

Learn the language of financial aid

Understand a few key terms before you begin your financial aid search:

FINANCIAL AID often refers to the broader packaging of scholarships, grants, loans, etc. that helps offset the cost of college. In some situations, financial aid refers specifically to need-based aid.

GRANTS are awarded at the federal, state and institutional level and do not need to be repaid. They may be based on need, at the federal and state level in particular, or based on merit.

LOANS are sometimes used to make up the difference when there is unmet financial need. Many student loans are federally guaranteed and dispersed through the Department of Education. Some banking institutions offer student loans, and many private loans require that students have a co-signer.

NEED-BASED AID is money awarded or loaned based on the student's (and oftentimes the family's) financial situation. Depending on the type of financial aid, the money may or may not need to be repaid. One of two forms – the Free Application for Federal Student Aid (FAFSA) or the College Scholarship Service (CSS) Profile – is often used to determine a student's financial need.

PAYMENT PLANS are offered by many colleges and universities to distribute the full cost of the year's tuition, fees, room and board over many months. Check with the school's bursar's (or business) office for details.

SCHOLARSHIPS are awarded for academic, athletic or artistic talent; sometimes they are awarded based on service and leadership. In general, scholarships do not need to be repaid.

WORK-STUDY PROGRAMS are a form of federal aid. As with any other type of student employment, students earn a stipend for the hours worked. Although some schools may estimate an amount earned each semester as part of the financial aid package, the actual amount will vary based on the type of job and number of hours worked.



Learn
more about
financial aid at
fafsa.ed.gov



You are strongly encouraged to reach out to each individual school to which you are applying regarding financial aid. Each institution handles financial aid differently. Also, each state handles financial aid differently.