee program.

### *Textbook Award*

Incoming students who attended an official campus visit and filed the FAFSA by the February 1<sup>st</sup> priority deadline will receive the university's textbook award. This award will provide **up to \$500 each semester** toward the cost of textbooks through the University Bookstore.



## Student Loans

Students who seek financial aid by completing the FAFSA may accept educational loans to meet a portion of their educational costs. Loans, however, are optional and may be declined if resources become available from the family to cover this portion of the demonstrated financial need.

### *Federal Direct Loan*

[The Federal Direct Student Loan](#) program offers both a need-based (subsidized) and a non-need-based (unsubsidized) loan. Using the results of your FAFSA, the University of Dayton determines your eligibility. Once you have confirmed your enrollment, you will need to accept, reduce, or decline your loan by logging into [PORCHES](#) and viewing your award. If you choose to accept your loan(s), the U.S. Department of Education will serve as your lender. They will approve your loan and forward your loan proceeds directly to the University of Dayton each semester.

The maximum amount you may borrow depends on your academic class level and dependency status. If you borrow the maximum loan amount at a given class level, you must advance to the next level to qualify for additional Direct Loan funds. Class levels are traditionally measured by the number of credit hours a student has successfully completed:

Class level	Credit hours	Loan maximum (dependent student)	Loan maximum (independent student)
First year	0-29	\$5,500 (up to \$3,500 subsidized)	\$9,500 (up to \$3,500 subsidized)
Second year	30-59	\$6,500 (up to \$4,500 subsidized)	\$10,500 (up to \$4,500 subsidized)
Third year	60-89	\$7,500 (up to \$5,500 Subsidized)	\$12,500 (up to \$5,500 Subsidized)
Forth year	90-120	\$7,500 (up to \$5,500 Subsidized)	\$12,500 (up to \$5,500 Subsidized)
Fifth year	120+	\$7,500 (up to \$5,500 Subsidized)	\$12,500 (up to \$5,500 Subsidized)

We encourage you to read our [‘Federal Direct Loan for Undergraduate Students’](#) document for more detailed information, including current interest rate, origination fee and repayment details. For total aggregate federal loans information, go to [Federal Student Aid](#) and login with the student FSA ID.



## Student Employment

There are two funding avenues used for student employment, Federal Work Study and University Funded Employment. Federal Work Study funds are made available in part by the U.S. Department of Education and are awarded by the University of Dayton to those students demonstrating the highest financial need. University Funded Employment is a non-need based program and does not require the FAFSA be filed. The departments at the University of Dayton allocate funds to employ students.

Every student is eligible for part-time employment during the school year. Students who accept employment will receive information in mid-August from [Career Services](#) explaining the application process. Earnings from a part-time campus job can help meet a portion of the demonstrated financial need and employment is an alternative to borrowing when the choice is available. Employment is optional and is not guaranteed. The pay rate begins at Ohio’s current minimum wage rate and there are approximately 32 weeks in the aid year for earning potential.

Students will follow the schedule outlined by the individual employer to earn these funds. Students will be paid on the 10th and on the 25th of each month for the hours worked during the pay period. Students are permitted to work up to 20 hours per week during the academic year and up to 40 hours per week during vacation periods. Students are limited to holding one campus position at a time. To be eligible for employment, students must be registered for six or more credit hours per semester and be eligible to work in the United States.

## Additional Payment Options

Additional payment options currently include a university payment plan, private educational loans and the Federal Direct PLUS Loan for parents of dependent students. We welcome the opportunity to work with you in determining which option fits best with your family’s financial outlook.

## Payment Plan

The University of Dayton offers families the option of spreading each semester’s remaining balance due out over four monthly payments during the term. Payment is expected to begin in late July and end in late March. Details for this plan can be found on the [Office of Student Accounts](#) website.

