

FINANCIAL AID 101

Essential Terms



COST OF ATTENDANCE

How much it costs to attend school

This is the total price for one year of attending school. This does NOT include your financial aid. This estimate includes **direct costs** (tuition, fees, housing, meal plan) and **indirect costs** (textbooks, transportation).



FAFSA

Free Application for Federal Student Aid

The FAFSA is an online form that you complete and send to each school that you apply to. You **MUST** complete this form in order to receive federal aid (grants and loans from the Department of Education). Make sure you have your and your caregivers' tax returns handy. Check out this very helpful and clear [video](#) for step-by-step guidance on completing the FAFSA.



EXPECTED FAMILY CONTRIBUTION

How much will you have to pay right now?

Once your financial aid (scholarships, grants, and loans) have been finalized, you and your family will be responsible for paying the leftover costs.



GRANT VS. LOAN

Know the difference

A grant is gift aid provided by the school, and **DOES NOT** need to be repaid. A loan is money provided by the school (or the federal government, or a private lender), and **DOES** need to be repaid.



SUBSIDIZED VS. UNSUBSIDIZED LOANS

All about interest

Most loans *accrue interest*, which means until you repay the loan in full, the amount you need to repay will increase. An average school loan accrues interest at a rate of 4-5%. Some federal loans are **subsidized**, which means that the federal government pays that interest for you while you attend school. If your federal loan is **unsubsidized**, you will have to pay the interest on your loan.



SCHOLARSHIPS AND WORK STUDY

Fill in the gap

Once you've gotten your grants and your loans figured out, you will likely still have costs leftover (expected family contribution) to pay. In order to minimize these costs, look into scholarships and work study. Take a look at scholarships specific to your area, your identities, and your talents. Watch out for scams! If you qualified for federal aid, you should be eligible for a work study position at your school. Work study is a way for colleges to guarantee employment on campus for students with a demonstrated financial need.