

Washington State University

Glossary of Common Financial Aid and Scholarship Terms

Academic Year

A measured term of enrollment (fall and spring semesters). It is the period during which school is in session. The academic year for WSU is from the middle of August to the beginning of May. It is divided into two terms (fall and spring).

Accrued Interest

Interest that accumulates on the unpaid principal balance of a loan.

Additional Unsubsidized Federal Stafford Loan

The additional amount of unsubsidized Stafford loans dependent undergraduate students whose parents are unable to obtain a Federal PLUS Loan are eligible to receive.

Adjusted Gross Income (AGI)

All taxable income less IRS allowable adjustments to income. This figure is drawn from an individual's federal tax return.

Aggregate Loan Amount

The total amount disbursed (less any amount repaid or cancelled) to a borrower under a given loan type throughout the borrower's academic career.

Alternative Loans

Private loans are education loan programs established by private lenders to supplement the student and parent education loan programs that are available from federal and state governments.

Annual Loan Limit

The maximum amount that a student may borrow at a particular grade level in one academic year.

Award

A specific amount of financial assistance to pay for education costs offered to a student through one or more financial aid programs. Each individual school makes a determination of the amounts and types of assistance it has available to offer to the student along with any other types of assistance the student may have received or will receive.

Award Letter

A document issued by the financial aid office listing the types and amounts of all the financial aid awarded to the student.

Award Year

The time period from July 1 of one year through June 30 of the following year for which financial aid awards are made. Note: The *award year* differs from the federal fiscal year (October 1 through September 30).

Borrower

The person who receives loan funds and is legally obligated to repay those proceeds with interest at a future date per the conditions established in a promissory note.

Budget

(See Cost of Attendance COA)

Cancellation

Cancellation of an award (any aid) requires a written request from the student (or parent for a PLUS loan) to cancel or to be in compliance with federal regulations that require cancellation for a specific reason (over need, etc.).

Citizenship

You must be a U.S. Citizen or an eligible non-citizen to receive financial aid.

Consolidation

The action of combining several loans into one (original loans are paid in full by new loan).

Consortium Agreement

A written agreement between two or more eligible schools.

Cosigner

A person who signs the promissory note in addition to the borrower and is responsible for repaying the debt or loan if the borrower does not pay.

Cost of Attendance (COA)

The Cost of Attendance (also referred to as a budget) is the cost related to a student's enrollment for a defined academic period. COA components include tuition and fees, room and board, allowances for books and supplies, transportation, and miscellaneous personal expenses, along with other applicable expenses such as loan fees, dependent-care costs, costs related to a disability, and study-abroad costs.

Default

Failure to repay a student loan according to the agreed-upon terms of a promissory note. Student loan default has serious consequences- the default will be reported to credit bureaus which will possibly damage your credit rating, you will lose any options to defer future monthly payments, your federal and state tax refunds can be seized, you can be sued, your wages can be garnished and you will not be eligible for other federal and state student aid until you make arrangements to repay your defaulted loans.

Deferment

A period during which a borrower, who meets certain criteria, may suspend loan payments. For some types of loans, the federal government pays the interest during a deferment. On others, the interest accrues and is capitalized and the borrower is responsible for paying it. To have your loans deferred you must first contact your lender and be approved for the deferment. The repayment period for the loan is often extended by the length of the deferment period.

Delinquency

Failure to make monthly loan payments when due. Delinquency begins with the first missed payment.

Dependent Student

A student who must provide parent information on the FAFSA. A dependent student is an undergraduate who is not married, is under 24 years of age, has no legal dependents, is not an orphan or ward of the court, nor a veteran of the U.S. Armed Forces.

Direct Deposit

The means by which the University will refund the excess financial aid funds to the student. Students must sign up for this. If not signed up and the student is issued a refund, then a check is mailed out to the address listed on their ZZUSIS account.

Direct Loan (DL)

Also referred to as the Subsidized and Unsubsidized Stafford Loans for students and PLUS Loans for parents and graduate students. The direct loan is a federal program, also called the William D. Ford Federal Direct Loan Program, through which the U.S. Government rather than a commercial lender, provides four types of education loans to student and parent borrowers, and Consolidation Loans for all borrowers.

Disbursement

The process of releasing the financial aid funds for delivery to the borrower. The funds are first credited to the students account to pay for their tuition, fees, room and board. Any excess funds are then refunded to the student by direct deposit or check. The disbursements are made in two equal installments; one installment for fall semester and one installment for spring semester.

Eligible Borrower

A borrower or potential borrower who meets federal eligibility criteria for a Federal Stafford loan or, in the case of a parent borrower, a Federal PLUS loan.

