

Glossary of Financial Aid Terms and Acronyms

The Federal Student Aid Glossary is another useful tool. <http://studentaid.ed.gov/glossary>

Academic Year – The academic year runs from July 1 to June 30 for all students.

Award Letter – This is a letter from the financial aid office that lists the financial aid each student is eligible to receive. Please remember this is not a bill and does not reflect the charges that will be on your bill from the business office. This letter is to inform you of your awards for the upcoming year.

Cost of Attendance – The total amount it should cost the student to go to school including tuition, room and board, fees, books and supplies, transportation, and personal/miscellaneous expenses. Cost of attendance may vary depending on the student's program and residential status.

Dependent Student – A dependent student is **not** one of the following: at least 24 years old, married, a graduate or professional student, a veteran, a member of the armed forces, an orphan, a ward of the court, or someone with legal dependents other than a spouse. If you meet any of this criteria, you are considered an independent student for financial aid purposes.

Entrance Counseling – Federal regulations require all student loan borrowers to complete student loan entrance counseling. The purpose of the counseling session is to explain your rights and responsibilities of borrowing and to remind you of the importance of repaying the funds that have been borrowed. Remember to borrow only what you need and to borrow responsibly. The entrance counseling required to receive your loans is not the same as the financial awareness counseling.

Exit Counseling – If a student received loans at Warren Wilson, they must complete exit counseling after they are enrolled less than half time at Warren Wilson or graduate. The purpose of this counseling session is to explain your rights and responsibilities of borrowing and to remind you of the importance of repaying the funds you have borrowed.

Expected Family Contribution (EFC) – Your EFC is the number that is used to determine your eligibility for need-based federal and state financial aid. This number results from the information you provided on your FAFSA application. Your EFC is reported to you on your Student Aid Report (SAR). Your EFC is used to determine your need for financial aid. Please see the formula below:

The Formula: Cost of Attendance – Expected Family Contribution = Financial Need

FAFSA (Free Application for Federal Student Aid) – Each student who wants to apply for federal financial aid must complete the FAFSA at fafsa.gov. Even if you only want to borrow loans or are only eligible to borrow loans, you must complete the FAFSA to establish

eligibility. To help you fund your education, the U.S. Department of Education offers a variety of student financial aid programs.

- Some families may experience a significant change in their financial situation such as death of a wage earner, loss of a job, or loss of benefits. In such cases, the student's eligibility for financial aid may be reevaluated based on the family's current financial situation. To request a reevaluation, contact the Warren Wilson College Financial Aid Office at 828-771-2082.

Financial Aid Package - The total amount of financial aid (federal and non-federal) a student is offered by the school. The financial aid office combines various forms of aid into a “package” to help meet a student’s education costs using all available resources to give each student the best possible package of financial aid.

Family Educational Rights and Privacy Act (FERPA) – FERPA is a federal law designed to protect you. It outlines who Warren Wilson can share your information with, and what rights you have as a student to your academic records. Once the student is enrolled at Warren Wilson, the student must give written permission to share any academic information.

Federal Methodology (FM) – This tool, established by government statute, is used to calculate a student's eligibility for financial aid assistance, including Pell Grants, direct loan programs, state aid programs, and some institutional and private aid programs. FM measures the need of applicants with two basic considerations in mind: the expenses related to the total cost of education and a student's resources, including both parent and student financial situations. Most aid is determined by need. Financial need is the difference between educational cost and total family contribution.

Federal Pell Grant (PELL) - A federal grant for undergraduate students with financial need.

Federal Supplemental Educational Opportunity Grant (FSEOG or SEOG) - To get an FSEOG, you must fill out the FAFSA so your college can determine how much *financial need* you have. The FSEOG does not need to be repaid as it is a grant. These funds are limited and are only awarded to the neediest students.

Gift Aid – Gift aid is assistance received that does not typically have to be repaid. Gift aid may take the form of scholarships or grants funded by the institution, federal government, or state government.

