

# GLOSSARY OF FEDERAL AID TERMS

- **Cost of Attendance (COA):** The total amount (not including grants and scholarships) that it will cost you to go to school during the 2024–25 school year. COA includes tuition and fees; housing and meals; and allowances for books, supplies, transportation, loan fees, and dependent care. It also includes miscellaneous and personal expenses, such as an allowance for the rental or purchase of a personal computer; costs related to a disability; and reasonable costs for eligible study-abroad programs. For students attending less than half-time, the COA includes tuition and fees; an allowance for books, supplies, and transportation; and dependent care expenses.
- **Student Aid Index:** The Student Aid Index (SAI) is an eligibility index number that your college's or career school's financial aid office uses to determine how much federal student aid you would receive if you attended the school. This number results from the [financial information](#) you and [your contributor\(s\)](#) provide on your FAFSA® form. This number is not a dollar amount of aid eligibility or what your family is expected to provide. A negative SAI indicates the student has a higher financial need.
- **Federal Work-Study:** A federal student aid program that provides part-time employment while the student is enrolled in school to help pay his or her education expenses. The student must seek out and apply for work-study jobs at his or her school. The student will be paid directly for the hours he or she works and the amount he or she earns cannot exceed the total amount awarded by the school for the award year. The availability of work-study jobs varies by school.
- **Grants and Scholarships:** Student aid funds that do not have to be repaid. Grants are often need-based, while scholarships are usually merit-based. Occasionally you might have to pay back part or all of a grant if, for example, you withdraw from school before finishing a semester.
- **Loans:** Borrowed money that must be repaid with interest. Loans from the federal government typically have a lower interest rate than loans from private lenders. Federal loans, listed from most advantageous to least advantageous, are called Direct Subsidized Loans, Direct Unsubsidized Loans, and Parent PLUS Loans. You can find more information about federal loans at [StudentAid.gov](http://StudentAid.gov).
- **Direct Subsidized Loan:** Loans that The U.S. Department of Education pays the interest on while you're in school at least half-time, for the first six months after you leave school (referred to as a grace period\*), and during a period of deferment (a postponement of loan payments).
- **Direct Unsubsidized Loan:** Loans that the borrower is responsible for paying the interest on during all periods. If you choose not to pay the interest while you are in school and during grace periods and deferment or forbearance periods, your interest will accrue (accumulate) and be capitalized (that is, your interest will be added to the principal amount of your loan).
- **Parent Plus Loan:** A loan available to the parents of dependent undergraduate students for which the borrower is fully responsible for paying the interest regardless of the loan status.
- **Private Loan:** A nonfederal loan made by a lender such as a bank, credit union, state agency, or school.
- **Net Cost:** An estimate of the actual cost that a student and his or her family need to pay in a given year to cover education expenses for the student to attend a particular school. Net price is determined by taking the institution's cost of attendance and subtracting any grants and scholarships for which the student may be eligible.
- **For more information visit** <https://studentaid.gov>.