Eligible Non-citizen

A student can be an eligible non-citizen for financial aid purposes if they are: a permanent U.S. resident who has a permanent resident card; a conditional permanent resident; or the holder of an arrival-departure record (I-94) from the Department of Homeland Security showing one of the following designations: refugee, asylum granted, parolee, conditional entrant, or Cuban-Haitian entrant.

Endorser

An individual who signs a promissory note and agrees to repay the loan in the event that the borrower does not.

Enrollment Status

The term that describes a student's current status at a given university. Status types include full-time, half-time, less than half-time, leave of absence, graduated, withdrawn, deceased, never attended, or no record found.

Entrance Counseling

First-year, first-time students borrowing federal educational loans are required to complete counseling before they receive their first loan disbursement. Students will learn their rights and responsibilities as a borrower, how to manage their loans while in college as well as after graduation and beginning repayment. The loan proceeds will not be disbursed until the counseling session is completed. The counseling is completed at www.studentloans.gov.

Exit Counseling (for a student borrower)

The session must be completed online by the loan borrowing student upon graduating from the university. In the counseling session, the student will be reminded of their rights, responsibilities, and will receive information on how to manage their repayment of their loan after college.

Expected Family Contribution (EFC)

The EFC is the amount a student and his or her family may be reasonably expected to contribute toward the student's postsecondary education costs, and is used as an index for purposes of determining financial aid eligibility. The EFC is calculated from the FAFSA information. Schools utilize the EFC as an index number in order to determine how much financial aid a student is eligible to receive. A student's EFC remains the same no matter where a student applies for admission.

Family Education Rights and Privacy Act of 1974 (FERPA)

The federal law that protects the privacy of a student's education records.

Federal Perkins Loan Program

A campus-based loan program provides low-interest student loans to undergraduate students with financial need.

Federal Work-Study Program

A campus-based program, awarded by the college, in which eligible students work part-time to help fund their education.

Federal Supplemental Educational Opportunity Grant (FSEOG)

A federal grant for undergraduate students who have exceptional financial need and who have not completed their first baccalaureate degree. If the student receives a Pell grant then they will be given priority to receive the SEOG. SEOG awards are awarded to Pell grant recipients and eligibility is based on the FAFSA information. Award amounts can vary for residents and non-residents.

Fellowship

The term refers to money awarded to assist students pursuing avenues of research or study in graduate or professional programs. They often differ from scholarships in that they are intended to support research purposes and are generally merit-based awards as opposed to need based.

Financial Aid

Financial assistance provided by federal and state entities as well as universities to help pay for a student's college education..

Financial Aid Administrator

The Financial Aid Administrator (FAA) is a university employee involved in the administration of financial aid. The administrator is also known as a financial aid advisor, officer, or counselor.

Financial Aid Package

A Financial Aid "package" is also known or called a Financial Aid Award and is a combination scholarships, tuition waivers, grants, loans, and/or work-study. The Financial Aid Office creates the package based on what the student is eligible to receive using the FAFSA information.

Financial Need Eligibility

The difference between the Cost of Attendance (COA) and the Expected Family Contribution (EFC).

Fixed Interest

On a fixed interest loan, the interest rate remains the same for the life of the loan.

Forbearance

A temporary delay or reduction of loan payments agreed to by the lender and borrower. Interest continues to accrue during forbearance. The borrower must continue paying the interest charges during the forbearance period. The forbearance is granted at the lender's discretion and usually is allowed in cases of extreme financial hardship or other unusual circumstances when the borrower does not qualify for a deferment. You can't receive forbearance if your loan is in default.

Free Application for Federal Student Aid (FAFSA)

A student financial aid application form completed by students and parents to apply for federal student aid. The information provided is the source for all FSA need analysis computations, including the student's Expected Family Contribution (EFC).

Full-time Student

A student who is enrolled taking a minimum of 12 semester hours/credits per academic term.

Grace Period

After graduating, or if you drop below half-time enrollment (6 semester hours/ credits), you have a period of time called the grace period, before you must begin making monthly payments on the federal loan money you borrowed. If you borrowed a Stafford loan the grace period is 6 months and if you borrowed a Perkins loan, the grace period is 9 months.

Graduate Assistantships

There are three types of graduate assistantships: Teaching Assistantships (TA), Research Assistantships (RA) and Graduate Assistantships (GA). TAs and RAs receive a full or partial tuition waiver and a small living stipend. The TAs are required to perform teaching duties, RAs are required to perform research duties, not necessarily related to their thesis research and GAs that are required to perform other duties that does not necessarily have a relation to their program of study.

