

Financial Aid Terminology

ACADEMIC YEAR

A period of at least 30 weeks of instructional time during which a full-time student is expected to complete at least 24 semester or trimester hours, or at least 36 quarter hours, at an institution that measures program length in credit hours.

ACCRUAL DATE

The day interest begins to accrue or be charged monthly on an educational loan.

AWARD OFFER (or Financial Aid Package)

The official award, issued by the Financial Aid Office, which lists all the financial aid awarded to the student.

CAPITALIZATION

The process by which unpaid interest is added to the principal balance of an educational loan; thereby, increasing the total amount to be repaid.

CITIZEN OR ELIGIBLE NON-CITIZEN

You must be one of the following to receive federal student aid:

- U.S. Citizen
- U.S. national (includes natives of American Samoa or Swain's Island)
- U.S. permanent resident with a current permanent resident card, an I-151, I-551, or I-551C (Alien Registration Receipt Card)
- A person in the U.S. for other than temporary purpose with the intention of becoming a citizen or lawful permanent resident, as evidenced by the United States Citizenship and Immigration Services (USCIS) in the Department of Homeland Security (DHS). You must have an Arrival-Departure Record (I-94) from the U.S. Immigration and Naturalization Service (INS) showing one of the following designations:
 - Refugee
 - Asylum Granted
 - Indefinite Parole and/or Humanitarian Parole

- Cuban-Haitian Entrant, Status Pending
- Conditional Entrant (valid only if issued before April 1, 1980)
- Other eligible non-citizen with a Temporary Resident Card (I-688)
- You can also be eligible based on the Family Unity Status category, with approved I-797s (Voluntary Departure and Immigrant Petition), or if you have a suspension of deportation case pending before Congress. Permanent residents of the Trust Territory of the Pacific (Palau) may be eligible for federal student aid. Citizens of the Federated States of Micronesia and the Marshall Islands are eligible for Pell Grants, SEOG, or Work Study only. You are NOT eligible for federal financial aid if you only have a Notice of Approval to Apply for Permanent Residence (I-171 or I-464A), or if you are in the U.S. on an F1, F2, J1, J2, or G series visa.

CONSOLIDATION

One new loan is created when a borrower combines various educational loans. By extending the repayment period (up to 30 years depending on the loan amount) and allowing a single monthly payment, consolidation can make loan repayment easier for some borrowers.

COST OF ATTENDANCE (COA)

The total amount it should cost a student to go to school--usually expressed as a yearly figure. The cost of education covers tuition and fees, room and board, an allowance for books and supplies, transportation, and miscellaneous expenses.

DEFAULT

Failure to repay a student loan according to the terms agreed to when you signed a promissory note. If you default, your school, the organization that holds your loan, the state, and the federal government can all take action to recover the money, including notifying national credit bureaus of your default. Your wages and/or tax returns may be garnished, and you will no longer be eligible to receive federal or state financial aid.

DEFERMENT

An authorized period of time during which a borrower may postpone principal and interest payment. Deferments are available while borrowers are in school at least half time, enrolled in a graduate fellowship program or rehabilitation training program, and during periods of unemployment or economic hardship. Other deferments may be available depending on when and what you borrowed. Contact your lender for additional details. Interest will continue to accrue on the unsubsidized and PLUS loans even if you are granted a deferment on the loan.

DISBURSEMENT

When financial aid funds are paid into tuition accounts.

ENTRANCE/EXIT INTERVIEWS

Counseling sessions that borrowers are required to attend before receiving their first loan disbursement and again upon graduation, leaving the school or dropping below half-time enrollment.

EXPECTED FAMILY CONTRIBUTION (EFC)

An amount, determined by a formula established by Congress, that indicates how much of your (and your parents' if you are classified as a dependent for financial aid purposes) financial resources should be available to help pay for school. The EFC is used in determining your eligibility for need-based financial aid.

FAFSA (Free Application for Federal Student Aid)

The federal student aid application. This must be completed by all eligible students who wish to be considered for financial aid.

FEDERAL DIRECT LOAN PROGRAM (DL)

Education loans provided by the U.S. Department of Education Direct Loan Servicing Office and guaranteed by the federal government. Subsidized and Unsubsidized Federal Direct Loans, Parent PLUS and Grad PLUS loans are included in this program.

FINANCIAL AID

Financial aid is funding provided to students and families to help pay for postsecondary education expenses.

FINANCIAL AID PACKAGE (or Award Offer)

The total financial aid a student receives. Federal and non-federal aid such as grants, loans, and scholarships are combined in a "package" to help meet the student's need.

