Financial Aid Fast Facts

- **FAFSA** – The FAFSA, or Free Application for Federal Student Aid, is used by the Department of Education to quantify every family’s ability to pay for college. The FAFSA must be completed in order to apply for federal and state financial aid at LCAD. Both student and parent will need a copy of their most recent federal tax forms to fill out the FAFSA. If taxes have not yet been completed it is okay to use estimates and then update the FAFSA when taxes are completed. It can be filled out on-line at [www.fafsa.ed.gov](http://www.fafsa.ed.gov). Please note that it is totally free to fill out this application. If you are being charged you are on the wrong website. For detailed information regarding completion of the FAFSA please go to [www.studentaid.ed.gov/completefafsa](http://www.studentaid.ed.gov/completefafsa)

- **PIN** – A PIN, or Personal Identification Number, is required to electronically sign the FAFSA on-line. Student and parent each need their own PIN, and both must sign the FAFSA. The PIN is also used to sign the MPN for Direct Loans. Get your PIN at [www.pin.ed.gov](http://www.pin.ed.gov) or get it while you complete the FAFSA at [www.fafsa.ed.gov](http://www.fafsa.ed.gov)

- **EFC** – The EFC, or Expected Family Contribution, is derived from the information you put on the FAFSA. The EFC is a number between 0 and 99,999 and it drives all need based federal aid. The EFC does not represent an amount of money that a student or parent must provide on their own. It is used only to determine financial need.

- **Verification** – The U.S. Department of Education randomly selects FAFSA’s for verification. This means that the financial aid office at the school you are applying to will request certain income and asset information, including but not limited to an IRS transcript copies of your signed federal tax returns and W-2s. No aid can be disbursed until verification is complete.

- **COA or Budget** – The COA (Cost of Attendance), or Budget is the total cost for attending school for one academic year. Each school has a different cost of attendance and it includes expenses for tuition, books and supplies, room and board, transportation, and other required items (i.e. laptops) that each school deems necessary. The COA is an estimate and a student may end up spending more or less. All financial aid a student receives in an academic year cannot exceed the COA. The COA also plays a pivotal role in determining financial need.

- **Financial Need** – COA minus EFC equals financial need. The amount of financial need a student has determines whether they will qualify for federal work study, subsidized Stafford loans, and other need based aid.

- **Pell Grant** – A federal grant that the student does not have to pay back. The Pell Grant ranges from $605 to $5645 per academic year. Each Pell Grant amount correlates to a specific EFC. The EFC range is from 0 to 5273 for the 2011-2012 academic year. Example: An EFC of 0 would provide a student with a Pell Grant of $5645 for the academic year. Pell Grants are only available to BFA students.

- **SEOG Grant** – The SEOG, or Supplemental Educational Opportunity Grant, is a federal grant that the student does not have to pay back. It ranges from $500 – 1000 per academic year at LCAD. This grant is awarded to Pell eligible students with the largest amount of financial need. SEOG Grants are only available to BFA students.

- **Cal Grant** – A grant for students that have graduated from a California High School, or have lived in California for at least one year prior to filling out the FAFSA. To apply for this grant the FAFSA must be filled out by March 2 of each year. The Cal Grant also requires a GPA verification that must be sent in by March 2 from the school the student is currently attending (ie High School, Community College, or LCAD). This grant ranges from $1472 to $10556 each academic year and does not have to be paid
This grant is administered by the California Student Aid Commission [www.csac.ca.gov](http://www.csac.ca.gov). Cal Grants are only available to BFA students.

- **Federal Work Study** – Financial aid that comes in the form of a job on campus. Students must demonstrate sufficient financial need to qualify for work study. At LCAD work study students are paid $10 per hour and they cannot work more than 20 hours per week when school is in session. LCAD has about 15 work study jobs each year.

- **Stafford Loans** – A federal loan that is in the student’s name. The loan must be paid back over a period of 10 years. Repayment begins six months after the student graduates or drops below half time (half time is 6 units at LCAD). The amount of the loan is determined by units completed (see class level information in Academic Bulletin). This loan can come in two types: subsidized and unsubsidized. The subsidized portion of the loan has a fixed interest rate of 6.8% (for loans disbursed after July 1, 2011), as does the unsubsidized portion of the loan. The federal government pays the interest on subsidized loans while the student is in school at least half time. A student must show sufficient financial need to receive the subsidized loan. For MFA students loans have a 6.8% fixed interest rate.

- **PLUS loan** – The PLUS loan, or Parent Loan for Undergraduate Students, is a federal loan in the parent’s name. The loan is credit based and the parent must apply for it each year. It has a fixed interest rate of 7.9% and repayment begins immediately, although the parent can contact the lender and request that the loan payments be deferred until six months after the student graduates or drops below half time. The amount of this loan cannot exceed COA minus all other aid received. If the PLUS loan is denied to the parent the student will qualify for additional Stafford unsubsidized funds, ranging between $4,000 and $5,000 per academic year based on the student’s units completed. MFA students can also apply for this loan in their name. No additional funds are available for MFA students that have their credit denied.

- **Alternative Loan** – An Alternative Loan, or Private Loan, is an educational loan in the student’s name. It is not a federally regulated loan. It is also credit based and most students require a co-signer. Repayment normally begins six months after the student graduates or drops below half time (check with lender). This loan can be done with any lender that does education loans. The amount of this loan cannot exceed COA minus all other aid received. It is recommended that students use a Private loan that must be certified by the school.

- **Award Letter** – Notification you receive from LCAD when all necessary materials have been received to create a financial aid award. The Award Letter details all the federal, state, and institutional aid that the student qualifies for in one academic year. At LCAD the Award Letter must be signed by the student and sent back to the financial aid office before any aid will be processed. Please note that PLUS loan amounts listed are maximums and the borrower may choose to lower that amount. Also, work study awards are not put on the Award Letter until the student secures a job on campus.

- **MPN** – Master Promissory Note. This is the contract between the borrower and the Department of Education for Direct Loans. It must be completed before loans can be disbursed. Complete the MPN on-line at [https://studentloans.gov](https://studentloans.gov).

- **Direct Loans** – The name of the federal loan program where the Department of Education acts as a lender for Stafford and PLUS loans. Get more information at [www.direct.ed.gov](http://www.direct.ed.gov).

- **LCAD Institutional Grant** – This grant is awarded to students based on their academics and portfolio used for admission to LCAD. Grants range from $500 to the full cost of tuition. Students must maintain a 2.0 GPA each semester and maintain Satisfactory Academic Progress in order to keep their grant.

- **Satisfactory Academic Progress (SAP)** – SAP is a measure of a student’s progress in their academic program. There is a qualitative component and a quantitative component. The qualitative component states that a student must maintain a 2.0 cumulative GPA. The quantitative component states that a student must complete 67% of their units attempted as well as sets a maximum time limit for receiving financial aid at 1.5 times the program’s published length. Please see the LCAD Catalog for detailed information on SAP at [http://www.lagunacollege.edu/catalog/LCAD_CATALOG.pdf](http://www.lagunacollege.edu/catalog/LCAD_CATALOG.pdf)