



SOUTH HILLS HIGH SCHOOL

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Glossary of Important Financial Aid Terms

<u>Terminology</u>	<u>What Does it Mean?</u>
Cost of Attendance (COA)	The total amount it will cost you to go to college each year. The COA includes tuition and fees; on-campus room and board (or a housing and food allowance for off-campus students); and allowances for books, supplies, transportation, etc.
Entrance Counseling	A mandatory information session, which takes place before you receive your first federal student loan; entrance counseling explains your responsibilities and rights as a student borrower
Estimated Financial Contribution (EFC)	A measure of your family's financial strength and is calculated according to a formula established by law. Your family's taxed and untaxed income, assets, and benefits (such as unemployment or Social Security) are all considered in the formula. Also considered are your family size and the number of family members who will attend college during the year.
Grant	Financial aid, often based on financial need, that does not have to be repaid. <ul style="list-style-type: none">• Pell Grant: Money the Federal government provides for students who need it to pay for college. Eligible students receive a specified amount each year under this program.• Cal Grant: Money the state provides to students who have financial need and qualify based on their high school GPA. Cal Grants can be used at any University of California, California State University or California Community College, as well as qualifying independent and career colleges or technical schools in California.
Interest	A loan expense charged for the use of borrowed money. Interest is paid by the borrower to the Department of Education. The expense is calculated as a percentage of the unpaid principal amount of the loan.
Net Price	An estimate of the actual cost that a student and their family need to pay in a given year to cover education expenses. Net price is determined by taking the institutions cost of attendance and subtracting any grants and scholarships for which the student may be eligible.
Principal	Loan principal can refer either to the original amount borrowed (original principal), or to the remaining amount of principal to be repaid (current principal). The current principal balance may include interest that has been capitalized (for example, interest that was capitalized at the end of a period of deferment or forbearance).
Scholarship	Money awarded to a student based on academic or other achievements to help pay for education expenses. Scholarship applications must be completed by student and they are not guaranteed.
Subsidized Loan	A loan based on financial need for which the federal government generally pays the interest it accrues while the borrower is in an in-school, grace, or deferment status. A borrower is eligible to receive subsidized loans for up to 150 percent of his/her program length.
Unsubsidized Loan	A loan for which the borrower is fully responsible for paying the interest regardless of the loan status. Interest on unsubsidized loans accrues from the date of disbursement and continues throughout the life of the loan. This type of loan is not based on financial need.
Work-Study	A federal student aid program that provides part-time employment while a student is enrolled in school. Work-study earnings help pay the student's education expenses.

What Types of Student Loans are Available?

Loan Program	Program Details (subject to change - please note, these rates are for 21-22 school year)	Maximum Annual Award (subject to change)
Direct Subsidized Loan	<ul style="list-style-type: none"> • For undergraduate students who have a financial need • For loans first disbursed on or after July 1, 2021, and before July 1, 2022, the interest rate is 3.73%. • You're not usually charged interest on the loan during certain periods, such as when you're in school at least half-time • The U.S. Department of Education (ED) is the lender; payment is owed to ED 	<ul style="list-style-type: none"> • Up to \$5,500 depending on grade level and dependency status • For the total lifetime limit, go to StudentAid.gov/subunsub.
Direct Unsubsidized Loan	<ul style="list-style-type: none"> • For undergraduate, graduate, and professional degree students; financial need is not required • For loans first disbursed on or after July 1, 2021, and before July 1, 2022, the interest rate is: <ul style="list-style-type: none"> ◦ 3.73% for loans made to undergraduate students • You are responsible for interest during ALL periods • ED is the lender; payment is owed to ED 	<ul style="list-style-type: none"> • Up to \$20,500 (less any subsidized amounts received for same period) depending on grade level and dependency status • For the total lifetime limit, go to StudentAid.gov/subunsub.
Direct PLUS Loan	<ul style="list-style-type: none"> • For parents who are borrowing money to pay for their child's education; financial need is not required • For loans first disbursed on or after July 1, 2021, and before July 1, 2022, the interest rate is 6.28% • You must not have an adverse credit history (unless you meet certain additional eligibility requirements). • ED is the lender; payment is owed to ED 	<ul style="list-style-type: none"> • Maximum amount is cost of attendance minus any other financial aids student receives • Learn about PLUS loans and adverse credit at StudentAid.gov/plus
Private Loan	<ul style="list-style-type: none"> • A private student loan is a non-federal loan made by a private lender, such as a bank or credit union. • The terms and conditions of private student loans are set by the lender, not the federal government. • The interest rates for these loans are set by the lenders, based on the borrower's credit history and/or other underwriting criteria determined by the lender • Private student loans can offer fixed or variable rates. In the case of a variable-interest loan, the rate can fluctuate, changing the monthly repayment amount and increasing the amount paid in interest over the life of the loan. 	<ul style="list-style-type: none"> • Maximum is based on the lender and will usually cover all of education related expenses

What if I DO NOT qualify for grants (free money)?

How do I pay for college?

- Call the school's financial aid office or set up a meeting to meet with a financial aid representative
 - Ask them about other opportunities to fund your education
 - Ask for merit aid or aid specific to your major
- Private Loan
 - Be aware that taking out private loans works like a credit card. You must pay them back and they will accrue interest while you are in college, sometimes up to 20%.
- Job/Savings
 - A part-time job can be a great way to help pay for expenses related to attending college.
 - You can work extra hours over the summer to earn money to put toward the coming semester.
- Scholarships
 - Remember that scholarships are not guaranteed, so do not rely on this as a primary way to pay for your education.
 - <https://www.fastweb.com/>
- Community College
 - Consider attending a community college for two years and transferring.
 - Some community colleges offer free tuition for one or two years. (Citrus Promise, Golden Promise)
 - If you missed the Cal Grant A GPA cut off of a 3.0 you can still qualify in the future after raising your GPA by successfully completing community college coursework.

Deadlines!

- Remember that college deadlines are firm and not suggestions.
- Be sure to stay on top of your emails and check your student portal consistently to not miss deadlines.
- A group of students are selected for financial aid verification. If you are selected for this you MUST follow through or your admission and or financial aid offers could be revoked.
- Be sure to pay attention to housing deadlines to not miss out on dorm selection and lost deposits.
- You must submit your SIR (Statement of Intent to Register) to your intended university by May 1st.
- All offers of admission are provisional until the university receives your final official transcript in June and verifies successful completion of all required coursework.
- Remember to file the FAFSA every year that you are enrolled in school to qualify for grants and loans.

Helpful Links!

- <https://tinyurl.com/collegeawardsheet>
 - Use this helpful spreadsheet to compare financial aid awards for u to 7 schools
- <https://www.salliemae.com/college-planning/financial-aid/financial-aid-award-letter/>
 - Help reading your financial aid letters and videos to walk you through the process
- <https://bigfuture.collegeboard.org/pay-for-college/financial-aid-awards/compare-aid-calculator>
 - Compare your financial aid awards with this calculator
- <https://www.khanacademy.org/college-careers-more/college-admissions/paying-for-college>
 - Breakdown of very important topics related to financial aid

For more information please contact the South Hills counseling office or your future college's financial aid office