



Introduction

This reference guide will provide you with valuable information regarding your financial aid and scholarship awards while at the University of Dayton. We are partners with families in making the dream of a UD education possible and are dedicated to ensuring that our students receive all aid for which they are eligible. We strive to provide a level of service to our students and families that is consistent with our Catholic, Marianist mission.

Remember, we don't charge fees or surcharges while an undergraduate student so the costs are transparent. For students who have a guaranteed net tuition, your scholarships and grants will increase each year to offset any increase in tuition—so the tuition you pay each year stays the same. Since we've implemented this fixed net tuition plan, our strong four-year graduation rate has increased by eight percentage points, and students have reduced borrowing by more than 22 percent. When you combine that with our 96 percent student success rate, it adds up to significant value for your family.

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
Assistant Vice President
Director of Financial Aid



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Understanding Your Award

Your financial aid award indicates your financial aid eligibility for the 2018-19 academic year, as determined by our office, using the information you provided on the Free Application for Federal Student Aid (FAFSA) as well as your renewable awards. Information regarding financial aid received during your time at UD can be found on Porches.

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 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
- 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 award 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. 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. Please provide us with the name of the award, contact information of the donor, 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 finaid@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 1st priority date. (Note: this is later than the February 1st 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, Selective Service, Department of Homeland Security, and Department of Justice, for conflicting information. Any issues will be pointed out to you and must be resolved prior to the determination of your aid for the year. When your FAFSA is processed, a formula developed by Congress is applied to the information you provided. The outcome of this formula is called the **Expected Family Contribution (EFC)** which we will use to determine your need.

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 this review, we will provide you with an estimated financial aid award letter and let you know which documents are needed to complete the verification process and confirm your awards. Necessary documents may include federal tax transcripts and household certification information which 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 not reflective of the information reported on your family, with supporting documentation, we can adjust your FAFSA information and determine if there is an impact on your expected family contribution. This adjustment may make you eligible for additional 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 for [download](#) or by contacting our office.

Renewal process

The renewal of financial aid will be considered for those students meeting Standards of Satisfactory Academic Progress (see page 9). Renewal of merit scholarships will be based on the annual review of your GPA. Also, as mentioned above, priority for need-based aid is given each year to returning, full-time undergraduate students who have FAFSA results to us by our April 1st priority date.



Program descriptions

Scholarships

The academic scholarship program at the University of Dayton offers generous financial awards for academic excellence, leadership qualities or specific talents. Most scholarships are renewable for a maximum of eight terms (except where noted) if meeting renewal requirements. Examples of institutional scholarships awarded at the time you enter the university include:

- **Trustees' Merit Scholarship** (requires a cumulative GPA of 3.0 for renewal)
- **President's Merit Scholarship** (requires a cumulative GPA of 3.0 for renewal)
- **Deans' Merit Scholarship** (requires a cumulative GPA of 3.0 for renewal)
- **Father Chaminade Scholarship** (requires a cumulative GPA of 3.0 for renewal)
- **Transfer Scholarships** (up to six terms, requires a cumulative GPA of 3.0 for renewal)
- **International Scholarship** (requires a cumulative GPA of 3.0 for renewal)
- **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.

Donor-funded Scholarships

The University of Dayton is blessed to have donor-funded scholarships to award to our currently enrolled students. Eligibility criteria varies but students with financial need are given first priority.

Study Abroad Scholarship

The Study Abroad Scholarship was created to assist students with broadening their UD educational experience and is available for students enrolled in a UD-sponsored summer study abroad program. Students may utilize this option during the full semester by studying at the [China Institute](#) or through our [SAIL](#) programs. Additionally, summer Faculty-Led options are available. The scholarship is valued at \$3000 and students are eligible if enrolled in nine or more hours of coursework during the term.

Commitment to Catholic/Private Education Awards

Students admitted to the University of Dayton for the 2017-18 academic year who attended Catholic or private secondary school were considered for either the Commitment to Catholic Education or Commitment to Private Education awards. Amounts vary according to financial need. These awards are renewable (as long as the student is meeting SAP requirements) for a maximum of eight terms and full-time enrollment is required.

UD Promise Award

Students admitted under the net-tuition promise plan will see this award with an amount reflecting the total tuition increase for a maximum six semesters. This award is renewable for a maximum of six terms (four for transfer students) when meeting SAP and/or Merit Scholarship GPA renewal requirement of 3.0.

Textbook Scholarship

Students who were awarded the Textbook Scholarship upon entering the university will continue to have eligibility for up to \$500 per term when purchasing/renting books from the University Bookstore. There is a limit of eight semesters, you must be enrolled full-time and meeting satisfactory academic progress.



Grants/Awards

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

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 Supplement 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. Awarded for a maximum of ten semesters.

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.

Forever Flyer Grant

Students who submitted the FAFSA upon entering the University would have been considered for the Forever Flyer Grant. The award may be increased or decreased throughout the academic year if additional university-funded awards are awarded to the student. This fund is renewable (as long as the student is meeting SAP requirements) for a maximum of eight terms and full-time enrollment is required.

UD Dependent of Employee Tuition Remission Grants

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 Remission 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 when the combination of university-funded aid equals the 95% value will not be eligible for the Textbook Scholarship program. Students are eligible for the Study Abroad Scholarship.