Grade Level

A student's academic class level, as provided by a school official on the student's application and promissory note.

Graduate or Professional Student

Someone who is working on a degree beyond a Bachelor's degree, for example a masters, law or doctorate degree

Graduate Plus Loan

A federal loan that is available to graduate/professional students to help finance their education. Students may borrow up to the full cost of education, less the amount of any other financial aid received. A credit check is required and completed by the federal government. A student does not receive automatic approval for this loan. It is recommended that students borrow their full unsubsidized Stafford Loan eligibility first before processing a Graduate Plus Loan.

Grant

A type of financial aid that does not have to be repaid by the student.

Half-Time Enrollment

In general, this means attending for six semester hours/ credits for an undergraduate student and at least 5 for a graduate per academic term. Financial aid requires a student must be in at least half time to be eligible for aid.

In State Student

An in-state student has met the legal residency requirements of the state of Washington and is eligible for in-state tuition.

Income Contingent Repayment

A repayment plan offered for Federal Direct Loans in which monthly payments are calculated based on your adjusted gross income. This option is not available for parent PLUS loans.

Independent Student

An applicant for Federal Student Aid (FSA) who meets certain criteria. To be classified as an independent student for FSA purposes, a student must meet at least one of the following criteria: (a) be at least 24 years old by December 31 of the award year for which aid is sought; (b) be an orphan or be (or have been until the age of 18) a ward of the court; (c) be a veteran of the Armed Forces of the United States; (d) have legal dependents other than a spouse; (e) be a graduate or professional student; (f) be married; or (g) have an unusual circumstances that can be documented to a financial aid counselor.

Ineligible Borrower

A borrower or potential borrower who does not meet federal eligibility criteria for a FSA student loan or, in the case of a parent borrower, a PLUS loan.

In-School

The academic period during which borrowers are enrolled.

Interest

A fee charged to the borrower for use of a lender's money. The percentage of interest you are charged and when interest begins to accrue on your federal loan is determined by the type of loan you borrow.

Interest Rate

The percentage of a sum of money charged to a borrower for its use.

Interest-Only Payment

A payment that covers only accrued interest owed on a loan and none of the principal balance. Borrowers making interest-only payments may make larger payments at any time.

Issuing Checks

If a refund is created and the student has not set up Direct Deposit, WSU will issue checks to disburse the overage funds directly to students and parents via regular mail to the mailing address on ZZUSIS.

Late Fee

A fee that may be assessed if a scheduled payment is not made by the due date.

Lender

A financial institution that provides funds to a borrower.

Loan

Borrowed money. An advance of funds guaranteed by a signed promissory note in which the recipient of the funds promises to repay a specified amount under prescribed conditions. This type of financial aid is considered self-help, because the loans must be repaid under the terms and conditions of the promissory note that was signed when the loan was requested.

Loan Balance

The total unpaid amount of a specific loan. This sum includes outstanding principal, capitalized interest, accrued interest, late charges, and any miscellaneous fees such as returned check fees.

Loan Forgiveness

Under certain circumstances, such as practicing medicine in a national shortage area or teaching in a low income rural region, the federal government will cancel all or part of an educational loan.

Loan Interviews

Students with educational loans are required to complete entrance counseling when they borrow a loan or money for the first time and exit counseling before graduation or leaving school. Entrance counseling is valid for 10 years from the original electronic signature date and is completed at www.studentloans.gov.

Loan Period

The period of enrollment for which a loan application is certified. Also known as period of enrollment.

Master Promissory Note (MPN)

The promissory note you signed when you borrow money through a Federal Stafford or Perkins loan. The MPN is a legal document by which you promise to pay back loans as indicated by their terms and conditions. A MPN simplifies the borrowing process because you may be able to receive additional loans without signing a new promissory note each academic year. A MPN is valid for 10 years from the original electronic signature date. A MPN is completed at www.studentloans.gov for Stafford Loans and www.ecsi.net for Perkins and Health Professional Loans.

Merit Based Aid

A means of determining eligibility for certain types of financial aid using merit, such as a specific accomplishment or talent as the determining factor, rather than financial need.

Need

The difference between the Cost of Education (COE) and the Expected Family Contribution (EFC) is the student's financial need eligibility. It is the gap between the cost of attending the school and the student's resources. A means of determining eligibility for certain types of financial aid using financial need as the determining factor.

Need-Based Aid

This type of financial aid is based on financial need eligibility. The financial need is determined by subtracting the EFC from the cost of attendance. The most common forms of need-based financial aid are grants, work-study, subsidized Federal Stafford loans and Perkins loans.