### Anticipated Payment Schedule

Payment is due by the 22<sup>nd</sup> of each month

Fall 1	Fall 2	Fall 3	Fall 4	Spring 1	Spring 2	Spring 3	Spring 4
Jul	Aug	Sep	Oct	Dec	Jan	Feb	Mar





## **Additional Loan Options**

### *The Federal Direct PLUS program*

The Federal Direct PLUS Loan is a federally guaranteed loan program for parents or guardians of dependent students and is designed to help families meet the costs of educational expenses. This educational loan program can close the gap between total costs and the financial assistance offered by the University of Dayton. Eligibility for the PLUS loan is based upon a credit review of the borrower. The students must be enrolled at least half time in a degree or certification program and, along with the borrower, must be a U.S. citizen or an eligible non-citizen to qualify.

Applicants may borrow up to the full cost of attendance minus other assistance during an academic year. Interest begins to accrue after disbursement of the loan, and the first monthly payment of principal and interest is due within 60 days of the loan being fully disbursed. Parents do have the option to defer payments until 6 months after graduation.

The U.S. Department of Education will deduct an origination fee from the loan at the time of disbursement and funds are disbursed directly to the University. Any credit balance created by the funds will be released to the borrower, unless noted otherwise, no earlier than the first day of classes each semester.

For details on current terms and instructions on how to apply, please visit our [Direct PLUS Loan](#) information page.

### *Private Loans*

Educational loans from private lenders are also available for student and parent borrowers alike. Student borrowers are encouraged to apply with a credit-worthy co-signer in order to take advantage of the lowest interest rate possible. These loans offer both fixed and variable rate options.

Like the Direct PLUS Loan, a student can borrow up to the remaining cost of education for the year. In most cases, repayment is deferred while the student is enrolled at least half-time and the funds are disbursed directly to the University. Any credit created by the funds will be released to the student after the first day of classes each semester.

Please visit our webpage on [loans](#) for the most up to date information regarding private loans.



## Factors Affecting Your Award

Financial aid awards may be adjusted throughout the academic year as changes occur in your enrollment status or program eligibility. Most financial aid programs require you to be enrolled as a full-time student (12+ credit hours) each semester in order to receive funds. If you anticipate carrying less than 12 credit hours during any semester, we encourage you to speak with a financial aid counselor to discuss your eligibility as a part time student.

### *FAFSA Updates*

Any changes or corrections made to your FAFSA after initially submitted may result in a change to your financial aid award. This includes changes made by the applicant (student) or school as part of the verification process or review of other submitted documentation.

### *Additional Scholarships or Resources*

We anticipate you will apply for scholarships and grants available to you from both internal and external sources. Report all awards you receive to the Office of Financial Aid so they can be properly included as part of your financial aid award. Additional assistance from any source could impact your eligibility for need-based financial aid.

### *Class Additions, Drops or Withdrawals*

Before dropping a class or withdrawing completely after the semester has begun, please contact a financial aid counselor in the Flyer Student Services (St. Mary's Hall, Rm 108) to discuss revisions that may occur in your financial aid eligibility. Additionally, we can discuss the impact dropping courses may have on your financial aid for the following year. If you receive aid from federal and /or state programs but withdraw during a semester, a portion of your aid may be used to cover charges even though you will not complete the semester. A federal or University refund formula will be used to calculate your eligibility based on your withdrawal date.

### *Academic Suspension or Dismissal*

If you are suspended or dismissed, you cannot receive financial aid until you are readmitted. Your financial aid award for the following year will be cancelled and you may reapply after you have been readmitted. The amount of your financial aid awards will be based upon the available funds at the time of readmission.

### *Residency Changes*

Your financial aid award was calculated using the information you provided regarding your housing plans. If you plans change from resident (living in University housing) to commuter (living with parent/guardian or relative), inform us so your financial aid package can be readjusted, if necessary.

### *Summer Eligibility*

Awards are generally made for the fall and spring semesters. Funding is typically inadequate to cover the cost of tuition during additional summer sessions. We recommend, if possible, you use the summer months to work full time, saving your earnings to be applied toward your expenses for the upcoming school year.

