



2018-19 Guide to Financial Aid Consumer Information

Samford University's Office of Financial Aid is dedicated to ensuring every student receives the best possible Title IV funding through the financial aid package offered to them. Below is important consumer information designed to ensure that students understand the rights and responsibilities of aid recipients for aid programs offered at Samford University.

Applying for Federal Financial Aid

- To receive aid at Samford University, students must first complete an application for admission and be admitted to the University as a degree seeking student. In an approved certificate awarding and/or degree awarding program.
- A FAFSA must be completed at <https://fafsa.ed.gov>. February 15th is the annual priority funding deadline for all students. When submitting the FAFSA, students should include Samford's school code, 001036.
- Students may be selected for verification by the Department of Education. The selected student will be notified by Samford University through email and this process must be completed before the federal financial aid awarding process can begin.
- Once a student has been awarded, federal, state, or institutional aid, they will be notified through email with instructions on how to review and accept the aid that has been offered through the Samford portal, <https://connect.samford.edu>.
- First time Direct Loan borrowers are also required to complete a Master Promissory Note and Entrance Counseling at <https://studentloans.gov>. All requirements must be completed before loan disbursement.
- Students must submit an updated FAFSA each year to receive federal aid.
- **Jan Term and Summer Aid:** If a student attends Jan Term or one or more summer terms, they will be required to submit an institutional aid form in order to be awarded any aid for which they might be eligible. The form will be available on the Student Financial Services website under "2018-19 Financial Aid Forms". Once awarded, the student will receive an email notifying them of the additional offered aid.

Determining and Maintaining Eligibility

- Priority Deadline:
 - 1) After students are admitted to the university and the FAFSA has been received, the Office of Financial Aid will review your eligibility for institutional, state, and federal aid.
 - 2) Depending on program funding and student eligibility, students who have met the FAFSA priority filing date may be eligible for campus-based aid programs such as

Federal Work-Study or Supplemental Education Opportunity Grant (SEOG). All other aid will be awarded based on the results of the student's FAFSA.

- Scholarship Guidelines: Students who are awarded scholarships upon acceptance to Samford or as a continuing student have requirements designed for each scholarship. A list of guidelines can be found at the following:
<https://www.samford.edu/admission/scholarships>.
- Satisfactory Academic Progress: A student must meet the Department of Education's standards for Satisfactory Academic Progress (SAP) in order to remain eligible for federal aid. There are three standards that must be met to maintain student eligibility:
 - 1) Maximum time frame: students cannot attempt more than 134% of the hours necessary to earn their degree. For example, a 128 credit program allows for 172 attempted credits before the student becomes ineligible.
 - 2) Cumulative GPA requirement:
 - a) Undergraduate, graduate law, graduate divinity, graduate pharmacy must maintain a 2.0 cumulative GPA or higher.
 - b) All other graduate programs must maintain a 3.0 cumulative GPA or higher.
GPA cannot be rounded up, i.e. a 1.99 GPA will not be rounded to 2.0 GPA
 - 3) Cumulative completion rate: Students must complete 75% of the annual credits attempted while working towards their degree. Transfer credits with grades equal to or greater than D+ earned at another institution will be counted towards the completion rate. For example, if a student attempts 36 credits during one academic year, he or she must earn a passing grade in at least 27 of those attempted credits.
- If a student fails to meet any of the requirements, they will lose their eligibility for federal financial aid. However, students do have the option to appeal in order to regain their eligibility by submitting the SAP appeal form with a personal statement and documentation regarding their circumstance. The form can be found on the Student Financial Services website under "2018-19 Financial Aid Forms".

Samford's SAP policy can be reviewed at: <https://www.samford.edu/departments/financial-services/>

Selection Criteria

- Institutional aid:
 - a) Entering undergraduate students (both freshman and transfer students) may be awarded institutional scholarships by the Office of Admission. A student's application to the university is their application for Samford scholarships. *
 - b) Other academic programs and departments across campus may have funding available to award scholarships or grants to entering freshmen, entering transfers, and entering graduate students.
 - c) Continuing undergraduate students and graduate students should contact the dean's office for the school, their program director, or their department chair to inquire about

scholarship opportunities. Application processes and selection of recipients may differ depending on the department/program/school.

d) More information regarding institutional scholarships can be found on the Office of Admissions website: <https://www.samford.edu/admission/scholarships>.

➤ Scholarship awards offered by Samford University are based on a number of factors, including a comprehensive review conducted by the Office of Admissions and others. The amounts offered are based on annual donations, endowment earnings, budget restraints, and etc.

e) CIOS Loan – This loan is only available for full-time undergraduate students. The annual maximum award is \$4,000 with a 6-months grace period following graduation. Because this is an institutional loan, there are no deferment options for the loan and it must be repaid in 5 years with 0% interest. Funding is extremely limited, please contact your Financial Aid Advisor for review of eligibility for the CIOS loan. Student are required to complete Entrance Counseling, a Master Promissory Note, and Exit Counseling through Heartland ECSI to receive this loan.

f) Cohron Loan – This loan is only available for graduate Pharmacy and Nursing students. Funding is extremely limited and only offered as an emergency loan for students with extreme need. Please contact the Financial Aid Office for review of eligibility. Student are required to complete Entrance Counseling, a Master Promissory Note, and Exit Counseling through Heartland ECSI to receive this loan.

- State aid:

Samford University participates in the following state grant programs:

a) Alabama Student Grant – Undergraduate students who are permanent Alabama residents will be offered this grant and are required to complete an application each year in order for the funds to pay towards their student financial account. When completing the Alabama Student Grant application, the student must be able to validate that they are not enrolled in a degree or minor leading to Religion or Theology, do not have a prior bachelor's degree and have been a full-time resident of the state of Alabama for the past 12 months. All students that meet these eligibility requirements are entitled to the Alabama Grant. The annual amount is determined by the Alabama Commission on Higher Education and it is dependent upon funding and the number of recipients. Students must be enrolled full-time to receive the maximum award. All students enrolled less than full-time will receive half of the grant amount.

b) Alabama Student Assistance Program (ASAP) – Recipients of this grant are selected by the Office of Financial Aid. Eligible students must be residents of the state of Alabama receiving a Pell Grant for the current aid year. The award amount can range from \$1000 to \$3000 per year, depending upon funding from the state and the number of Pell recipients for the award year. Pell eligible priority FAFSA filing students are awarded these funds first. If there are remaining funds, awards are then made to Pell eligible students who did not meet the FAFSA priority deadline.

*All state programs are administered by the Alabama Commission on Higher Education. You may visit their website at www.ache.edu. *

- Federal aid: By completing the FAFSA each year, the student is requesting to be awarded federal financial aid. There are several types of loans and grants available, both need-based and non-need-based. When completing the FAFSA, students will receive an Expected Family Contribution (EFC) upon completing an official application. If the student is an undergraduate student, this number will determine the student's eligibility for grants and need-based loans. Graduate students are not eligible for need-based loans or grants.
 - a) The Pell grant is a need-based entitlement grant. When a student completes a FAFSA, the EFC is determined. The EFC will verify if a student is eligible for a Pell grant. Students who are Pell grant eligible will be automatically awarded the grant upon packaging.
 - b) Federal Supplemental Education Opportunity Grant is a federal grant designed to help supplement the educational cost for students in the lowest income bracket who are Pell eligible. By completing the FAFSA, students have applied for the grant. The award recipients will be determined by the Office of Financial Aid. Priority is given to those who meet the February 15th deadline.
 - c) The subsidized direct loan is a loan made to eligible undergraduate students who demonstrate *financial need* to help cover the costs of higher education at Samford. Graduate students are not eligible for this loan. Loan amounts are determined by the undergraduate's year in college, however, the award may be less depending on the student's need.
 - d) The unsubsidized direct loan is a loan made to eligible undergraduate, graduate, and professional students, but in this case, the student does not have to demonstrate financial need to be eligible for the loan. This loan is guaranteed as long as students have not defaulted on previous student loans, declared bankruptcy, or exceeded aggregate lifetime limits. The amount is based on the student's year in school for undergraduates and there is a flat rate for graduate students.
 - e) PLUS loans are loans made to graduate or professional students or parents of dependent undergraduate students to help pay for education expenses not covered by other financial aid. PLUS loans are credit-based loans that can be used to supplement educational costs. Undergraduate students are only eligible for the Parent PLUS loans. This loan is in the parent's name, based on their credit worthiness, and the parent is liable for repayment of the loan. In an attempt to limit borrowing, entering freshmen are not automatically offered Parent PLUS loans at Samford. However, graduate students are automatically offered the Graduate PLUS loan. Approval for the Grad PLUS loan depends on the credit worthiness of the student. Usually, these loans are offered up to the remaining Cost of Attendance.

Annual and Lifetime Limits for Title IV

	Dependent Students (except students whose parents are unable to obtain PLUS Loans)	Independent Students (and dependent undergraduate students whose parents are unable to obtain PLUS Loans)
First-Year Undergraduate Annual Loan Limit	\$5,500—No more than \$3,500 of this amount may be in subsidized loans.	\$9,500—No more than \$3,500 of this amount may be in subsidized loans.
Second-Year Undergraduate Annual Loan Limit	\$6,500—No more than \$4,500 of this amount may be in subsidized loans.	\$10,500—No more than \$4,500 of this amount may be in subsidized loans.
Third-Year and Beyond Undergraduate Annual Loan Limit	\$7,500—No more than \$5,500 of this amount may be in subsidized loans.	\$12,500—No more than \$5,500 of this amount may be in subsidized loans.
Graduate or Professional Students Annual Loan Limit	Not Applicable (all graduate and professional students are considered independent)	\$20,500 (unsubsidized only)
Subsidized and Unsubsidized Aggregate Loan Limit	\$31,000—No more than \$23,000 of this amount may be in subsidized loans.	\$57,500 for undergraduates—No more than \$23,000 of this amount may be in subsidized loans.
		\$138,500 for graduate or professional students—No more than \$65,500 of this amount may be in subsidized loans. The graduate aggregate limit includes all federal loans received for undergraduate study.