Non-Need Based Aid

You are offered non need based financial aid if: 1) your EFC is equal to or greater than your cost of attendance, or 2) when you have been offered as much need based financial aid as the university can offer you and there still is a gap between your cost of attendance and the amount of need based financial aid you have been offered. Non need based aid is almost always an unsubsidized Stafford loan and/or a Parent Plus Loan.

Non-Subsidized Loan/ Unsubsidized Loan

A loan that is not eligible for federal interest benefits. The borrower is responsible for paying the interest on the outstanding principal balance of a non-subsidized loan throughout the life of the loan.

NSLDS

National Student Loan Data System. This U.S. Department of Education database allows students to access their federal student loan and grant information.

Origination Fee

A fee paid by a borrower to help defray the cost of making a loan.

Out of State Student

An out of state student does not meet the legal requirements for being a Washington resident. Tuition rates are based on your in state or out of state residency classification.

Overpayment/Over award

Any financial aid amount paid to a student in excess of the amount the student is eligible to receive. It is the amount of financial aid awarded that exceeds the cost of attendance. The student may not receive scholarships, grants, loans, work study and resources that are in excess of the cost of attendance.

Packaging

The process of determining the types and amounts of financial aid awards (loans, grants, scholarships, and work-study employment) a student is eligible to receive for an academic term.

Parent Loans for Undergraduate Students (PLUS)

PLUS loans enable parents to borrow federal funds to pay the education expenses of each child who is a dependent undergraduate student. Parents may borrow up to the full cost of their child's education, less that amount of any other financial aid received. There is a credit check required, and if the PLUS loan is denied, the student may be eligible to borrow additional Unsubsidized Stafford loans under the Stafford Loan program.

Pell Grant

A federal grant awarded if you have high financial need (determined by completing the FAFSA).

Perkins Loan

The Perkins loan is an institutional loan where the max awarded varies year by year. It has an interest rate of 5% and is awarded to students with financial need. The interest on the Perkins loan is subsidized while the student is in school.

Pin (or FAFSA Pin)

It is a personal identification number you can use electronically to sign your FAFSA online each year. If you are a dependent student, **both** you and your parent will need to have a pin.

Principal Balance

The outstanding amount of the loan on which the lender charges interest. As the loan is repaid, a portion of each payment is used to satisfy interest that has accrued and the remainder of the payment is applied to the outstanding principal balance.

Private Loans

Private loans provide supplemental funding when other financial aid does not cover costs. Banks or other financial institutions and schools offer these loans (not sponsored by government agencies) to students, generally with a parent as an endorser.

Professional Judgment (PJ) Appeal

A provision in the Higher Education Act allowing financial aid administrators to adjust the data elements used to calculate the student's EFC. The exercise of professional judgment may increase a student's eligibility for financial aid. Professional judgment can be used only on a case-by-case basis, and the reason must be documented in the student's file.

Promissory Note (P-Note)

The promissory note is the legally binding document that is evidence of a borrower's indebtedness to the school (for Perkins Loans), the lender (for FFEL program loans) and the federal government (for Direct Loans). The promissory note states the terms and conditions of the loan, including repayment schedule, interest rate, deferment policy and cancellations. The student should keep this document until the loan has been repaid.

Reference

An individual to whom inquiries may be made regarding another person's character, ability, or whereabouts. A lender generally will ask a borrower to provide the names, phone numbers, and addresses of at least three individuals to be used as references for the borrower. In the event that the lender loses track of the borrower's whereabouts, the lender will contact these individuals to try to find the borrower.

Refund

If you receive financial aid in excess of your university bill, a refund will be owed to you. Refunds are paid either through direct deposit or check. The processing of refunds at WSU is handled by the WSU Student Accounts/University Receivables Office.

Repayment

The time during which a borrower actively pays back an education loan.

Repayment Period

The period during which interest accrues on a borrower's loan and principal payments are required. The repayment period excludes any period of authorized deferment or forbearance.

Repayment Start Date

The date the repayment period begins. For Federal Stafford loans, repayment begins on the day following the last day of the grace period. For Federal PLUS, repayment begins 60 days after the date the loan is fully disbursed.

Research Assistantship

A form of financial aid awarded to graduate students in order to help support their education. Research assistantships usually provide the graduate student with a waiver for all or part of tuition plus a stipend for living expenses. As the name implies, an RA is usually required to perform research duties.

ROTC

Reserve Officers Training Corps. In this program it is the military that pays a student's tuition or other expenses. The student takes part in training while in college and commits to military service after college.