Students who choose to take classes during the summer are eligible to work on campus and apply for educational loans to help with expenses. Discuss your situation with a financial aid counselor if you anticipate attending summer sessions. Decisions about institutional financial aid eligibility available during summer terms are made annually by February.



## ***Educational Abroad Participants***

Students who participate in education abroad programs may qualify for a limited amount of financial assistance – usually educational loans – to help defray a portion of the expenses. This aid may affect eligibility for aid during semesters on campus. Speak with a financial aid counselor in Flyer Student Services to discuss your plans and review your eligibility for assistance.

## ***Cooperative Education Students***

Students who have been accepted into a semester long co-op or internship program should contact a counselor in Flyer Student Services to discuss how this program may affect your financial aid package. Financial aid, including loans, will be available to co-op students during only those terms when they are enrolled full-time in academic coursework.

## **Standards of Satisfactory Progress**

The Higher Education Act of 1965, as amended, requires the University of Dayton to develop and enforce standards of satisfactory progress prior to awarding any federally funded programs to students. In addition, we hold all university and state funds to these standards of progress.

Standards of satisfactory progress are established to encourage students to successfully complete courses for which financial aid is received and progress satisfactorily toward degree completion.

## ***Determination of Progress***

### **GPA and Pace Criteria**

The Office of Financial Aid will review your progress in May of each year to verify your eligibility for aid for the next academic year. Students must successfully complete a minimum of 67% (two-thirds) of cumulative credit hours attempted. Successful completion of a course is defined as receiving a grade of A, B, C, D, \_S or S. The grading marks of F, NC, I, W, X, IP or P and audited courses will not be considered as successful completion of a course. At the time of SAP review, you must have a minimum 2.0 cumulative grade point average. Cumulative grade point average is calculated as the total number of cumulative quality points divided by the total number of cumulative credit hours. Marks of CR, I, K, IP, P, S, \_S, W, X and NC are disregarded in the computation of the cumulative GPA.

### **Maximum Timeframe**

We will also measure the progress toward your degree completion by calculating the number of hours you have attempted in comparison to the published length of your program. Federal regulations require that students must not exceed a maximum timeframe of completion of 150%. For example, if your program requires 120 hours in order for completion, you must not exceed attendance of 180 credit hours. If you do not meet this requirement, your financial aid eligibility for the next year will be revoked and you will be notified by e-mail. Your SAP status will also be viewable via Porches.

Students who do not meet the required standards of GPA, Pace or Maximum Timeframe will lose their eligibility for financial aid. In order to regain your eligibility to receive federal student aid, you must satisfactorily improve your cumulative grade point average and/or make up the deficient credit hours at your own expense. You may either attend the University of Dayton or another institution, provided the credit hours can be transferred to the University of Dayton and provided that you do not receive any federal Title IV Funds while attending that institution



## *Timeline and Appeal Process*

The Office of Financial Aid will review your progress in May of each year to verify your eligibility for aid for the next academic year. If you are deficient in either the grade point average or completed hours requirement, you will be marked as 'insufficient progress' and notified by the end of June.

In order to regain your eligibility, you must satisfactorily improve your cumulative grade point average and/or make up the deficient credit hours at your own expense. You may either attend the University of Dayton or another institution, provided the credit hours can be transferred to the University of Dayton and provided that you do not receive any Federal Title IV Funds while attending that institution.

If you feel there are extenuating circumstances which prevented you from making satisfactory progress, you will be given the opportunity to appeal the decision. You'll need to explain all pertinent details as to the reasons for your failure to progress, such as injury, illness, death of a relative or other special circumstance, and indicate your plans for making up the deficiency if eligibility for assistance is reinstated.

## **Payment Information**

All University of Dayton students have a student account through the Office of Student Accounts. This account summarizes all purchases made for University services, including tuition, fees, room and board, health center, housing damages, financial aid credits and payments made on behalf of the student. The transactions in this account accumulate over the entire enrollment period at the University of Dayton.

