# Financial Aid 101: Getting Started

# What type of student are you?

Often times, the road to financial aid starts with defining what type of student you will be once you get there. For example: "I am a **FTIC undergraduate** student with **dependent** status and I will be attending school **full-time**."

## Undergraduate VS. Graduate

Refers to a student at a college or university who is working towards and has not yet earned a bachelor's or equivalent degree.

Refers to a student at a college or university who has previously earned a bachelor's degree and is working towards an advanced degree.

### Full-time VS. Part-time

A full-time student is one who takes 12 or more credit hours in both the Fall and Spring semesters.

A part-time student is one who takes less than 12 credit hours per semester. Generally, financial aid will be pro-rated based on the number of credit hours a student enrolls.

## **Dependent VS. Independent**

A dependent student must provide parental income information when filling out the FAFSA. Determine your dependency status at http://studentaid.ed.gov

An independent student may file the FAFSA without parent information and is generally one of the following: at least 24, married, a graduate student, a veteran, an orphan or ward of the state, or an emancipated minor.

First-Gen

#### FTIC

FTIC means First Time in College. This generally refers to freshman who have never taken a college class prior to applying to a college or university.

A first-generation college student is a student whose parents have not completed a bachelor's degree. Generally, they are the first in their family to attend a college or university to attain a degree. First-gen refers to the student and their siblings who also enroll in college.

# What types of aid are available?

Once you define the type of student you'll be, it's a good idea to get familiar with all the different types of aid available to you so you can make an informed choice when your school acceptances begin to arrive. All financial aid will either be categorized as **merit-based**, meaning based on your performance or skill, or **need-based**, meaning based on demonstrated financial need.

### **Private**

Refers to aid awarded by any non-government organization. Applications for private aid will be completed individually.

## **Federal**

Refers to aid awarded by the federal government to help pay for eligible education costs. To receive this aid, fill out the **Free Application for Federal Student Aid** (FAFSA) at www.fafsa.gov.

### **State**

Refers to aid awarded by the state government to help pay for eligible education costs. To receive this aid in Florida, fill out the **Florida Financial Aid Application** (FFAA) on the Florida Department of Education website.

#### <u>Scholarship</u>

Private scholarships are awarded to students based on merit and do not have to be repaid. Students need to seek out and apply for these scholarships individually. This may also refer to institutional scholarships awarded to you by your school.

#### Loan

Private loans are made by a lender, such as a bank or credit union. These loans must be requested and are generally based on student and/or parent credit history. Private loans have to be repaid with interest once a student leaves or graduates.

#### **Direct Loan**

A loan funded by the federal government. This is borrowed money that must be repaid with interest. May be automatically offered to students and do not have to be accepted.

#### **Subsidized**

A need-based loan which the federal government pays the interest that accrues while the borrower is in school.

#### **Unsubsidized**

A loan which the borrower is fully responsible for the accruing interest.

#### Parent PLUS

A loan that a parent borrows from the federal government on the student's behalf.

# Grant A grant is need

-based financial aid that does not have to be repaid unless you don't meet academic standards, or SAP (see back).

#### Pell Grant

A federal grant awarded to undergraduate students with financial need.

#### Work-Study

Work-study is a need-based program that provides a part-time job while the student is enrolled in school. This income can not exceed the COA (see back) and doesn't count on the FAFSA as qualifying income.

#### **Scholarship**

State scholarships are meritbased and awarded by the state. These scholarships do not have to be repaid. The most popular example in FL is the Bright Futures Scholarship program.

#### **Grant**

State grants are generally awarded to undergraduate students meeting certain criteria. These grants do not have to be repaid unless you withdraw from school or do not maintain the minimum criteria.

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## **Determining Financial Aid Eligibility**

#### **Financial Need**

Financial need refers to the difference between the cost of attendance (COA) at a school and your Expected Family Contribution (EFC). Schools may use your estimated financial need to determine how much aid you will be awarded.



#### COA

COA, or cost of attendance, is the total estimated costs of attending that school for a period of one year. Included in this estimate are tuition, room and board, books and supplies, personal expenses and transportation.



#### **EFC**

EFC, or expected family contribution, is the number that's used to determine your eligibility. This number determines the expected amount you and/or your family should be able to pay towards school based on your FAFSA. Your EFC is reported on your Student Aid Report (SAR).

## **Getting and Keeping Financial Aid**

**Verification:** Random selection process where some students are required to submit additional documentation to the US Department of Education verifying what has been submitted on the FAFSA.

**Award Letter:** 

An offer from a college or career school that states the type and amount of financial aid the school is willing to provide to you. The award letter will give you a complete overview of your financial aid package. This letter may be in an online portal and you may need to officially accept the award.

**Financial Aid Package:** 

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

**Tuition Deferment:** 

Deferment allows you to extend the payment beyond the published tuition due date in anticipation of receiving financial aid.

**Disbursement:** Disbursement refers to the payment of federal student aid funds.

SAP:

SAP, or Satisfactory Academic Progress, refers to a school's standards for academic progress towards a degree or certificate. Generally, if you do not meet SAP guidelines you may be ineligible to receive aid in the following year and may have to repay any aid awarded.

Please Note: Any specific questions in regards to your financial aid award process should be directed to the Financial Aid or Student Services office at your institution. These processes may vary depending on the institution.