Satisfactory Academic Progress (SAP)

When students accept financial aid, they also accept responsibility for making Satisfactory Academic Progress (note: the abbreviation SAP will be used interchangeably throughout). This progress is based on the number of attempted credits students enroll in per semester, their term and cumulative grade point average(s) as well as the length of enrollment at Washington State University in addition to any courses taken at another institution. Federal and state financial aid regulations require that recipients of federal and state aid make Satisfactory Academic Progress toward the completion of a degree. Therefore, Washington State University student aid recipients, in addition to meeting other financial aid eligibility criteria, must be in good academic standing and making satisfactory progress in their degree program.

The SAP policy must be as strict as, or stricter, than the university's academic progress policy. The SAP policy is reviewed on an annual basis and if policy changes are made, they will then be updated to the Office of Financial Aid and Scholarships web page, the SAP Handbook and any printed pieces of information we distribute.

Scholarships

Scholarships are a form of financial assistance that does not have to be repaid. Scholarships may be awarded based on any number of criteria, such as academics, achievements, hobbies, talents, and affiliations with various groups, or career aspirations. The most common scholarships are academic and athletic scholarships. Students must generally apply for scholarships by completing an application and in many cases, by writing an essay. Scholarships come from a variety of sources including federal and state governments, the university, churches, professional organizations and businesses.

Self Help Financial Aid

Self Help financial aid includes work study as you must work for the money received and loans which is money you borrow and must pay back.

Stafford Loan

A low-interest federal loan for both undergraduate and graduate students. [Federal Stafford Loans](#) can be subsidized or unsubsidized. The amount you can borrow each year is determined by your grade level, dependency status and total amount borrowed to date. If you have a subsidized Federal Stafford Loan, the federal government will pay the interest while you're in school at least half-time and during a grace period. If you have an unsubsidized loan, you are responsible for interest payments while you are in college and during your grace period. You must fill out the FAFSA to determine eligibility.

Student Aid Report (SAR)

Your copy of the information you submitted on the FAFSA. If you complete a paper FAFSA, the SAR will be mailed to you. If you complete the FAFSA online, then you will receive an electronic copy of your SAR.

Subsidized Loan

A FFEL or Direct Loan that is eligible for interest benefits paid by the federal government. The federal government pays the interest that accrues on subsidized loans during an in-school, grace, authorized deferment, and (if applicable) post-deferment grace periods, if the borrower meets certain eligibility requirements.

Title IV Aid

Title IV refers to the financial aid programs authorized under Title IV of the Higher Education Act of 1965 as amended. The program includes Federal Direct loans, Pell grants, Perkins loans, SEOG grants, Work-Study, and others.

Title IV School Code

When you fill out the FAFSA, you need to supply the Title IV code of the school in which you are applying. The school code for WSU is 003800.

Unearned Aid

In a Return calculation, the difference between Title IV aid that was disbursed or could have been disbursed for the payment period or period of enrollment and the amount of Title IV aid that was earned when a student withdrew.

Unsubsidized Loan

An unsubsidized (unsub) loan is a loan given to a student not eligible for (or who has exhausted his/her eligibility) a subsidized loan, that will begin accruing interest charges from the disbursement date forward. Interest is charged on these loans from the date of disbursement. While the student is in school, in the grace period, or in deferment, students may elect to pay the interest or have it capitalized and added to the principal.

U.S. Department of Education

The US Department of Education administers several federal student financial aid programs, including the Federal Pell Grant, the Federal Work-Study Program, the Federal Perkins loan, the federal Stafford loan, and the Federal Parent and Graduate PLUS Loans.

Variable Interest Rate

An interest rate that is recalculated on a periodic basis, usually based on the prime rate or the T-bill rate. For FSA loans, this rate changes yearly on July 1st.

Verification

The process a school follows to check the accuracy of the information reported by the student on the FAFSA. The information reported is compared against documents, such as signed federal tax forms. In other words, it is a review process that the Financial Aid office uses to determine the accuracy of the information provided on the financial aid application. During the verification process the student and sometimes parent or spouse is required to submit documentation for the amounts reported or not reported on the FAFSA.

Veteran

For FSA purposes, such as determining dependency status, a veteran is a former member of the U.S. Armed Forces who served on active duty (other than for training purposes) and was discharged other than dishonorably.

Withdrawal Date

The date the student withdraws, as determined by the school.

Work Study

Work Study is a program that provides part-time jobs for undergraduate and graduate students with financial need, allowing them the opportunity to earn money to pay for educational expenses. Work study funding comes from federal, state and institutional sources.

WSU Scholarship Application: The scholarship application for Washington State University must be completed and submitted annually for a student to be considered for WSU scholarships. This application is available to current students as well as new students. This application is available online every October/ November and the submissions deadline is January 31st. Completing the application allows students to be considered for several hundred university scholarships.