Financial Aid Glossary

Financial Aid Offer

A financial aid offer is a document sent by a postsecondary institution to a student that outlines the amounts and details of the financial aid being offered to the student, which may include scholarships, grants, loans, employment, or other forms of financial assistance to pay for college expenses.

Cost of Attendance

The Cost of Attendance (COA) is a college's estimated total cost for one academic year, establishing the maximum cap on a student's total financial aid package (including grants, scholarships, and loans). It is split into direct costs billed by the school (tuition, fees, and campus housing/food) and indirect costs paid out-of-pocket (books, supplies, transportation, and personal expenses). The calculation also factors in specialized allowances for student loan fees, professional licensure, or certification costs, and the final figure can be formally adjusted on appeal through the financial aid office.

Federal Student Loan

Also known as the Direct Loan Program, which allows eligible students and parents to borrow directly from the U.S. Department of Education at participating colleges or universities. Federal student loans include Direct Subsidized and Direct Unsubsidized loan programs.

Federal Direct Subsidized Student Loan

A Direct Subsidized Loan is an undergraduate federal student loan based on financial need and offers students a reduced, fixed interest rate and flexible repayment terms. Interest is

subsidized, meaning it does not accrue to the borrower, while in an in-school, grace, or deferment period. Annual and aggregate limits apply.

Federal Direct Unsubsidized Student Loan

An unsubsidized loan offers students a fixed interest rate and flexible repayment terms. It is not based on financial need. Interest begins to accrue when the loan is disbursed and can be paid while the student is enrolled or when loan repayment begins. Annual and aggregate limits apply.

Federal Direct Parent PLUS Loan

Direct Parent PLUS Loans are federal loans that parents of dependent undergraduate students can use to help pay for education expenses. Parents must pass a credit check for adverse credit history to qualify for PLUS loans. The application is online at studentaid.gov.

Private Loan

A student or parent loan from a bank, credit union, private company, a nonprofit or state-affiliated lender, to pay for educational costs. Interest begins to accrue when the loan is disbursed, and repayment begins while the student is still enrolled in school.

Enrollment Status

The number of credits, clock hours, or classes the student is enrolled in, or whether they have withdrawn, graduated, etc. Enrollment status affects eligibility for and the amount of financial aid a student may receive. It also affects when student loans enter repayment status.

Federal Pell Grant

The Pell Grant is a federal grant program designed to assist undergraduate students in low- and moderate-income households to pay for college. The award amount is based on the cost of the institution, SAI, and enrollment status, and is subject to an aggregate limit.

Federal Supplemental Educational Opportunity Grant (FSEOG)

A federal grant provided by the institution to qualified undergraduate students who demonstrate exceptional financial need and does not need to be repaid. The amount of funding from this program varies.

Federal Work-Study (FWS)

Federal Work-Study provides funding for part-time jobs for undergraduate and graduate students with financial need. Unlike grants and loans, FWS is paid to students as they earn the funds by working. Students can view their eligibility online in Self-Service.

Grants & Scholarships

Any money provided to students that does not have to be repaid. They can be called grants, scholarships, tuition remissions, gift aid, or tuition waivers. Grants and scholarships are provided based on many different factors.

Need-based Aid

Financial assistance provided to students based on their financial situation, determined by completing the FAFSA. Need-based financial aid can take different forms, including grants, scholarships, work-study programs, and low-interest loans, like the federal direct subsidized loan.

Other Funding Options

Funding options outside of federal and state aid programs that a student and their family may use to pay any remaining costs or expenses. This may include private education loans, student employment, payment plans through the Bursars office, or personal savings.

Student Aid Index (SAI)

The SAI is the eligibility index used to determine your eligibility for federal, and in some instances, state and institutional need-based student financial aid. Generally, students with a higher SAI are eligible for less need-based financial aid. It is based upon the information provided by the student and their family on the FAFSA.

Verification

A federally mandated process to confirm the accuracy of data provided by selected applicants on the FAFSA. To complete the verification process, the student, their parent(s), or spouse, if applicable, are required to provide certain documents to the school for review. If the documentation the student provides the institution doesn't match what was reported on the FAFSA, verification can result in changes to the student's financial aid eligibility, and/or financial aid offers. Students can view documents needed online in Self-Service.

Have additional Questions?

Reach out to the Financial Aid Office

at finaid@piedmont.edu or call 706-776-0114.