## *Billing Procedures*

The University's billing process begins in July of each year. Subsequent statements are generated monthly as long as there is a balance due. The statement includes itemized listings of:

- University charges, such as tuition, housing and meal plan
- Financial aid credits, such as scholarships, grants and student loans
- Payments made
- Balances due

If the combination of your financial aid awards exceeds your University charges, you will be issued a refund of the credit balance in your account after classes begin. These funds are intended to be used to cover other commonly accepted education expenses.

**Student employment awards, which are noted on your award letter, do not appear on your account statement.** You must be employed and working on campus to receive these funds. You will be paid on the 10th and 25th of each month by direct deposit to the bank account of your choosing. You may apply the money to your University bill or use the funds for personal expenses.

Payment is due by the date on the front of your statement. If you would prefer to spread the costs over the term, please review the information regarding our payment options.



## *Cancellation and Refund Policies*

If you withdraw your registration before the first day of classes, a full refund will be made — with the exception of the enrollment deposit. Withdrawal should be made by using the official drop form, which can be obtained in the registration office or by letter to the appropriate dean.

Students who do not attend classes and do not officially withdraw during the cancellation period will be responsible for the full amount of the applicable tuition and fees.

During the four-week cancellation period for the fall and spring terms, the tuition and housing refunds will be made according to the following schedule:

If you cancel during	% of charges refunded
the first week of term	<b>100%</b>
the second week of term	<b>75%</b>
the third week of term	<b>50%</b>
the fourth week of term	<b>25%</b>
the fifth week of term	<b>0%</b>

During the two-week cancellation period for each session of the split summer term, the tuition and housing refunds will be made according to the following schedule:

If you cancel during	% of charges refunded
the first week of session	<b>65%</b>
the second week of session	<b>30%</b>
the third week of session	<b>0%</b>

Financial adjustments for tuition are based on the date the drop form is finalized in registration. Financial adjustments for housing are based on the date the checkout procedure is completed with housing, if applicable.

If you are eligible for a refund of charges under the policy outlined above and you received any University-administered assistance, your assistance will be adjusted to reflect the reduced cost. The Office of Financial Aid will notify you of any changes to your awards.

For comprehensive information about refund policies, please check with the [Office of Student Accounts](#).



## Renewal Process

Consideration for financial aid is based on an annual review of the family's financial situation by the Office of Financial Aid. In order for us to determine your eligibility, you must complete either a new FAFSA or the renewal FAFSA each year. Our priority deadline for receiving your valid FAFSA results each year is April 1<sup>st</sup>.

If you have any questions about renewing your financial aid awards, please contact Flyer Student Services.

## Tax Benefits

The Taxpayer Relief Act of 1997 created several new tax benefits for families who are paying for higher education or repaying educational loans. These tax benefits are designed to make higher education more accessible and affordable.

More details about these programs are available in **IRS publication 970**. If you have specific tax benefit questions, please contact your tax adviser or the IRS Help Line at 800-829-1040.

## Consumer Information

For more detailed information and reports on various aspects of the University of Dayton's policies, procedures, and operations and costs, visit our [Consumer Information](#) page.

## Glossary

### *Capitalization*

Capitalization allows you to delay paying interest on a loan while you are in school. The unpaid interest is added to the principal balance of a loan. Interest is then charged on the new balance, including both the unpaid principal and the accrued interest. While capitalization delays interest payments, it increases the monthly payment and the amount of money you will eventually have to repay.

### *Default*

A loan is in default when you fail to pay on time or do not meet the terms and conditions of the loan. If you default on a loan, the University, lender, and state and federal entities can take legal action to recover the money. Defaulting on a federal loan can make you ineligible for future federal financial aid and affect your credit rating.

### *Deferment*

Deferment occurs when you are allowed to postpone repaying a loan. Most federal loan programs allow you to defer your loan(s) while you are in school at least half time. If you have a subsidized loan, the U.S. Dept. of Education pays the interest during the deferment period. If you have an unsubsidized loan, you are responsible for the interest that accrues during the deferment period.