*Sourced from Federal Student Aid

Verification

Verification is the process of confirming the information reported on a FAFSA. Most FAFSAs that are selected for verification are selected by the Federal Department of Education. However, Samford University may also choose a FAFSA for verification if conflicting information is present or if the University has reason to believe the information presented is not correct. The Financial Aid Office is responsible for carrying out the process of verification before aid is awarded and will notify students if they are selected for verification. There are certain documents you will be required to supply in order for this to be completed if your FAFSA is selected.

I. Standard Verification Documents

- a) **Dependent or Independent Verification Worksheet** depending on your dependency status on the FAFSA.

- b) **Tax Documentation** for the tax year two years prior to the award year. The required documentation is either the use of the **data retrieval tool (DRT)** on the FAFSA or the **tax return transcript from the IRS** (request at <https://www.irs.gov>).

II. Other Specialized Documentation

- a) **W-2(s)** for tax year two years prior to the award year
- b) **Documentation of Untaxed Income Form** – Samford form
- c) **Identity/Statement of Educational Purpose Form** – Samford form
- d) **Proof of High School Diploma**
- e) Other documentation as deemed necessary by Samford University

Students will be informed about their selection for verification through the **Student Aid Report (SAR)** sent to them from Central Processing (CPS) and by Samford through **email and verification mail requests**. Documentation should be sent in as soon as possible but at the latest, **60 days prior to the beginning of the semester for which the student expects to receive aid**. The verification process will be completed by Samford’s financial aid office within 2 to 4 weeks of receiving all information required.

Estimated Cost of Attendance

The estimated Cost of Attendance (COA) and tuition charged for the 2018-19 aid year varies based on the student’s degree type and specific program. A currently admitted student’s individual COA can be found on the Financial Aid section of their Samford portal. For more information regarding COA figure associated with your degree or program for Jan Term or Summer, please contact the Office of Financial Aid.

	Undergrad Day On Campus	Undergrad Day Off Campus	Undergrad Day Home	Undergrad Evening Off Campus
Tuition	\$ 30,800	\$ 30,800	\$ 30,800	\$ 8,832
Room & Board	\$ 11,637	\$ 9,850	\$ 2,600	\$ 9,850
Fees	\$ 850	\$ 850	\$ 850	\$ 450
Books & Supplies	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Transportation	\$ 1,200	\$ 1,750	\$ 1,750	\$ 1,750
Personal & Misc.	\$ 2,996	\$ 3,046	\$ 2,974	\$ 3,053
Loan Fees	\$ 517	\$ 504	\$ 426	\$ 265
Total	\$ 49,000	\$ 47,800	\$ 40,400	\$ 25,200
	Master of Divinity Off Campus	Doctoral Divinity Off Campus	Law Off Campus	MSN & DNP Off Campus
Tuition	\$ 14,516	\$ 2,634	\$ 39,600	\$ 21,250
Room & Board	\$ 9,850	\$ 4,000	\$ 9,850	\$ 9,850
Fees	\$ 550	\$ 550	\$ 550	\$ 550
Books & Supplies	\$ 1,000	\$ 185	\$ 2,000	\$ 1,000
Transportation	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750
Personal & Misc.	\$ 3,106	\$ 3,051	\$ 3,935	\$ 3,199
Loan Fees	\$ 328	\$ 130	\$ 615	\$ 401
Total	\$ 31,100	\$ 12,300	\$ 58,300	\$ 38,000

	Pharmacy On Campus (Years I & II)	Pharmacy Off Campus (Years I & II)	Pharmacy On Campus (Year III)	Pharmacy Off Campus (Year III)	Pharmacy Off Campus (Year IV)
Tuition	\$ 33,044	\$ 37,026	\$ 37,766	\$ 37,766	\$ 25,178
Room & Board	\$ 12,385	\$ 15,345	\$ 12,385	\$ 15,945	\$ 15,345
Fees	\$ 550	\$ 550	\$ 550	\$ 550	\$ 400
Books & Supplies	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Transportation	\$ 1,200	\$ 1,750	\$ 1,200	\$ 1,750	\$ 1,750
Personal & Misc.	\$ 3,075	\$ 3,101	\$ 3,102	\$ 3,154	\$ 3,029
Loan Fees	\$ 546	\$ 628	\$ 597	\$ 635	\$ 498
Total	\$ 51,800	\$ 55,400	\$ 56,600	\$ 60,200	\$ 47,200

	Graduate and MSL Off Campus	CHS and CPH Off Campus	CRNA	Physical Therapy	Audiology
Tuition	\$ 10,044	\$ 18,238	\$ 20,660	\$ 22,972	\$ 22,522
Room & Board	\$ 9,850	\$ 9,850	\$ 15,345	\$ 15,345	\$ 15,345
Fees	\$ 550	\$ 550	\$ 400	\$ 550	\$ 550
Books & Supplies	\$ 1,000	\$ 1,000	\$ 2,500	\$ 1,000	\$ 1,000
Transportation	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750
Personal & Misc.	\$ 3,026	\$ 3,045	\$ 3,079	\$ 3,106	\$ 3,161
Loan Fees	\$ 280	\$ 367	\$ 466	\$ 477	\$ 472
Total	\$ 26,500	\$ 34,800	\$ 44,200	\$ 45,200	\$ 44,800

Net Price Calculator:

The net price calculator can be used to provide estimate net price information to current and prospective students to help determine the cost of Samford University based on their individual circumstance. The net price calculator can be found on the following link:

<https://samford.studentaidcalculator.com/survey.aspx>.

Study Abroad

Students participating in an approved study abroad program may eligible for federal, state, and/or institutional aid. However, the student should keep in mind that there are increased costs associated with study abroad programs. The student's cost of attendance budget may be increased to cover these additional costs if approved by a representative from the Office of Global Engagement. In most situations, the type of aid offered to cover the additional costs associated with a study abroad program, are loan funds. Disbursement of funds will occur no earlier than 10 days prior to the start of the term.

Consortium Agreements

Consortium agreements are conducted when a student is seeking a degree at the *home* school and wishes to enroll at the *host* school for a brief period of time and use federal aid to cover the

educational expense. The courses takes at the *host* school will count towards the student's degree or certificate at the *home* school (in most cases this is Samford). By completing an agreement, Samford is able to processes federal financial aid to pay for the additional courses not billed at the university. A consortium agreement may apply to all Title IV programs and will also uphold all eligibility requirements.

In order to complete a consortium agreement, there must be a written agreement between the home and host school ensuring that all regulations are met before aid is disbursed. The home school must also confirm that all classes were successfully completed and no return of funds is necessary.

For more information, contact the Office of Financial Aid.

Family Educational Rights and Privacy Act (FERPA)

The Family Educational Records Privacy Act, also known as FERPA or the Buckley Amendment, first became law in 1974 and has been amended numerous times. It specifies the rights students have to control certain of the information held as part of their educational record. FERPA protects all students, regardless of age who are or have ever attended a postsecondary institution.

Student have the following rights under FERPA:

- Right to inspect and review his or her own educational records
- Right to request any amendments of inaccuracies in his or her records
- Right to have some control over the release of his or her educational records
- Right to file a complaint with the U.S. Department of Education regarding any perceived failure to comply with FERPA

At the postsecondary level, parents have no inherent rights to inspect a student's education records. The right to inspect is limited solely to the student. Students may designate in writing whether they permit disclosure of their grades to their parents.

Records may be released to parents only under the following circumstances:

- 1) Through the written consent of the student,
- 2) In compliance with a subpoena, or
- 3) By producing a copy of the most recent Federal Income Tax form showing that the student was claimed as a dependent.

Students are able to access their FERPA through the Samford portal and can add any individual they choose to allow access to their educational information.

Records created and maintained by the Office of Financial Aid are considered educational records and may not be disclosed without the student's consent. This includes at least all of the following records:

- Records related to eligibility and disbursement of Title IV funds

- Student account information
- Federal work-study payroll records
- FAFSA application information
- Student Aid Report and ISIR information
- Documentation used for special circumstance review
- Documentation relating to a refusal to certify federal education loans
- Financial Aid history or financial records
- Cost of Attendance information, including documentation relating to any adjustments
- Any Satisfactory Academic Progress documentation
- Verification documents
- Entrance and Exit Counseling records

Legal Rights and Responsibilities of Title IV Aid Recipients

Legal Rights of Financial Aid Recipients

Students receiving federal student aid have certain legal rights. Students' rights include the following:

- The student has the right to know what financial aid programs are available at Samford University.
- The student has the right to receive a listing from the Office of Financial Aid the agency in each state which may be contacted regarding grants available to residents of that state.
- The student has the right to know the deadlines for submitting applications for each of the financial aid programs available.
- The student has the right to know how financial aid will be distributed, how decisions on that distribution are made, and the basis for these decisions.
- The student has the right to know how his/her financial need was determined.
- The student has the right to know what resources (such as parental contribution, other financial aid, assets, etc.) were considered in the calculation of his/her financial need.
- The student has the right to know how much of his/her financial need, as determined by the institution, has been met.
- The student has the right to request an explanation of the various awards in his/her student aid package.
- The student has the right to know the school's refund policy.
- The student has the right to know what portion of the financial aid he/she receives must be repaid, and what portion is grant (gift) aid. If the aid is a loan, the student has the right to know what the interest rate is, the total amount that must be repaid, fees during repayment, the payback procedures, the length of time he/she has to repay the loan, when repayment is to begin, and available options for consolidation.
- The student has the right to know how the school determines whether he/she is making satisfactory academic progress, and the results of not meeting these standards.
- If the student is offered Federal Work-Study, he/she has the right to know the required work hours, the job duties, the rate of pay, and how and when paychecks are received.
- If the student believes a mistake has been made in determining his/her financial aid eligibility, he/she has the right to ask that his/her financial aid application be reconsidered.