Tuition Exchange

Students receiving Tuition Exchange funds are not eligible for the net-tuition promise program. The Tuition Exchange award would have replaced other University-funded merit and need-based awards upon entering the University. However, students are eligible to receive the Textbook Scholarship and the Study Abroad Scholarship. This fund is renewable for a maximum of eight semesters as long as the eligible parent remains employed at the participating institution and the student is meeting SAP requirements.



Student loans

If you filed a FAFSA, you'll be offered Federal education loan(s). Loans, however, are optional and may be declined if resources become available from the family to cover this portion of the demonstrated financial need. We encourage you to review your federal student loan borrowing history on an annual basis by logging on to the [National Student Loan Data System](#) (NSLDS) using your FSA id and password.

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. You can accept, reduce, or decline your loan by logging into [PORCHES](#). 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.

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)

Student Employment

There are two funding avenues used for student employment, Federal Work Study and University Funded Employment. Your 'award overview' will indicate which program you're eligible for.

- **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.

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. 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. Find available job opportunities and more information about the application process on the [Career Services](#) website.



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:

https://udayton.edu/fss/studentaccounts/payment_plans/index.php.

Anticipated Payment Schedule

Payment is due by the 22nd 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.

The parent borrower may borrow up to the full cost of attendance minus other assistance during an academic year. 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 administered. 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. In addition, an appointment is required with the Director of Financial aid for students who have been dismissed or suspended from the University due to a violation of community standards. Appointments can be made by emailing finaid@udayton.edu.

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.



Special Programs

Education Abroad Participants (UD-sponsored and third-party)

Students who participate in education abroad programs *may* qualify for 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/Internships

If you plan to take a semester for cooperative education or internship, you're financial aid will be placed on hold until you return to classes full-time. We encourage you to contact a counselor in Flyer Student Services to discuss how this program may affect your financial aid eligibility moving forward.

Experiential Learning/Semester of Service

If you plan to take a semester for experiential learning or service, you're financial aid will be placed on hold until you return to classes full-time. We encourage you to contact a counselor in Flyer Student Services to discuss how this program may affect your financial aid eligibility moving forward.

Summer Enrollment

Awards are generally made for the fall and spring semesters. Funding is inadequate to cover the 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.

Campus Resources

Our hope is that all of our students succeed in achieving high academic standards. I encourage you to use the many resources available at the University of Dayton to develop, to the fullest extent, your unique gifts and talents.

- [Office of Learning Resources](#) can assist you with tutoring and/or study habit skills
- [Counseling Center](#) professionals are available to assist you with overcoming obstacles you face
- Student Success Professionals staff are also available to help you develop a plan for success to achieve your potential. Request an appointment at success@udayton.edu



Standards of Satisfactory Academic 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 (SAP).

Standards of satisfactory academic progress are established to encourage students to successfully complete courses for which financial aid is received and progress satisfactorily toward degree completion. Successful completion of a course is defined as receiving a grade of A, B, C, D or S. Courses with grading marks of F, NC, I, W, X, IP, or P (and courses taken for audit) will not be counted as successful completion of the course.

Satisfactory academic progress guidelines

If your enrollment status varies, each semester will be measured as listed below and equated to a full-time semester to determine eligibility. Thus, two semesters of attendance as a three-quarter-time student equates to one-and-one-half semesters as a full-time student. Two semesters of attendance as a half-time student equals one semester as a full-time student.

Maximum length of eligibility for undergraduate students is shown below:

<u>Status</u>	<u>Length</u>
Full-time (12+ hours)	6 years (12 semesters)
Three-quarter-time (9-11 hours)	9 years (18 semesters)
Half-time (6-8 hours)	12 years (24 semesters)

Credit hours requirement

- **Full-time students** are required to successfully complete at least 12 credit hours during their first year. In subsequent years, they must successfully complete 24 credit hours per year.
- **Three-quarter-time students** are required to successfully complete nine credit hours during their first year. In subsequent years, they must successfully complete 18 credit hours per year.
- **Half-time students** are required to successfully complete six credit hours during their first year. In subsequent years, they must successfully complete 12 credit hours per year.

Grade point average requirement

At the end of the each semester, your cumulative GPA must be 2.0 or above. GPA requirements for merit scholarship renewal may be higher (*see page 3*).

Determination of progress

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 hour's requirement, you will be marked as 'no progress' and notified via email.

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.

Full details regarding SAP guidelines for undergraduate students can be found [here](#).



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.

Charges for books and supplies do not appear on the account statement. Be prepared to purchase these items at the beginning of each semester.

Student employment awards, which are noted on your award, 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 tenth and twenty-fifth 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. Financial aid credits will be refunded to you at the beginning of each semester. Student should [sign up for e-refunding](#) to avoid refund delays.

Cancellation and refund policies

If you withdraw your registration before the first day of classes, a full refund will be. 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.

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



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.

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.

Consortium Agreement

A consortium agreement is a contract between your 'home' school (University of Dayton) and your 'host' school when a taking courses at that host institution that allows UD to send financial aid to that host institution.

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 US 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. <https://studentaid.ed.gov/sa/fafsa/filling-out/dependency>.

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)

One's EFC is the figure returned 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 (see Free Application for Federal Student Aid). 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 repaying the principal. However, you must continue paying the interest charges during the 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 a 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.

Office of Financial Aid

300 College Park
Dayton, Ohio 45469 -1605
1-800-427-5029 or 937-229-4311
FAX: 937-229-4338
finaid@udayton.edu
www.finaid.udayton.edu