

FINANCIAL AID GLOSSARY



Financial aid can be confusing. Take advantage of SNHU's financial aid glossary page to easily learn the terms and concepts that are important to you.

APPEAL

An appeal is a formal request to have a financial aid administrator review your aid eligibility and possibly use Professional Judgment to adjust the figures. Professional Judgment refers to the authority of a school's financial aid administrator to make those adjustments.

COST OF ATTENDANCE (COA)

COA is the total amount it should cost you to go to school, including tuition and fees, room and board, allowances for books and supplies, transportation and personal and incidental expenses.

DEFAULT

A loan is in default when you fail to pay several regular installments on time or otherwise fail to meet the terms and conditions of the loan.

DEFERMENT

Deferment occurs when you're allowed to postpone repaying the loan. The most common type of deferment happens when you're in school, meaning you don't have to think about paying it back until you leave.

DEPENDENCY STATUS

Dependency status refers to whether you're a dependent or independent. This will determine whose information you include on the FAFSA. If you're a dependent student, you'll report your and your parents' information.

ENTRANCE LOAN COUNSELING (ELC)

If you're receiving educational loans, you're required to complete entrance loan counseling before you receive your first payment. It only takes about 30 minutes and helps to ensure you understand the terms and conditions of your loans, along with your rights and responsibilities.

EXIT LOAN COUNSELING

If you graduate, are no longer enrolled in school, or drop below part-time enrollment, you're required to complete exit loan counseling. Like entrance counseling, it only takes 30 minutes and helps you to understand your loan obligations and repayment options.

EXPECTED FAMILY CONTRIBUTION (EFC)

The EFC is the minimum amount of money that your family is expected to be able to contribute to your education, decided by the Federal Methodology need analysis formula approved by Congress. The EFC is calculated by results that are reported on the Free Application for Federal Student Aid (FAFSA).

FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA)

The FAFSA is the form used to apply for financial aid. This could look like grants, loans, work study or scholarships. As the name suggests, it's free to file. You'll need to re-file each year that you're in school to stay up to date with changing financial situations.

FEDERAL METHODOLOGY

This is 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.

FEDERAL PROCESSOR

This is the organization that processes the information submitted on the FAFSA and uses it to determine eligibility for federal student aid.

FEDERAL VERIFICATION

Verification is a review process in which the financial aid office determines the accuracy of the information provided on your financial aid application.

FINANCIAL AID PACKAGE

This is the complete collection of grants, scholarships, loans and work-study employment from all sources (federal, state, institutional and private) offered to assist you with attending a college or university.

FINANCIAL NEED

Financial need is the difference between the Cost of Attendance and the Expected Family Contribution, and it's used in determining your eligibility for need-based financial aid.

GRACE PERIOD

The grace period is the 6-month window after you graduate before you need to start repaying your loans. This is a great time to get organized and choose a repayment plan.

GRANT

A grant is a type of financial aid based on financial need that you don't have to pay back.

PLUS LOAN PROGRAM

The PLUS loan is a non-need, credit-based loan similar to a private student loan with the benefit of having a fixed interest rate and federal guarantee (backed by government funds). Unlike a grant, a loan provides money for school now that you do need to pay back later.

PROMISSORY NOTE

A promissory note is a legal document that must be signed by the student borrower before loan funds are given by the lender.

SCHOLARSHIPS

Scholarships are a form of financial aid that, like grants, don't need to be repaid.

SELECTIVE SERVICE

Male students who are US citizens and have reached the age of 18 and were born after Dec. 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. For more information, call Selective Service at 1.847.688.6888.

STUDENT AID REPORT (SAR)

Your SAR summarizes the data from your FAFSA and indicates your official Expected Family Contribution.

STUDENT AID FSA ID

The Federal Student Aid ID is used to e-sign the Free Application for Federal Student Aid (FAFSA).

STUDENT ACADEMIC PROGRESS (SAP)

You must maintain satisfactory Student Academic Progress to continue receiving federal aid. This means you need to successfully complete your coursework to be eligible. GPA and pace are evaluated to make that determination. If you become SAP ineligible, you may be able to submit an appeal for certain circumstances, subject to approval.

SUBSIDIZED LOAN

With a subsidized loan like a subsidized direct loan, the government pays the interest on the loan while you're in school and during the grace period.

UNSUBSIDIZED LOAN

An unsubsidized loan means that the government doesn't pay the interest, meaning it's your responsibility to pay.

VETERAN

For financial aid purposes such as determining dependency status, a veteran is a former member of the US Armed Forces (Army, Navy, Air Force, Marines, Space Force or Coast Guard) who served on active duty and was discharged other than dishonorably (i.e., received an honorable or medical discharge). You're 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 for a veteran to be eligible for VA educational benefits, you must have served for more than 180 consecutive days on active duty before receiving an honorable discharge.)