- If the student has a loan and the lender transfers (i.e. sells) the loan and the right to receive payments, the student must be sent a notification telling him/her to whom he/she must now make payments.
- Lenders must provide borrowers with a copy of the complete promissory note.
- The student has the right to prepay a loan without penalty. This means that he/she may at any time pay in full the loan balance and any interest due without being charged a penalty by the lender for early payment.
- If the student cannot meet a loan repayment schedule, he/she may request forbearance from the lender under which the payments may be reduced for a specific period of time.
- In borrowing money, the student assumes the responsibility for repaying the loan. If circumstances arise which make it difficult to meet this responsibility, he/she should contact the lender.

Legal Responsibilities of Financial Aid Recipients

Students receiving federal student aid have certain legal responsibilities. Student responsibilities include the following:

- The student must complete all application forms accurately and submit them on time to the appropriate location.
- The student must provide correct information. The intentional misreporting of information on financial aid application forms is a violation of the law and is considered a criminal offense which could result in indictment under the U.S. Criminal Code.
- The student must return all additional documentation, verification, corrections, and/or new information requested by either the Office of Financial Aid or the agency to which an application was submitted.
- The student must report to the Office of Financial Aid any additional financial resources received by him/her during the period of his/her financial aid award.
- The student is responsible for reading and understanding all forms that he/she is asked to sign and for keeping copies of the forms.
- The student must accept responsibility for all agreements that he/she signs.
- The student must perform the work that he/she has agreed upon in accepting College Work-Study or regular student employment.
- The student must be aware of and comply with the deadlines for application or reapplication for aid.
- The student should be aware of the school's refund policy.
- All schools must provide information to prospective students about the school's programs and performance. The student should consider this information carefully before deciding to attend school.
- If the student receives a loan, he/she must notify the lender if any of the following occurs before the loan is repaid:
 - a) Graduation
 - b) Withdrawal from school or less than half-time enrollment
 - c) Change of address
 - d) Name change
 - e) Transfer to other school(s)

- If the student has received a federal Perkins Loan or federal Stafford Loan prior to receiving their first disbursement of loan funds at Samford University. NOTE: federal Perkins Loan recipients must complete entrance loan counseling each year.
- The student must also attend an exit interview if enrollment drops below 6 credit hours; or if he/she graduates, transfers to another school, or fails to enroll for any long semester.
- The student must repay any loan received at Samford University, plus accrued interest, in accordance with the repayment schedule.
- In borrowing money, the student assumes the responsibility for repaying the loan. If circumstances arise that make it difficult to meet this responsibility, he/she should contact the lender or servicer of the loan.
- The student must notify the lender of any occurrence which may affect eligibility for a deferment of repayment.

How Aid is Disbursed

Per federal regulations, no aid, regardless of type, will disburse any sooner than ten days before classes begin each term.

Federal Aid:

- Students that have completed all loan requirements; verification (if applicable), entrance counseling, and promissory note, will be eligible for aid disbursement no earlier than 10 days before classes start (please see next section for requirements).
- Loans are disbursed only one semester at a time since students must be enrolled at least half-time to receive funds. Grants are enrollment based, so students not enrolled full-time may receive less than the full-time amount.
- Students may review the accepted aid requirements by logging into the Samford University Portal at: <https://portal.samford.edu>.
- Students may obtain information about loan terms at <https://studentaid.ed.gov/types/loans>.

Loan Requirement:

- 1) Master Promissory Note for Direct Stafford Loans:
 - a) All Direct Loans require a Master Promissory Note (MPN) to be completed on <https://studentloans.gov>. If the MPN is for an unsubsidized or subsidized loan, it will expire after 10 years.
 - b) PLUS loan MPN will be required every year since the loan is credit based. Endorsed PLUS loans will need a new MPN to be completed if it is increased.
 - c) Perkins Loan, Health Profession Loan, and Cohron Loan, and CIOS Loan MPNs can be complete through Heartland ECSI at <https://www.ecsi.net/prom7n/>.

2) Entrance Counseling:

- a) Entrance Counseling is required for the first disbursement of a federal Stafford or Graduate Plus loan. Students may complete this requirement online at <https://studentloans.gov>. The counseling is school specific. Therefore, if a student completed the requirement at a different institution, they will be required to complete it again for Samford University.
- b) Entrance Counseling is also required for each disbursement of the federal Perkins Loan, Nurse Faculty Loan, CIOS, Cohron Loan, and Health Professions Loan. The Entrance Counseling requirements will be sent to the student through email by our third party servicer, Heartland ECSI, each time an award is made for any of the loan programs.

3) Exit Counseling:

- a) A Perkins Loan borrower or Direct Loan student borrower who is graduating, leaving school, or dropping below half-time enrollment is required to complete Exit Counseling. It is important that students complete exit counseling so they can better understand their rights and responsibilities as a student borrower.
- b) Exit Counseling can be completed on <https://studentloans.gov>.
- c) As you will see when completing the federal Exit Counseling, there are numerous options for you to keep your loan in deferment. If you are unable to make payments, you must remain in close contact with your lender(s) to determine which type deferment is best for you. Your servicer(s) can assist you through the decision process.

Terms and Conditions of Federal Loan:

Listed below are the terms and conditions of your financial aid award at Samford University. Failure to comply with the following terms and conditions may result in you being required to repay some or all aid received and/or denied the ability to receive any further aid while attending Samford.

Before any of your aid can be applied to your financial aid account at Samford, you must accept the terms and conditions below. Once you have accepted these terms and conditions, you may access the adjacent, "Accept Award Offer" tab. Instructions for accepting loans and Federal Work Study will be presented on that tab. Scholarships and grants will be credited to your financial aid account without you having to actively accept these funds. Additional information about your aid and requirements associated with these funds can be found under "Award Messages" at the bottom of the "General Information" tab.

If you have any questions about these conditions, please contact your financial aid advisor at 205-726-2905 or ofa@samford.edu.

- 1) I understand this is not a loan application. If I have been awarded loans and wish to accept one or more of the loans offered, I must read and accept these terms and

conditions, then proceed to the "Accept Award Offer" tab in this portal to accept my loans.

- 2) I understand the Office of Financial Aid at Samford University will officially communicate with me through my Samford issued email address and the web portal. It is my responsibility to check my Samford email and web portal regularly and respond to requests made through these avenues of communication.
- 3) I understand my award is based on full-time enrollment in an eligible program. This is defined as twelve (12) hours per semester for undergraduate students. Full-time enrollment for graduate students varies by academic program with Pharmacy students at ten (10), Law students at ten (10) and other graduate programs at six (6), eight (8) or nine (9). Please verify the correct level of enrollment with your academic program or your financial aid advisor.
- 4) I understand I must report any additional assistance that I may receive from outside sources, including scholarships, loans, assistantships, fellowships and educational benefits. In addition, I understand additional assistance may require that an adjustment be made in my award. Such an adjustment may require me to repay all or a portion of previously awarded financial aid. Please use the Outside Scholarship Form, posted on the Student Financial Services website, to notify the Office of Financial Aid that you expect to receive these funds.
- 5) I understand my award may be revised for any number of reasons including, but not limited to, the following: the completion of FAFSA Verification, a change in federal, state and /or institutional regulations or policies, a reduction in funding levels, the receipt of additional assistance on my behalf or a reduction in the number of hours for which I am enrolled, including a complete withdrawal from the University. Such revisions may require me to repay all or a portion of my financial aid.
- 6) I understand the financial aid awarded to me is for the designated award period only and that all aid is typically split evenly between the fall and spring terms. I understand I may be required to submit separate University-based financial aid applications and forms in order to receive aid specific for Jan Term and/or Summer Terms, if I choose to attend either or both of those terms. I understand it is my responsibility to acquire such forms from the Office of Financial Aid website, the actual office or any other means by which the forms are made available.
- 7) I understand the Office of Financial Aid may release information, based on FERPA guidelines, about the amount and type of aid I received to other offices and agencies, both within and outside of Samford. The Office of Financial Aid may send general information about me to donors of specific scholarships or special funds I may receive. I also understand I may be required to submit a written acknowledgement to the donor. Furthermore, I give the Office of Financial Aid permission to release information necessary for the collection of my student loans in the event that I do not meet repayment obligations.
- 8) I understand if I plan to accept Federal Work Study, my employment is not guaranteed. It is my responsibility to secure my own employment through the [Student Employment website](#). In addition, I understand I will be paid only as work is completed and reported to the Payroll Office. Payment is not made up front and the awarding of Federal Work Study does not reduce the amount due on my financial aid account at the beginning of each term.

- 9) I understand fees may be deducted by the US Department of Education from the gross amount of any federal loan(s) I accept.
- 10) I understand I must maintain Satisfactory Academic Progress (SAP) in order to receive financial aid. A detailed description and explanation of SAP may be found on the [Policies page of the Student Financial Services website](#).
- 11) I understand that a student receiving Samford University assistance, in combination with awards that may exceed the cost of tuition, may use university provided funds to pay for a Samford double occupancy room, not to exceed the Beeson Woods double occupancy room rate. Any additional costs of a room for single occupancy, should availability allow, or for a more expensive room, double or single, will be borne by the student and not by university funds, scholarship or otherwise. Samford reserves the right and discretion to alter, amend, reduce or discontinue this policy.