Grants – Grants are types of gift aid that do not have to be repaid. They may take the form of Warren Wilson College Grants or federal or state grants.

Independent Student – An independent student is one of the following: at least 24 years old, married, a graduate or professional student, a veteran, a member of the armed forces, an orphan, a ward of the court, or someone with legal dependents other than a spouse. If you do not meet any of this criteria, you are considered a dependent student for financial aid purposes.

Institutional Student Information Record (ISIR) - A record produced by the Central Processing System and sent to the colleges listed by the student on their FAFSA. This report includes the student's calculated Expected Family Contribution (EFC).

IRS Data Retrieval Tool (DRT) – The IRS Data Retrieval Tool allows students and parents to access the IRS federal tax return information needed to complete the Free Application for Federal Student Aid (FAFSA), and transfer the data directly into their FAFSA from the IRS Web site. If you are eligible to use the IRS Data Retrieval Tool, we highly recommend using the tool for several reasons:

1. It's the easiest way to provide your tax data.
2. It's the best way of ensuring that your FAFSA has accurate tax information.
3. You won't need to provide a copy of your or your parents' tax returns to your college.

Students or parents who are married and filed as Married Filing Separately, are married and filed as Head of Household, filed an amended tax return, or filed a Puerto Rican or foreign tax return are not eligible to use the IRS Data Retrieval Tool, and will need to enter their tax return information manually. Additionally, students or parents who filed their tax returns electronically within the last three weeks, or through the mail within the last eleven weeks, might need to either enter their tax return information manually or return at a later date to transfer their tax return information into the FAFSA, as their tax return information might not be available for transfer from the IRS.

If you are eligible to use the IRS Data Retrieval Tool, then click **Link To IRS** to transfer your tax return information from the IRS Web site into your FAFSA. (**Note:** If you previously transferred your tax return information from the IRS, or you indicate that you filed your tax return electronically within the last three weeks or through the mail within the last eleven weeks, then the **Link To IRS** button displays once you click the "View option to link to the IRS" hyperlink.)

If you are ineligible or otherwise choose not to use the IRS Data Retrieval Tool to retrieve tax information, your college may require a copy of your IRS Tax Return Transcript (or your parents' IRS Tax Return Transcript, if you are a dependent student)

Loan – All loans are considered self-help aid. Loans must be repaid and all loans are optional. Therefore, when deciding whether to borrow, you should examine your need for assistance and your future ability to repay. Unlike consumer loans, student loans have longer terms of repayment and in most cases do not enter repayment until you leave school. Interest rates vary but are usually lower than rates on loans made to the general public. The precise terms of the loans are contained in the promissory notes that borrowers must sign. There are many different types of loans available. Here are some examples and their definitions:

- **Student Direct Subsidized Loan:** A student loan for which a borrower is *not* responsible for the interest while in an in-school, grace, or deferment status. This is considered a need-based loan.
- **Student Direct Unsubsidized Loan:** A student 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.
- **Parent PLUS Loan:** A parent loan that parents obtain based on a credit check to help with additional costs of college for their child. Grandparents, Uncles, Aunts, etc. are not eligible to apply for the Parent PLUS Loan, it must be the student's legal guardian; parent, step-parent, adoptive parent, etc.
- **Alternative/Private Loan:** Student loans that are based on credit and may require a co-signer.

Loan Servicer – The loan servicer is a student's point of contact after the loan has been disbursed. You may find out your servicer and contact information from National Student Loan Data System (NSLDS) at www.nslds.ed.gov.

Master Promissory Note (MPN) – A promissory note is a binding legal document you sign when you get a student loan. It lists the conditions under which you're borrowing and the terms under which you agree to pay back the loan. It will include information on how interest is calculated and what deferment and cancellation provisions are available to the borrower. It's very important to read and save this document because you'll need to refer to it later when you begin repaying your loan or at other times when you need information about provisions of the loan, such as deferments or forbearances.

Need-Based Aid – Financial aid that is need-based is determined by the financial information provided on your FAFSA. Need-based aid may be funded by the institution, federal government, or state government.