FINANCIAL NEED

The difference between the Cost of Attendance (COA) and the Expected Family Contribution (EFC). This amount is your total eligibility for need-based aid from all sources, and is used in determining what your aid package will be.

FORBEARANCE

An authorized period of time during which the lender agrees to temporarily postpone a borrower's principal repayment obligation. Interest continues to accrue and usually must be paid during the forbearance period. Forbearance may be granted at the lender's discretion when a borrower is willing to repay their loan but is unable to do so.

FULL-TIME ENROLLMENT

Undergraduate students are considered enrolled full-time when registered for 12 credit hours per semester. Graduate students are considered enrolled full-time when registered for 6 credit hours per semester.

GRACE PERIOD

The period between the time a borrower graduates, leaves the school or drops below half-time and the time they are obligated to begin repaying their loans.

GRANT

A type of financial aid award based on need that does not need to be repaid by the student.

HALF-TIME ENROLLMENT

Undergraduate students are considered enrolled half-time when registered for 6 credit hours per semester. Graduate students are considered enrolled half-time when registered for 3 credit hours per semester.

INTEREST

A fee charged for the use of borrowed money. Interest is calculated as a percentage of the principal loan amount. The rate may be constant throughout the life of the loan (fixed rate) or it may change at specified times (variable rate). As of July 1, 2006, all federal education loans made to new borrowers have fixed interest rates. Alternative or private loans tend to have variable interest rates.

LENDER

A financial institution such as a bank, savings and loan, or credit union that provides the funds for students and parents to borrow educational loans. For the Direct Loan Program, the lender is the federal government.

MPN (MASTER PROMISSORY NOTE)

The legal document borrowers sign when they borrow an education loan. It lists conditions under which the money is borrowed and the terms under which borrowers agree to repay the loan with

interest. Borrowers should keep the borrower copy of their promissory notes until the loans are fully repaid .

NEED ANALYSIS

A process of reviewing a student's aid application to determine the type and amount of financial aid a student is eligible to receive. Completing a need analysis form (FAFSA) is the required first step in applying for most types of financial aid.

NEW (First-time) BORROWER

A borrower who has no outstanding (unpaid) loan balances on the date the borrower signs the promissory note for a specific educational loan. New borrowers may be subject to different regulations than borrowers who have existing loan balances.

ORIGINATION FEE

A fee charged by the federal government and deducted from loan proceeds before disbursement to partially offset administrative costs for the loan.

PELL GRANT

A federal grant program for first-time undergraduates who demonstrate financial need through the FAFSA.

PRINCIPAL

The amount borrowed. Interest is charged on this amount, and origination fees will be deducted prior to disbursement.

REPAYMENT SCHEDULE

Discloses the borrower's monthly payment, interest rate, total repayment obligation, due dates and length of time for repaying the loan.

SATISFACTORY ACADEMIC PROGRESS (SAP) STANDARDS

The policy of the Financial Aid Office to measure quantitative, qualitative, and maximum academic progress for financial aid eligibility. If a student fails to meet the minimum standards required by this policy, the financial aid award to that student is canceled.

SCHOLARSHIP

A type of financial aid award based on merit, athletic or artistic talent, or in a specific field of study that does not need to be repaid by the student. Scholarships have a separate application and criteria.

STUDENT AID REPORT (SAR)

A report sent to the student after submitting the FAFSA to the federal processor. The SAR shows the information that was processed and allows the student to make corrections to their information. Since American Sentinel University can make electronic corrections, the student should consult with their financial aid advisor before submitting any corrections on their Student Aid Report.

SUBSIDIZED LOAN

A need-based loan on which the interest is paid by the federal government during the in-school, grace, and deferment periods.

THREE-QUARTER-TIME ENROLLMENT

Undergraduate students are considered enrolled three-quarter-time when registered for 9-11 credit hours per semester.

UNMET NEED

The amount of financial aid eligibility that is not met with financial aid awards.

UNSUBSIDIZED LOAN

A non need-based loan on which interest is not paid by the federal government. Borrowers are responsible for interest on all unsubsidized loans from the date the loan is disbursed. Borrowers can elect to pay the interest periodically or to ask the lender to add the interest to the principal of the loan for repayment at a later date.

VERIFICATION

A process of review to determine the accuracy of the information on a student's financial aid application. Students are selected by the processing agency after the FAFSA is filed. Approximately 30% of applicants are selected and the American Sentinel University Financial Aid Office will notify you if additional verification documents are needed.