Alternative Loans:

- Students who choose to use private loans to fund their education must search for the loan themselves. A reliable search engine is Elm select (<http://www.elmselect.com/#/>). Once the student has completed the private loan application process, the lender will notify Samford University.
- Most students have the option to use federal aid instead of alternative loans. If the student chooses to use the private loan in place of federal loans, they will need to contact the Office of Financial Aid to inform the University of their desire to not use federal loan options.
- Once the loan has been certified, the loan is required to sit for 10-12 days during the rescission period. During this time, the borrower has the right to cancel the loan with the lender.
- The earliest a private loan can disburse is 10 days before classes start for a term.

Electronic Fund Transfer:

Samford University receives Federal Direct Loan funds from the Department of Education via Electronic Fund Transfer (EFT). Through this process, loan proceeds are electronically transferred to Samford and automatically deposited into a student's university account at the Bursar's Office. Student who use private loans will also most likely have loan funds delivered through EFT.

Some private loans may be delivered through paper checks mailed to the university, contact your private lender to determine if this is applicable to you. If loan is delivered in this manner and the check is made out to the student, the student will be responsible for endorsing the check before it can be deposited. An email will be sent to their Samford email account and the student must come to the Bursar's Office in person to sign the check.

Withdrawal/Leave of Absence

Samford University Policy:

- A student desiring to withdraw completely from the university at any time must obtain an official withdrawal form from the Office of the Registrar. The date of withdrawal is the date the form is returned to the Office of the Registrar.
 - If a student drops out of the university without permission, the official transcript will show a grade of “FA” in all courses for that semester or term.
 - The permanent record of a student who withdraws from all courses within the schedule change period will not show courses attempted for that term.
 - The permanent record of a student who withdraws from all courses for a semester or term before the deadline, as stated in the academic calendar, will show courses attempted and will show a grade of “W” (withdrew). A “W” is not calculated in the student’s GPA.
 - No student who withdraws from the university for any reason is entitled to a transcript of credits until the student’s financial account has been settled in the bursar’s office.
 - A student who withdraws after the deadline as stated in the academic calendar automatically receives a “WF,” indicating an unofficial withdrawal. “WF” carries the same penalty as “F” and is calculated in the student’s GPA.
 - You may review Samford’s withdrawal policy in the University Catalog, found at: <https://www.samford.edu/files/Student-Handbook.pdf>.
- Samford University has no official Leave of Absence policy

Please note: Failure to attend class does not constitute withdrawal. Students are responsible for completing the appropriate paperwork and submitting it to the Office of the Registrar.

Return of Title IV Funds (R2T4):

- Federal financial aid funds are awarded with the expectation students will complete the entire period of enrollment. Students “earn” a percentage of the funds that are disbursed to them with each day of class attendance. When a student who has received Title IV aid from the U.S. Department of Education withdraws from the university during a semester or term, the university must determine the amount of Title IV aid the student may retain. This is accomplished through an R2T4 calculation.
- To calculate the amount that is to be returned, the university must establish when the student last attended class. That information/date is typically provided by the student, with the signature of approval by an academic advisor on the withdrawal form submitted to the registrar.
- Student Financial Services will then utilize materials provided by the U.S. Department of Education to determine if any Title IV aid should be returned. When that date is not indicated on the form or if the student leaves the university without submitting a withdrawal form (an unofficial withdrawal), then the university will determine what date to use for the last day of attendance.
- In the event of a withdrawal, a student’s tuition may be reduced by the Bursar’s Office based on how long the student attended class. Institutional aid will be reduced at the same

rate as tuition. For example, if a student's tuition is reduced by 50%, the student's institutional aid will also be reduced by 50%.

- Information regarding the Office of Financial Aid's R2T4 policy can be found on the Student Financial Services website: <https://www.samford.edu/departments/financial-services/>

IMPORTANT: If your Title IV financial aid refund is greater than the refund at the time of your withdrawal, you will be billed for the difference. For more information about the federal withdrawal calculation, contact the Office of Financial Aid at 205-726-2905.

Repayment

- When you receive your first Direct Loan, you will be contacted by the servicer for that loan (you repay your loan to the loan servicer). Your loan servicer will provide regular updates on the status of your Direct Loan, and any additional Direct Loans that you receive. To review your student loan history, visit NSLDS (The National Student Loan Data System) at <http://www.nsls.ed.gov/>. Click on the Financial Aid review link to view all your federal student aid information.
- All federal loans from the Department of Education have a six months grace period after students graduate, leave school, or drop below half-time enrollment before repayment begins.
- The interest subsidy provided during the six-month grace period for subsidized loans for which the first disbursement is made on or after July 1, 2012, and before July 1, 2014, has been eliminated. If you received a subsidized loan during this timeframe, you are responsible for the interest that accrues while your loan is in the grace period.
- You do not have to make payments during the grace period (unless you choose to) but the interest will be added to the principal amount of your loan when the grace period ends. During this period, you'll receive repayment information from your loan servicer, and you'll be notified of your first payment due date. Payments are usually due monthly.
- There are several loan repayment plans available, student can decide their plan based on their individual needs. Information on repayment can be found at the following link: <https://studentaid.ed.gov/sa/repay-loans>.
- To determine what the repayment of your loans may be like, use the Repayment Estimator tool from Federal Student Aid: <https://studentloans.gov/myDirectLoan/repaymentEstimator.action>. Students can log in with their FSA ID so the loans listed are accurate to their current loan history.
- Students who fail to meet loan payments risk falling into default which could possibly lead to a negative reflection on their credit score and the inability to borrow further loans from the Department of Education. If students believe that they are unable to meet the loan repayment schedule, they are encouraged to contact their lender for assistance.

Student Body Diversity

Academic Year 1718				
Total Population of Undergraduates and Graduate Students by Race and Gender				
Race	Undergraduate	Graduate	Grand Total	Percent of total
American Indian or Alaskan Native	6	16	22	0.37%
Asian	35	54	89	1.48%
Black or African American	270	356	626	10.41%
Hispanic	115	49	164	2.73%
Native Hawaiian and Other Pacific Islander	1	2	3	0.05%
Non-Resident Alien	60	41	101	1.68%
Two or more races	77	48	125	2.08%
White	2931	1848	4779	79.48%
No response to Question	31	73	104	1.73%
Grand Total	3526	2487	6013	100.00%

Gender	Undergraduate	Graduate	Grand Total	Percent of total
Female	2306	1603	3909	65.01%
Male	1220	884	2104	34.99%
Grand Total	3526	2487	6013	100.00%

Academic Year 1718				
Full Time Undergraduates and Graduate Students by Race and Gender				
Race	Undergraduate	Graduate	Grand Total	Percent of total
American Indian or Alaskan Native	5	14	19	0.34%
Asian	35	52	87	1.56%
Black or African American	218	286	504	9.03%
Hispanic	106	48	154	2.76%
Native Hawaiian and Other Pacific Islander	1	2	3	0.05%
Non-Resident Alien	56	40	96	1.72%
Two or more races	76	43	119	2.13%
White	2817	1700	4517	80.95%
No response to Question	18	63	81	1.45%
Grand Total	3332	2248	5580	100.00%

Gender	Undergraduate	Graduate	Grand Total	Percent of total
Female	2205	1427	3632	65.09%
Male	1127	821	1948	34.91%
Grand Total	3332	2248	5580	100.00%

Number of Pell Grant recipients: 428

Notice of Federal Student Financial Aid Penalties for Drug Law Violations

Drug Convictions May Affect Your Financial Aid

Some students who have drug-related convictions under any federal or state law **may be ineligible for federal student aid.**

- If you are convicted of a drug-related offense you may face these restrictions:
 - 1) For *possession* of illegal drugs, you are ineligible from the date of conviction (not arrest) for:
 - a) 1 year for a first offense
 - b) 2 years for a second offense
 - c) Indefinitely for a third offense
 - 2) For *sale* of illegal drugs, you are ineligible from the date of conviction (not arrest) for:
 - a) 2 years for a first offense
 - b) Indefinitely for a second offense
- **Do all drug convictions count?**
 No, do not count any conviction that was reversed, set aside, or removed from your record. Also, do not count any conviction that occurred before you turned 18, unless you were prosecuted as an adult.
- **Alcohol and tobacco are not illegal drugs under this law.**
- **If I have drug convictions, should I still apply for student aid?**
 - a) Yes, even if you have drug convictions, you should complete and submit a Free Application for Federal Student Aid (FAFSA). You may be eligible, depending on the date and number of convictions.
 - b) Even if you are ineligible for federal student aid, you should complete and submit your FAFSA.
 - c) Samford uses information from the FAFSA to determine institutional aid eligibility, and you may still be eligible for scholarships or other types of aid. There is a process by which you may regain eligibility for the federal programs no matter how many or what type of drug convictions you have. You must successfully complete an acceptable drug rehabilitation program that meets the

standards set by Congress and the Department of Education, and you will regain eligibility on the date you complete the program.

- **How do I answer question 23 on the FAFSA?**

Question 23 on the FAFSA asks about drug convictions. **Do not leave this question blank.** If you answered "YES", you can call the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243) or go to <https://fafsa.ed.gov> if you need help filling out the worksheet after you receive it.

- **What is an acceptable drug rehabilitation program?**

An acceptable drug rehabilitation program must have **TWO** unannounced drug tests **AND** it must either:

- 1) Be qualified to receive funds from a federal, state or local government agency, or from a state or federally licensed insurance company, or
- 2) Be administered or recognized by a federal, state or local government agency or court, or by a state or federally licensed hospital, health clinic, or medical doctor.

How can I get more information?

Visit <https://studentaid.ed.gov/sa/eligibility/criminal-convictions#drug-convictions>.

If you still have questions about regulations, call the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243). Your personal information is confidential, and you will remain anonymous.

If you want to find out if a drug rehabilitation program meets the described standards, you should contact the rehabilitation program.

Glossary of Terms

1040 Form, 1040A Form, 1040EZ Form

The Federal Income Tax Return. Every person who has received income during the previous year must file a form 1040 with the IRS by April 15.

