

FINANCIAL AID TERMS TO KNOW

VERIFICATION

--The process of matching information on financial aid form with other documentation to determine accuracy of information supplied on financial aid form.

--IRS is the source document for verification (as it is the source document when you file the form).

--Because of the changes in financial aid that require you to use prior-year tax data, the number of families selected for verification should be greatly reduced. If you use the IRS DRT, it is very unlikely that you will be selected for verification.

--Verification is not an IRS tax audit! Breathe!

SAR – STUDENT AID REPORT

--The "Student Aid Report" you receive from the federal government, informing you of your eligibility for a Pell Grant; your EFC is also listed. On the front page, upper right corner is some very important information, right under the date the SAR has been produced.

The EFC line refers to the Expected Family Contribution, which is a measure of a family's financial strength. The EFC is an index number that colleges use to help determine your financial need and not the actual dollar amount you will be expected to pay for college.

If there is an "*", a "C", or an "E" after the number in the EFC line, you have been selected for verification. If you are selected for verification, the college that the student attends in the fall will be responsible for verification procedures and will contact you.

What Happens Next?

Colleges will respond to your offer by sending you a financial aid award letter sometime in the winter or spring. This letter will detail each type of financial aid you have been awarded and you will have the ability to accept or decline each type of aid awarded. You need to sign and return that form in a timely fashion; failure to do so may cost you some financial aid dollars!

If, after you have received your award letter from a college, you wish to appeal the award, the student needs to initiate the appeal process with the financial aid office at that college. You will be required to submit information about any drastic changes in family income, large unanticipated healthcare costs, or other family factors that affect your ability to pay.

EFC – EXPECTED FAMILY CONTRIBUTION

--The Expected Family Contribution is an index number that reflects a family's ability to pay based on a "snapshot" of a family's financial circumstances looking at income/assets of the student and parents. The FAFSA provides the "snapshot". The EFC is not the dollar amount your family will be expected to pay for college.

STUDENT CONTRIBUTION

--A standard 20% of the student's assets is expected to be available to help meet educational expenses; a student's income after the first \$6,570 earned in a year is calculated into the student contribution.

NET PRICE CALCULATOR:

Federal law now requires every college to provide an online "Net Price Calculator" [NPC] to help families of prospective first-time students estimate their individual net cost of attending a particular college. You can find these NPCs either on a college's admission or financial aid webpage. The NPC takes into consideration both need and merit aid, so families will be asked to complete a brief questionnaire about their academic and financial histories in order to give a more focused, individualized estimate of total cost.

The purpose of the Net Price Calculator is to provide an online, College-specific estimator, calculating approximately the average grant/scholarship available to a family like yours. Average student loan and work-study eligibility are also provided. Please note that this estimated award is not a promise, a guarantee, or an actual aid offer.