### *Dependent Status*

FAFSA filers are either considered dependent or independent of their parents when determining financial aid eligibility. The U.S. Department of Education sets the requirements for [dependency status](#) for financial aid.



## ***Disbursement***

Disbursement is the release of loan funds to the University. Loan funds are credited to your student account and pay for tuition, fees, housing and meal services, and other miscellaneous charges.

## ***Eligible Non-citizen***

An eligible noncitizen is a person who is not a U.S. citizen but is eligible for federal student aid. Eligible noncitizens include U.S. permanent residents who hold valid green cards, U.S. nationals, individuals who hold form I-94 and have been granted refugee or asylum status, and certain other noncitizens.

## ***Enrollment Status***

Enrollment status indicates whether you are a full- or part-time student. To qualify for most forms of financial aid, you must be enrolled full time.

## ***Expected Family Contribution (EFC)***

A student's EFC is the figure calculated when the FAFSA is processed. Institutions use it to determine a student's eligibility for need-based financial aid. Many factors are used in the calculation of the EFC, such as dependency status, family size, number of family members in school, taxable and nontaxable income, and assets. The EFC does not necessarily represent your actual out of pocket expenses.

## ***Financial Aid***

Financial aid is money provided to help you pay for your education. Financial aid programs offered include scholarships, grants, loans and school-year employment.

## ***Fixed Interest***

In a fixed interest loan, the interest rate remains the same for the life of the loan.

## ***Forbearance***

Forbearance of a loan means the lender allows you to temporarily postpone repayment. Although interest will continue to accrue, you are not required to pay while in forbearance. Forbearances are granted at the lender's discretion, usually in cases of extreme financial hardship or unusual circumstances.

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

The FAFSA is the form used to apply for financial aid. It will be used to determine your eligibility for federally subsidized loans, grants, work study funds and other need-based aid. It is also the required application for the unsubsidized loan.

## ***Gift Aid***

Gift aid, including grants and scholarships, is a form of financial aid that does not need to be repaid.

## ***Loan***

Educational loans are borrowed funds that must be repaid, with interest, after graduation or after dropping below half-time status.

## ***Master Promissory Note***

A Master Promissory Note is a binding legal document you sign before loan funds can be disbursed. The promissory note states the terms and conditions of the loan, including repayment schedule, interest rate, deferment policy and cancellations. By signing this note you are agreeing to those terms and conditions.



## *Need*

Need is the difference between how much it costs to attend a particular school and your expected family contribution. The financial aid package is based on your amount of financial need.

$$\text{Cost of Attendance (COA)} - \text{Expected Family Contribution (EFC)} = \text{Financial Need}$$

## *Net Amount/Disbursement*

Loans that have fees deducted from the principal amount at time of disbursement result in a 'net' disbursement.

## *Origination Fee*

Charged at disbursement, the origination fee compensates the lender for the cost of administering the loan.

## *Principal*

Principal is the amount of money borrowed or remaining unpaid amount on a loan. Interest is charged as a percentage of the principal. Insurance and origination fees may be deducted from this amount before disbursement (resulting in a net disbursement).

## *Repayment Schedule*

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

## *Repayment Term*

The repayment term is the period during which you are required to make payments on your loans. When the payments are made monthly, the term is usually given as a number of payments or years.

## *Subsidized Direct Loan*

For a subsidized loan, the U. S. Dept. of Education pays the interest on the loan while you are in school and during any deferment periods. Since it is a need-based loan, eligibility is determined by using the results of the FAFSA.

## *Unsubsidized Direct Loan*

For an unsubsidized loan, you are responsible for the interest from the date the loan is disbursed — even while you are enrolled in school. You may choose to pay the interest while you are in school to avoid capitalization. Unsubsidized loans are not based on financial need but you must file the FAFSA to be eligible.

## *Variable Interest*

In a variable interest loan, the interest rate changes periodically. The rate may increase or decrease monthly, quarterly, semi-annually or annually.