1099 Form

Form used by business to report income paid to a non-employee. Banks use this form to report interest income.

401(k)

A popular type of retirement fund. It is legal to borrow money from your 401(k) to help pay for your children's education.

Academic Year

The period during which school is in session, consisting of at least 30 weeks of instructional time. The school year typically runs from the beginning of September through the end of May at most colleges and universities.

Accrue

To accumulate.

Adjusted Available Income

In the Federal Methodology, the remaining income after the allowances (taxes and a basic living allowance) have been subtracted.

Adverse Credit History

To be eligible for a PLUS loan, the borrower must not have an *adverse credit history*. This is a modest credit check. According to the regulations at 34 CFR 682.201(c)(2), a borrower is considered to have an adverse credit history if a recent credit report shows that

- the borrower has a current delinquency of 90 or more days on any debt, or
- the borrower had certain derogatory information (e.g., default determination, bankruptcy discharge, foreclosure, repossession, tax lien, wage garnishment, or write-off of a Title IV debt) in the credit history during the five years preceding the date of the credit report

Note that the five-year lookback only applies to the derogatory information; it does not apply to the 90-day delinquency which must be a current delinquency. Note also that the absence of a credit history is not considered an adverse credit history. Only about a fifth to a quarter of borrowers will be found to have an adverse credit history, meaning that more than three-quarters of borrowers will be eligible for a PLUS loan. PLUS loans do not use any kind of a debt-to-income ratio or FICO score, unlike private education loans.

Alternative Loans

See Private Loans.

Amortization

The process of gradually repaying a loan over an extended period of time through periodic installments of principal and interest.

Appeal

A formal request to have a financial aid administrator review your aid eligibility and possibly use Professional Judgment to adjust the figures. For example, if you believe the financial information on your financial aid application does not reflect your family's current ability to pay (e.g., because of death of a parent, unemployment or other unusual circumstances), you should definitely make an appeal. The financial aid administrator may require documentation of the special circumstances or of other information listed on your financial aid application.

Asset Protection Allowance

A portion of your parents' assets that are not included in the calculation of the parent contribution, as calculated by the Federal Methodology need analysis formula. The asset protection allowance increases with the age of the parents.

Award Letter

An official document issued by a school's financial aid office that lists all of the financial aid awarded to the student. This letter provides details on their analysis of your financial need and the breakdown of your financial aid package according to amount, source and type of aid. The award letter will include the terms and conditions for the financial aid and information about the cost of attendance. ~~You are required to sign a copy of the letter, indicating whether you accept or decline each source of aid, and return it to the financial aid office.~~ You may decline or accept the aid offered to you online through the Portal.

Award Year

The academic year for which financial aid is requested (or received). The award year runs from July 1 to June 30.

Bachelor's Degree

The undergraduate degree granted by four-year colleges and universities.

Bankruptcy

When a person is declared bankrupt, he is found to be legally insolvent and his property is distributed among his creditors or otherwise administered to satisfy the interests of his creditors. Federal student loans, however, cannot normally be discharged through bankruptcy.

Borrower

The person who receives the loan.

Borrower Benefit

See Loan Discount.

Budget

See Cost of Attendance.

Bursar's Office

The university office that is responsible for the billing and collection of university charges.

Campus-based Aid

Financial aid programs are administered by the university. The federal government provides the university with a fixed annual allocation, which is awarded by the financial aid administrator to deserving students. Such programs include the Perkins Loan, Supplemental Education Opportunity Grant and Federal Work-Study. Note that there is no guarantee that every eligible student will receive financial aid through these programs, because the awards are made from a fixed pool of money. This is a key difference between the campus-based loan programs and the Direct Loan Program. Do not confuse the two, even though both loans are issued through the schools.

Cancellation

Loan cancellation ends the obligation to repay the debt and typically involves the discharge or forgiveness of the loan balance (including any accrued but unpaid interest). While both discharge and forgiveness involve cancellation of the remaining debt, discharges usually occur for circumstances beyond the borrower's control and forgiveness for circumstances within the borrower's control. Examples of loan discharges include discharges due to bankruptcy, death or total and permanent disability of the borrower. Loan forgiveness programs typically involve a requirement to work in a particular field, such as working in a public service job, teaching in a national shortage area or serving in the military.

Capitalization

The practice of adding unpaid interest charges to the principal balance of an educational loan, thereby increasing the size of the loan. Interest is then charged on the new balance, including both the unpaid principal and the accrued interest. Capitalizing the interest increases the monthly payment and the amount of money you will eventually have to repay. If you can afford to pay the interest as it accrues, you are better off not capitalizing it. Capitalization is sometimes called compounding. See also [Unsubsidized Loans](#).

Compounded Interest

Interest that is paid on both the principal balance of the loan and on any accrued (unpaid) interest. Capitalizing the interest on an unsubsidized Stafford loan is a form of compounding.

Consolidation Loan

Also called Loan Consolidation, a consolidation loan combines several student loans into one bigger loan from a single lender. The consolidation loan is like a refinance and is used to pay off the balances on the other loans. The primary intention is to replace multiple loans with a single "consolidated" loan to simplify repayment. For federal student loans a consolidation loan can also provide access to alternate repayment terms and the ability to lock in a rate on older variable rate student loans. For private student loans a consolidation loan can also offer the opportunity to get a better interest rate or release a cosigner if the borrower's credit score has improved significantly.

Cosigner

A cosigner on a loan is a co-borrower and is obligated to repay the debt if the primary borrower defaults on the debt. Repayment activity is reported on both the borrower's and cosigner's credit histories. A cosigner is often required if the borrower's credit history is bad or marginal or thin.

Cost of Attendance (COA)

(Also known as the cost of education or "budget") The total amount it should cost the student to go to school, including tuition and fees, room and board, allowances for books and supplies, transportation, and personal and incidental expenses. Loan fees, if applicable, may also be included in the COA. If incurred by the student, child care expenses may also be included at the discretion of the financial aid administrator.

Custodial Parent

If a student's parents are divorced or separated, the custodial parent is the one with whom the student lived the most during the past 12 months. The student's need analysis is based on financial information supplied by the custodial parent.

Default

A loan is in default when the borrower fails to pay several regular installments on time or otherwise fails to meet the terms and conditions of the loan. For example, a borrower who is 120 days late on a private student loan or 270 days late on federal education loan is considered to be in default. When a borrower is in default the loan becomes due in full immediately and the lender may pursue more aggressive collection techniques, such as sending the account to a collection agency or filing suit against the borrower. If you default on a loan, the university, the holder of the loan, the state government and the federal government can take legal action to recover the money, including garnishing your wages and withholding income tax refunds. Defaulting on a government loan will make you ineligible for future federal financial aid, unless a satisfactory repayment schedule is arranged, and can affect your credit rating.

Default Fee

Synonymous with Guarantee Fee.

Deferment

Occurs when a borrower is allowed to postpone repaying the loan. If you have a subsidized loan, the federal government pays the interest charges during the deferment period. If you have an unsubsidized loan, you are responsible for the interest that accrues during the deferment period. You can still postpone paying the interest charges by capitalizing the interest, which increases the size of the loan. Most federal loan programs allow students to defer their loans while they are in school at least half time. If you don't qualify for a deferment, you may be able to get a forbearance. You can't get a deferment if your loan is in default.

Delinquent

If the borrower fails to make a payment on time, the borrower is considered delinquent and late fees may be charged. If the borrower misses several payments, the loan goes into default.

Dependency Status

Determines to what degree a student has access to parent financial resources.

Dependent

For a child or other person to be considered your dependent, they must live with you and you must provide them with more than half of their support. Spouses do not count as dependents in the Federal Methodology. You and your spouse cannot both claim the same child as a dependent. (See also Independent.)

Disbursement

Disbursement is the release of loan funds to the school for delivery to the borrower. The payment will be made co-payable to the student and the school. Loan funds are first credited to the student's account for payment of tuition, fees, room and board and other school charges. Any excess funds are then paid to the student in cash or by check. Unless the loan amount is under \$500 or the college has a low default rate, the disbursement will be made in at least two equal installments.

Discharge

A loan discharge releases the borrower from his or her obligation to repay the loan, usually due to circumstances beyond the borrower's control. Both discharge and forgiveness are types of loan cancellation.

Disclosure Statement

Provides the borrower with information about the actual cost of the loan, including the interest rate, origination, insurance, loan fees and any other types of finance charges. Lenders are required to provide the borrower with a disclosure statement before issuing a loan.

Discount

See Loan Discount.

Doctorate

One of several degrees granted by graduate schools.

Due Diligence

If a borrower fails to make payments on their loan according to the terms of the promissory note, the federal government requires the lender, holder or servicer of the loan to make frequent attempts to contact the borrower (via telephone and mail) to encourage him or her to repay the loan and make arrangements to resolve the delinquency.

Electronic Data Exchange (EDE)

Program used by participating schools to electronically receive SARs from the federal processor. At some schools EDE allows students to electronically file their Free Application for Federal Student Aid (FAFSA).

Electronic Funds Transfer (EFT)

Used by some schools and lenders to wire funds for Stafford and PLUS loans directly to

participating schools without requiring an intermediate check for the student to endorse. The money is transferred electronically instead of using paper, and hence is available to the student sooner. If you have a choice of funds transfer methods, use EFT.

Electronic Student Aid Report

An electronic form of the Student Aid Report.

Eligible Non-Citizen

Someone who is not a US citizen but is nevertheless eligible for Federal student aid. Eligible non-citizens include US permanent residents who are holders of valid green cards, US nationals, holders of form I-94 who have been granted refugee or asylum status and certain other non-citizens. Non-citizens who hold a student visa or an exchange visitor visa are not eligible for Federal student aid.