North Carolina Need Based Scholarship (NC NBS) - Created by the 2011 North Carolina General Assembly, this is a need-based program for NC residents attending private institutions of higher education located in North Carolina. Award amounts vary depending on the EFC.

Applicant must meet the following eligibility requirements:

- Be a North Carolina resident as well as an N.C. resident for tuition purposes, as defined by the N.C. Residency Manual
- Be enrolled as an undergraduate student in at least 9 credit hours at a qualifying private North Carolina campus
- Demonstrate a certain level of financial need based on calculated Expected Family Contribution (EFC) from the Free Application for Federal Student Aid (FAFSA)
- Meet requirements for the Federal Pell Grant (except the EFC range restrictions)

Applicants must complete the Free Application for Federal Student Aid (FAFSA), listing at least one qualifying private North Carolina institution. Consideration for the grant is automatic once the FAFSA is filed. No deadline has been established; however, applicants should meet financial aid application deadlines established by their institutions. Late applicants may be denied if

insufficient funds are available.

Outside Scholarships – A scholarship that comes from sources outside of the financial aid awarded by the outside institutions, the federal government, and state government. Outside scholarships may affect other components of your financial aid (such as loans). **You are required to notify the Financial Aid Office of any and all outside scholarships you will be receiving.**

Special Circumstances or Professional Judgment (PJ) - In some instances, the Financial Aid Office may consider special circumstances (such as job loss, death of a wage earner, loss of benefits) that are not reflected by information provided on the FAFSA. **Contact the Financial Aid Office for the appropriate Professional Judgment forms. You will be required to submit supporting documentation before your situation is reviewed.**

Student Aid Report (SAR) - A summary of the information you FAFSA. You receive this report (often called the SAR) via e-mail a few days after your FAFSA has been processed or by mail within 7-10 days if you did not provide an e-mail address. If there are no corrections or additional information you must provide, the SAR will contain your EFC, which is the number that's used to determine your eligibility for federal student aid. The colleges you listed on your FAFSA will receive a similar report electronically called the ISIR (Institutional Student Information Record).

Satisfactory Academic Progress (SAP) – SAP is a federal requirement that measures a student's progress in school. A student must make SAP in order to continue receiving financial aid. Please see our web page for more information regarding SAP.

Student Aid Report (SAR) – Received after the FAFSA is filed, the SAR may include important information about the status of your application including missing information and/or missing signature that must be completed. This report is sent to the student only. The schools listed on your FAFSA will receive an Institutional Student Information Record (ISIR).

Scholarships – Scholarships are types of gift aid that do not have to be repaid. They may take the form of Warren Wilson College Scholarships or outside scholarships.

Self-Help Aid – Self-help allows the student to take responsibility for funding their education. Self-help aid includes work-study opportunities and loans. Self-help aid can be accepted or declined.

Warren Wilson College Scholarships – At Warren Wilson College, merit-based scholarships are awarded by the Admissions Office and are not based on financial need. These are awarded based on merit, honor, excellence, etc. They may be renewed for four years if the student maintains a 3.0 GPA.

Warren Wilson Work Program – Work is a component of self-help aid. The work-study program at Warren Wilson is designed to promote the part-time employment of college students. The Warren Wilson Work Program is an opportunity to work. If the full earnings are not earned

at the end of the semester, the student may owe a balance to the business office. All students must participate in the Warren Wilson College Work Program to graduate. All residential students are required to work 240 hours per semester. Non-residential students need to apply for and be awarded a non-residential student contract in order to work in the work program.

Verification – Verification is a process required by the federal government to verify the data submitted on the FAFSA. If you are selected for verification you will receive an email or a mailed letter from Warren Wilson College Financial Aid Office requesting certain documents. All forms can be found on our website, click on FORMS on the right. **Please do NOT submit any information to Warren Wilson until we request it.** Financial aid will not be finalized and/or disbursed to your student account until the verification process is complete.