Emancipated

To release a child from the control of a parent or guardian. Declaring a child to be legally emancipated is not sufficient to release the parents or legal guardians from being responsible for providing for the child's education. If this were the case, then every parent would "divorce" their children before sending them to college. The criteria for a child to be found independent are much stricter. See Dependency Status.

Enrollment Status

An indication of whether you are a full-time or part-time student. Generally you must be enrolled at least half-time (and in some cases full-time) to qualify for financial aid.

Entitlement

Entitlement programs award funds to all qualified applicants. The Pell Grant is an example of such a program.

Entrance Interview

See Loan Interviews.

Exit Interview

See Loan Interviews.

Expected Family Contribution (EFC)

The amount of money that the family is expected to be able to contribute to the student's education, as determined by the Federal Methodology need analysis formula approved by Congress. The EFC includes the parent contribution and the student contribution, and depends on the student's dependency status, family size, number of family members in school, taxable and nontaxable income and assets. The difference between the COA and the EFC is the student's financial need, and is used in determining the student's eligibility for need-based financial aid. If you have unusual financial circumstances (such as high medical expenses, loss of employment or death of a parent) that may affect your ability to pay for your education, tell your financial aid administrator (FAA). He or she can adjust the COA or EFC to compensate. See Professional Judgment.

Federal Direct Student Loan Program (FDSLPL)

Similar to the Federal Family Education Loan Program (FFELP). The funds for these loans are provided by the US government directly to students and their parents through their schools. Benefits of the program include a faster turn-around time and less bureaucracy than the old "bank loan" program. The FDSLPL includes the Federal Direct Stafford Loan (Subsidized and Unsubsidized) and the Federal Direct Parent Loan for Undergraduate Students (PLUS).

Federal Family Education Loan Program (FFELP)

FFELP is one of two parallel federal education loan programs. The other is the Direct Loan program. Both offer the same sets of loans (e.g., Stafford, PLUS and Consolidation loans) with only slight differences. The main difference is in the source of funds. In the FFEL program the funds normally come from private capital such as banks, credit unions and other financial institutions, while in the Direct Loan program the funds come from the US Treasury through the US Department of Education. The federal government guarantees FFELP loans against borrower default and ensures that the lenders receive a market rate of return on the loans despite the lower interest rates paid by borrowers of education loans.

Federal Methodology

The need analysis formula used to determine the EFC. The Federal Methodology takes family size, the number of family members in college, taxable and nontaxable income and assets into account. Unlike most Institutional Methodologies, however, the Federal Methodology does not consider the net value of the family residence.

Federal Work-Study (FWS)

Program providing undergraduate and graduate students with part-time employment during the school year. The federal government pays a portion of the student's salary, making it cheaper for departments and businesses to hire the student. For this reason, work-study students often find it easier to get a part-time job. Eligibility for FWS is based on need. Money earned from a FWS job is not counted as income for the subsequent year's need analysis process.

Financial Aid

Money provided to the student and the family to help them pay for the student's education or which is conditioned on the student's attendance at an educational institution. Major forms of financial aid include gift aid (grants and scholarships) and self-help aid (loans and work).

Financial Aid Office (FAO)

The college or university office that is responsible for the determination of financial need and the awarding of financial aid.

Financial Aid Package

The complete collection of grants, scholarships, loans and work-study employment from all sources (federal, state, institutional and private) offered to a student to enable them to attend the college or university. Note that unsubsidized Stafford loans and PLUS loans are not considered part of the financial aid package, since these financing options are available to the family to help them meet the EFC.

Financial Need

See Need.

First-Time Borrower

A first-year undergraduate student who has no unpaid loan balances outstanding on the date he or she signs a promissory note for an educational loan. First-time borrowers may be subjected to a delay in the disbursement of the loan funds. The first loan payment is disbursed 30 days after the first day of the enrollment period. If the student withdraws during the first 30 days of classes, the loan is canceled and does not need to be repaid. Borrowers with existing loan balances aren't subject to this delay.

Fixed Rate

A fixed rate is an interest rate that does not change and remains the same for the life of the loan.

Forbearance

During a forbearance the lender allows the borrower to temporarily postpone repaying the principal, but the interest charges continue to accrue, even on subsidized loans. The borrower must continue paying the interest charges during the forbearance period. Forbearances are granted at the lender's discretion, usually in cases of extreme financial hardship or other unusual circumstances when the borrower does not qualify for a deferment. You can't receive a forbearance if your loan is in default.

Forgiveness

Loan forgiveness releases the borrower from his or her obligation to repay the loan, usually due to circumstances within the borrower's control. The most common loan forgiveness programs cancel all or part of the debt for working in a particular field or performing military or volunteer service. Loan forgiveness for working in a particular occupation is tax-free, while other types of loan forgiveness may result in a tax liability. There are two main types of loan forgiveness: up front and back end. Up front loan forgiveness cancels a portion of the debt for each year of service. Back end loan forgiveness cancels any remaining debt after a specified number of years of service. Both discharge and forgiveness are types of loan cancellation. See also public service loan forgiveness.

Free Application for Federal Student Aid (FAFSA)

Form used to apply for Pell Grants and all other need-based aid. As the name suggests, no fee is charged to file a FAFSA.

Gapping

The practice of failing to meet a student's full demonstrated need. See also Unmet Need.

Gift Aid

Financial aid, such as grants and scholarships, which does not need to be repaid.

Grace Period

A short time period after graduation during which the borrower is not required to begin repaying his or her student loans. The grace period may also kick in if the borrower leaves school for a

reason other than graduation or drops below half-time enrollment. Depending on the type of loan, you will have a grace period of six months (Stafford Loans) or nine months (Perkins Loans) before you must start making payments on your student loans. The PLUS Loans do not have a grace period.

Grade Point Average (GPA)

An average of a student's grades, converted to a 4.0 scale (4.0 is an A, 3.0 is a B, and 2.0 is a C).

Graduate Student

A student who is enrolled in a Masters or PhD program.

Graduated Repayment

A schedule where the monthly payments are smaller at the start of the repayment period and gradually become larger.

Grant

A type of financial aid based on financial need that the student does not have to repay.

Gross Income

Income before taxes, deductions and allowances have been subtracted.

Guarantee

A guarantee is an agreement to purchase title to a loan in the event that the borrower defaults on his or her obligation to repay the debt.

Guarantee Agency or Guarantor

State agencies responsible for approving student loans and insuring them against default. Guarantee agencies also oversee the student loan process and enforce federal and state rules regarding student loans.

Guarantee Fee

A small percentage of the loan that is paid to the guarantee agency to insure the loan against default. The insurance fee is usually 1% of the loan amount. Also known as a Default Fee.

Guaranteed Student Loan (GSL)

(Now called the Stafford Loan.) A guaranteed loan is insured against default. In the case of guaranteed student loans, the Federal government agrees to repay the loans in case of default. Each loan is charged a guarantee fee to cover the costs of defaulted loans.

Half-Time

Most financial aid programs require that the student be enrolled at least half-time to be eligible for aid. Some programs require the student to be enrolled full-time.

Health Education Assistance Loan (HEAL)

A loan administered by the US Department of Health and Human Services (HHS). It was available to medical school students pursuing medicine, osteopathy, dentistry, veterinary

medicine, optometry, podiatry, clinical psychology, health administration and public health. Undergraduate pharmacology students were also eligible. New HEAL loans to student borrowers were discontinued as of September 30, 1998. (The HEAL program was replaced with higher unsubsidized Stafford loan limits. Students enrolled in certain health profession programs are eligible to borrow an additional unsubsidized Stafford of \$20,000 per year and have an aggregate Stafford loan limit (combined subsidized plus unsubsidized) of \$224,000.)

Health Professions Student Loan (HPSL)

A low interest loan administered by the US Department of Health and Human Services (HHS). It is now known as the Primary Care Loan (PCL).

Holder

A holder of a loan is the lender that currently holds legal title to the loan and is entitled to the payments of principal and interest. Since loans may periodically be sold to a different lender, the current holder of a loan may not necessarily be the lender that originated the loan. The holder may be the bank that issued the loan, a secondary market that purchased the loan from the bank or a guarantee agency if the borrower defaulted on the loan. When a loan is sold, the servicer may also change, which may require the borrower to send payments to a different address.

In-State Student

A student who has met the legal residency requirements for the state, and is eligible for reduced in-state student tuition at public colleges and universities in the state.

Income

The amount of money received from employment (salary, wages, tips), profit from financial instruments (interest, dividends, capital gains), or other sources (welfare, disability, child support, Social Security and pensions).

Income-Based Repayment

Under an income-based repayment schedule, the size of the monthly payments depends on the income earned by the borrower. As the borrower's income increases, so do the payments. The income-based repayment plan is not available for PLUS Loans. Income-based repayment is available in both the FFEL and Direct Loan programs. Monthly payments are capped at 15% of discretionary income, where discretionary income is defined as the amount by which income exceeds 150% of the poverty line.

Income Contingent Repayment

Under an income contingent repayment schedule, the size of the monthly payments depends on the income earned by the borrower. As the borrower's income increases, so do the payments. The income contingent repayment plan is not available for PLUS Loans. Income contingent repayment is available only in the Direct Loan program. Monthly payments are capped at 20% of discretionary income, where discretionary income is defined as the amount by which income exceeds 100% of the poverty line. Income Contingent Repayment also has a secondary cap based on income percentage factors that rarely applies to most borrowers.

Income-Sensitive Repayment

Under an income-sensitive repayment schedule, the size of the monthly payments depends on the income earned by the borrower. As the borrower's income increases, so do the payments. Income-sensitive repayment is available only in the FFEL program. Monthly payments are pegged at 4% to 25% of gross monthly income and must be at least the interest that accrues.

Independent

An independent student is at least 24 years old as of January 1 of the academic year, is married, is a graduate or professional student, has a legal dependent other than a spouse, is a veteran of the US Armed Forces, or is an orphan or ward of the court (or was a ward of the court until age 18). A parent refusing to provide support for their child's education is not sufficient for the child to be declared independent. (See also Dependent)

Institutional Student Information Report (ISIR)

The electronic version of SARs delivered to schools by EDEExpress.

Insurance Fee

Fee passed on by the lender to the federal government as insurance against default. Insurance fees are charged as the loan is disbursed, and typically run to 1% of the amount disbursed. See also Guarantee Fee.

Interest

The interest on a loan is a fee charged periodically in exchange for the use of a lender's money. It is paid in addition to repaying the amount borrowed. Interest is usually calculated as a percentage of the outstanding principal balance of the loan. The percentage rate may be fixed for the life of the loan, or it may be variable, depending on the terms of the loan. Except for consolidation loans, federal education loans issued from October 1992 to June 2006 used variable interest rates that are pegged to the cost of US Treasury Bills. Since July 1, 2006 all federal education loans have involved fixed interest rates.

Internal Revenue Service (IRS)

Federal agency responsible for enforcing US tax laws and collecting taxes.

Issuer

The issuer of a loan is the lender that made (funded) the loan.

Lender

A bank, credit union, savings & loan association, or other financial institution that provides funds to the student or parent for an educational loan. Note: Some schools now participate in the Federal Direct Loan program and no longer use a private lender, since loan funds are provided by the US Government.

Loan

A type of financial aid which must be repaid, with interest. The federal student loan programs (FFELP and FDSLPL) are a good method of financing the costs of your college education. These loans are better than most consumer loans because they have lower interest rates and do not

require a credit check or collateral. The Stafford Loans and Perkins Loans also provide a variety of deferment options and extended repayment terms.

Loan Cancellation

See Cancellation.

Loan Consolidation

See Consolidation Loan.

Loan Discharge

See Discharge.

Loan Forgiveness

See Forgiveness.

Loan Interviews

Students with educational loans are required to meet with a financial aid administrator before they receive their first loan disbursement and again before they graduate or otherwise leave school. During these counseling sessions, called entrance and exit interviews, the FAA reviews the repayment terms of the loan and the repayment schedule with the student.

Master's Degree

One of several degrees granted by graduate schools.

Maturity Date

The date when a loan comes due and must be repaid in full.

Merit-based

Financial aid that is merit-based depends on your academic, artistic or athletic merit or some other criteria, and does not depend on the existence of financial need. Merit-based awards use your grades, test scores, hobbies and special talents to determine your eligibility for scholarships.

Need

The difference between the COA and the EFC is the student's financial need -- the gap between the cost of attending the school and the student's resources. The financial aid package is based on the amount of financial need. The process of determining a student's need is known as need analysis.

Cost of Attendance (COA)

- Expected Family Contribution (EFC)

= Financial Need

Need Analysis

The process of determining a student's financial need by analyzing the financial information provided by the student and his or her parents (and spouse, if any) on a financial aid form. The student must submit a need analysis form to apply for need-based aid. Need analysis forms include the Free Application for Federal Student Aid (FAFSA) and the Financial Aid PROFILE.

Need-Based

Financial aid that is need-based depends on your financial situation. Most government sources of financial aid are need-based.

Net Cost

Net cost is the difference between the cost of attendance and the need-based financial aid package. It is generally similar to the Expected Family Contribution (EFC) except when the college practices gapping. It does not vary much from college to college. See Out-of-Pocket Cost for a related definition. Generally, families should evaluate college financial aid award letters using out-of-pocket cost, not net cost.

Net Income

This is income after taxes, deductions and allowances have been subtracted.

New Borrower

See First-Time Borrower.

Originate

A lender is said to originate or make a loan when the loan is disbursed to or on behalf of the borrower.

Origination Fee

Fee paid to the bank to compensate them for the cost of administering the loan. The origination fees are charged as the loan is disbursed, and typically run to 3% of the amount disbursed. A portion of this fee is paid to federal government to offset the administrative costs of the loan.

Out-of-Pocket Cost

Out-of-Pocket cost is the difference between the cost of attendance and just the grants and scholarships and other gift aid in the need-based financial aid package. It reflects the bottom line cost to the family, the amount the family will need to pay out of current and future resources, such as savings, income and loans. See Net Cost for a related definition. While net cost does not vary by much from college to college, out-of-pocket cost can vary significantly, based on how much of need is met with grants instead of loans. Some of the elite non-profit colleges that have adopted no loans financial aid policies have lower out-of-pocket costs than many public colleges. Generally, families should evaluate college financial aid award letters using out-of-pocket cost, not net cost.

Outside Resource

Aid or benefits available because a student is in school and is counted after need is determined.

Outside scholarships, prepaid tuition plans and VA educational benefits are examples of outside resources.

Outside Scholarship

A scholarship that comes from sources other than the school and the federal or state government.

Out-of-State Student

A student who has not met the legal residency requirements for the state, and is often charged a higher tuition rate at public colleges and universities in the state.

Overawards

A student who receives federal support may not receive awards totaling more than \$400 in excess of his or her financial need.

Packaging

The process of assembling a financial aid package.

Parent Contribution (PC)

An estimate of the portion of your educational expenses that the federal government believes your parents can afford. It is based on their income, the number of parents earning income, assets, family size, the number of family members currently attending a university and other relevant factors. Students who qualify as independent are not expected to have a parent contribution.

Parent Loans for Undergraduate Students (PLUS)

Federal loans available to parents of dependent undergraduate students to help finance the child's education. Parents may borrow up to the full cost of their children's education, less the amount of any other financial aid received. PLUS Loans may be used to pay the EFC. There is a minimal credit check required for the PLUS loan, so a good credit history is required. Check with your local bank to see if they participate in the PLUS loan program. If your application for a PLUS loan is turned down, your child may be eligible to borrow additional money under the Unsubsidized Stafford Loan program.

Pell Grant

A federal grant that provides funds of up to \$5,550 (2010-11) based on the student's financial need.

Perkins Loan

Formerly the National Direct Student Loan Program, the Perkins Loan allows students to borrow up to \$3,000/year (5 year max) for undergraduate school and \$5,000/year for graduate school (6 year max). The Perkins Loan has one of the lowest interest rates and is awarded by the financial aid administrator to students with exceptional financial need. The student must have applied for a Pell Grant to be eligible. The interest on the Perkins Loan is subsidized while the student is in school.

PhD

One of several degrees granted by graduate schools.

Prepayment

Prepayment is paying off all or part of a loan before it is due.

Prepayment Penalty

A prepayment penalty is a fee charged for early payoff of a loan. No federal or private education loans charge prepayment penalties.

Principal

The principal or loan balance is the amount of money borrowed or remaining unpaid on a loan. Interest is charged as a percentage of the principal. Insurance and origination fees will be deducted from this amount before disbursement.

Private Loans

Education loan programs established by private lenders to supplement the student and parent education loan programs available from federal and state governments.

Professional Degree

A degree in a field like law, education, medicine, pharmacy or dentistry.

Professional Judgment (PJ)

For need-based federal aid programs, the financial aid administrator can adjust the EFC, adjust the COA, or change the dependency status (with documentation) when extenuating circumstances exist. For example, if a parent becomes unemployed, disabled or deceased, the FAA can decide to use estimated income information for the award year instead of the actual income figures from the base year. This delegation of authority from the federal government to the financial aid administrator is called Professional Judgment (PJ).

Professional Student

A student pursuing advanced study in law or medicine.

Promissory Note

A promissory note (or 'note') is a binding legal document that must be signed by the student borrower before loan funds are disbursed by the lender. The promissory note states the terms and conditions of the loan, including repayment schedule (e.g., level monthly payments for a term of 10 years), interest rate, fees (e.g., origination fees, guarantee fees, late fees, collection charges), deferments, forbearances and cancellations. It represents an agreement by the borrower to repay the debt according to the specified terms and conditions. The student should keep this document until the loan has been repaid.

Renewable Scholarships

A scholarship that is awarded for more than one year. Usually the student must maintain certain academic standards to be eligible for subsequent years of the award. Some renewable

scholarships will require the student to reapply for the scholarship each year; others will just require a report on the student's progress to a degree.

Repayment Schedule

The repayment schedule discloses the monthly payment, interest rate, total repayment obligation, payment due dates and the term of the loan.

Repayment Term

The term of a loan is the period during which the borrower is required to make payments on his or her loans. When the payments are made monthly, the term is usually given as a number of payments or years.

Repossession

Repossession occurs when a lender takes physical control of the collateral for a loan. It can also refer to taking possession of an item that was rented or leased. The term is most often used in connection with automobiles. It is similar in concept to a foreclosure, but the focus is on recovering goods sold on credit or an installment contract.

Research Assistantship (RA)

A form of financial aid awarded to graduate students to help support their education. Research assistantships usually provide the graduate student with a waiver of all or part of tuition, plus a small stipend for living expenses. As the name implies, an RA is required to perform research duties. Sometimes these duties are strongly tied to the student's eventual thesis topic.

Satisfactory Academic Progress (SAP)

A student must make this in order to continue receiving federal aid. If a student fails to maintain an academic standing consistent with the school's SAP policy, they are unlikely to meet the school's graduation requirements.

Scholarship

A form of financial aid given to undergraduate students to help pay for their education. Most scholarships are restricted to paying all or part of tuition expenses, though some scholarships also cover room and board. Scholarships are a form of gift aid and do not have to be repaid. Many scholarships are restricted to students in specific courses of study or with academic, athletic or artistic talent.

Selective Service

Registration for the military draft. Male students who are US citizens and have reached the age of 18 and were born after December 31, 1959 must be registered with Selective Service to be eligible for federal financial aid. If the student did not register and is past the age of doing so (18-25), and the school determines that the failure to register was knowing and willful, the student is ineligible for all federal student financial aid programs. The school's decision as to whether the failure to register was willful is not subject to appeal. Students needing help resolving problems concerning their Selective Service registration should call 1-847-688-6888.

Self Help Aid

Financial aid in the form of loans and student employment. If every financial aid package is required to include a minimum amount of self-help aid before any gift aid is granted, that level is known as the self-help level. For example, the self-help level will be \$8,150 at MIT in 1995-96 (The Tech, March 7, 1995, Vol. 115, No. 9, Page 1). MIT has one of the highest self-help levels of private colleges and universities, with an average self-help level of around \$5,500 at the more expensive schools.

Servicer

A servicer is a business that collects payments on a loan and performs other administrative tasks associated with maintaining a loan portfolio. Loan servicers disburse loans funds, monitor loans while the borrowers are in school, update borrower contact information, send out bills and statements, collect payments, process deferments and forbearances, respond to borrower inquiries and ensure that the loans are administered in compliance with federal regulations and guarantee agency requirements. Servicers are usually paid either on a unit cost basis (i.e., a fixed fee per borrower per month) or on a percentage of loan volume basis (i.e., one-twelfth of 0.50% or 0.90% of the average loan volume per month).

Simple Interest

Interest that is paid only on the principal balance of the loan and not on any accrued interest. Most federal student loan programs offer simple interest. Note, however, that capitalizing the interest on an unsubsidized Stafford loan is a form of compounded interest.

Simplified Needs Test

If the parents have an adjusted gross income of less than \$50,000 and every family member was eligible to file an IRS Form 1040A or 1040EZ (or wasn't required to file a Federal income tax return), the Federal Methodology ignores assets when computing the EFC. If you filed a 1040 but weren't required to do so, you may be eligible for the simplified needs test. Details on the eligibility requirements appear on the Simplified Needs Test Chart. (Please note that starting in 2004, the AGI threshold for IRS Form 1040A and IRS Form 1040EZ changed from \$50,000 to \$100,000. Nevertheless, a threshold of \$50,000 is still used for the simplified needs test.)

Stafford Loans

Federal loans that come in two forms, subsidized and unsubsidized. Subsidized loans are based on need; unsubsidized loans aren't. The interest on the subsidized Stafford Loan is paid by the federal government while the student is in school and during the 6 month grace period. The Subsidized Stafford Loan was formerly known as the Guaranteed Student Loan (GSL). The Unsubsidized Stafford Loan may be used to pay the EFC.

Undergraduates may borrow up to \$31,000 (\$5,500 during the freshman year, \$6,500 during the sophomore year and \$7,500 during the third, fourth and fifth years) no more than \$23,000 of which may be subsidized (\$3,500 during the freshman year, \$4,500 during the sophomore year and \$5,500 during the third, fourth and fifth years) and graduate students up to \$65,500 including any undergraduate Stafford loans (\$20,500 per year, no more than \$8,500 of which may be subsidized). The difference between the subsidized loan amount and the unsubsidized limit may be borrowed by the student as an unsubsidized loan.

Higher unsubsidized Stafford loan limits are available to independent students, dependent students whose parents were unable to obtain a PLUS Loan and graduate/professional students. Undergraduates may borrow up to \$57,500 (\$9,500 during the freshman year, \$10,500 during the sophomore year and \$12,500 during each subsequent year) and graduate students up to \$138,500 including any undergraduate Stafford loans (\$20,500 per year). These limits are for subsidized and unsubsidized loans combined. The amounts of any subsidized loans are still subject to the lower limits for dependent students. Certain medical school students may borrow an aggregate amount of \$224,000.

Statement of Educational Purpose

A legal document in which the student agrees to use the financial aid for educational expenses only. The student must sign this document before receiving federal need-based aid.

Student Accounts Office

See Bursar's Office.

Student Aid

See Financial Aid.

Student Aid Report (SAR)

Report that summarizes the information included in the FAFSA and must be provided to your school's FAO. The SAR will also indicate the amount of Pell Grant eligibility, if any, and the Expected Family Contribution (EFC). You should receive a copy of your SAR four to six weeks after you file your FAFSA. Review your SAR and correct any errors on part 2 of the SAR. Keep a photocopy of the SAR for your records. To request a duplicate copy of your SAR, call 1-319-337-5665.

Student Contribution

The amount of money the federal government expects the student to contribute to his or her education and is included as part of the EFC. The SC depends on the student's income and assets, but can vary from school to school. Usually a student is expected to contribute about 20% of his or her savings and approximately one-half of his summer earnings above \$3,000.

Student Financial Aid

See Financial Aid.

Subsidized Loan

With a subsidized loan, such as the Perkins Loan or the Subsidized Stafford Loan, the government pays the interest on the loan while the student is in school, during the six-month grace period and during any deferment periods. Subsidized loans are awarded based on financial need and may not be used to finance the family contribution. See Stafford Loans for information about subsidized Stafford Loans. See also Unsubsidized Loan.

Supplemental Education Opportunity Grant

Federal grant program for undergraduate students with exceptional need. SEOG grants are

awarded by the school's financial aid office, and provide up to \$4,000 per year. To qualify, a student must also be a recipient of a Pell Grant.

Term

The number of years (or months) during which the loan is to be repaid.

Title IV Loans

Title IV of the Higher Education Act of 1965 created several education loan programs which are collectively referred to as the Federal Family Education Loan Program (FFELP). These loans, also called Title IV Loans, are the Federal Stafford Loans (Subsidized and Unsubsidized), Federal PLUS Loans and Federal Consolidation Loans.

Title IV School Code

When you fill out the FAFSA you need to supply the Title IV Code for each school to which you are applying. This code is a six-character identifier that begins with one of the following letters: O, G, B, or E. The Financial Aid Information Page provides a searchable database of Title IV School Codes. Samford's school code is 001036.

Undergraduate Student

A student who is enrolled in an Associate's Degree or Bachelor's degree program.

Unearned Income

Interest income, dividend income and capital gains.

Unmet Need

In an ideal world, the FAO would be able to provide each student with the full difference between their ability to pay and the cost of education. Due to budget constraints the FAO may provide the student with less than the student's need (as determined by the FAO). This gap is known as the unmet need.

Unsubsidized Loan

A loan for which the government does not pay the interest. The borrower is responsible for the interest on an unsubsidized loan from the date the loan is disbursed, even while the student is still in school. Students may avoid paying the interest while they are in school by capitalizing the interest, which increases the loan amount. Unsubsidized loans are not based on financial need and may be used to finance the family contribution. See Stafford Loans for information about unsubsidized Stafford Loans. See also Subsidized Loan.

Untaxed Income

Contributions to IRAs, Keoghs, tax-sheltered annuities and 401k plans, as well as worker's compensation and welfare benefits.

US Department of Education (ED or USED)

Government agency that administers several federal student financial aid programs, including the Federal Pell Grant, the Federal Work-Study Program, the Federal Perkins Loans, the Federal Stafford Loans and the Federal PLUS Loans.

Variable Rate

A variable rate is an interest rate that resets periodically, such as monthly, quarterly or annually. Variable rates are often defined as the sum of a variable rate index, such as the LIBOR index or the Prime Lending Rate, and a fixed rate margin. The margins are often determined based on the borrower's credit score, where credit scores are grouped into a small set of 5 or 6 tiers and each tier is associated with a different interest rate and fees.

Verification

Verification is a review process in which the FAO determines the accuracy of the information provided on the student's financial aid application. During the verification process the student and parent will be required to submit documentation for the amounts listed (or not listed) on the financial aid application. Such documentation may include signed copies of the most recent Federal and State income tax returns for you, your spouse (if any) and your parents, proof of citizenship, proof of registration with Selective Service, and copies of Social Security benefit statements and W2 and 1099 forms, among other things.

Financial aid applications are randomly selected by the Federal processor for verification, with most schools verifying at least 1/3 of all applications. If there is an asterisk next to the EFC figure on your Student Aid Report (SAR), your SAR has been selected for verification. Schools may select additional students for verification if they suspect fraud. Some schools undergo 100% verification.

If any discrepancies are uncovered during verification, the financial aid office may require additional information to clear up the discrepancies. Such discrepancies may cause your final financial aid package to be different from the initial package described on the award letter you received from the school.

If you refuse to submit the required documentation, your financial aid package will be cancelled and no aid awarded.

Veteran

For Federal financial aid purposes such as determining dependency status, a veteran is a former member of the US Armed Forces (Army, Navy, Air Force, Marines or Coast Guard) who served on active duty and was discharged other than dishonorably (i.e., received an honorable or medical discharge). You are a veteran even if you serve just one day on active duty - not active duty for training - before receiving your DD-214 and formal discharge papers. (Note that in order for a veteran to be eligible for VA educational benefits, they must have served for more than 180 consecutive days on active duty before receiving an honorable discharge. There are exceptions for participation in Desert Storm/Desert Shield and other military campaigns.)

ROTC students, members of the National Guard, and most reservists are not considered veterans.

Since the 1995-96 academic year, a person who was discharged other than dishonorably from one of the military service academies (the U.S. Military Academy at West Point, the Naval Academy at Annapolis, the Air Force Academy at Colorado Springs or the Coast Guard Academy at New London) is considered a veteran for financial aid purposes. Cadets and

midshipmen who are still enrolled in one of the military service academies, however, are not considered veterans. According to the US Department of Education's Action Letter #6 (February 1996), "a student who enrolls in a service academy, but who withdraws before graduating, is considered a veteran for purposes of determining dependency status".

Having a DD-214 does not necessarily mean that you are a veteran for financial aid purposes. As noted above, you must have served on active duty and received an honorable discharge.

W2 Form

The form listing an employee's wages and tax withheld. Employers are required by the IRS to issue a W2 form for each employee before February 28.

Work Study

See Federal Work-Study.

<http://www.finaid.org/questions/glossary.phtml>