

# FINANCIAL AID TERMS



## General Financial Aid Terms

**Academic Year:** A full school year, usually Fall and Spring semesters combined. Example: The 2026–2027 aid year covers Fall 2026 through Spring 2027 and uses 2024 tax data on the 2026–2027 FAFSA.

**Cost of Attendance (COA):** Your estimated total educational cost, including tuition and fees, books and supplies, transportation, room and board, and miscellaneous expenses.

**Financial Aid Package:** Total amount of financial aid a student receives, including grants, loans, and federal work-study.

**Financial Need:** Cost of Attendance (COA) budget minus Student Aid Index (SAI) is Financial Need.

**Net Price:** Cost of Attendance (COA) minus Institutional Aid, Grants, Awards, and Scholarships equals Net Price.

**Unmet Need:** Difference between the cost of attendance and student's total available resources, including financial aid.

## Grants + Scholarships (Free Money)

**Pell Grant:** Federal grant program for undergraduate students who demonstrate financial need and have not yet completed a baccalaureate degree.

**CalGrant:** For California residents or high school graduates meeting eligibility criteria. Apply through FAFSA or the California Dream Act at CSAC.ca.gov.

**Scholarships + Grants:** Gift aid that doesn't require repayment or work. Examples: Cal Grant, SEOG, and Institutional Awards.

**Merit Scholarship (Institutional Discount):** Awarded by the college based on academic or portfolio merit. Maintain a 2.0 GPA and 9+ units per semester to keep eligibility.

## Work + Payment Options

**Federal Work-Study (FWS):** Provides part-time, on-campus employment during the school year. Eligibility is based on financial need.

**Interest-Free Payment Program (IPP):** Pay tuition in four installments per semester with no interest, no credit check, no enrollment fee. Contact the Bursar's Office for details.

## Loans (Borrowed Money)

**Loans:** Funds you must repay either federal or private. Federal loan repayment begins 6 months after graduation or dropping below half-time. Interest rates are set annually by Congress.

**Entrance Counseling:** A required Online session at [studentaid.gov](https://studentaid.gov) before receiving your first loan. Explains loan terms, responsibilities, and repayment.

**Master Promissory Note (MPN):** A legal agreement to repay federal student loans. Must be completed at [studentaid.gov](https://studentaid.gov) before funds are disbursed.

**PLUS Loan (Parent Loan for Undergraduate Students):** A credit-based loan for parents. Application and PLUS MPN are completed at [studentaid.gov](https://studentaid.gov) using the parent's FSA ID.

## Forms, Documents, + Identification

**Free Application for Federal Student Aid (FAFSA):** Required to apply for nearly all forms of financial aid. Apply at [studentaid.gov](https://studentaid.gov) or call 1-800-4-FED-AID.

**FSA ID:** Your login credentials for FAFSA and federal aid websites. Students and parents must each have their own FSA ID, never share it.

**Student Aid Report (SAR):** A summary of your FAFSA information sent to you and your school. LCAD School Code: 016517.

**Offer Letter (Financial Aid Package Letter):** Lists the types and amounts of aid you qualify for (grants, loans, scholarships, work-study).

**Tax Transcript:** A summary of your IRS tax return. Request at [irs.gov/individuals/get-transcript](https://irs.gov/individuals/get-transcript).

**Non-Filing Letter:** An IRS statement confirming you did not file a tax return. Contact the Financial Aid Office for guidance.

## Policies + Requirements

**FERPA FAMILY RIGHTS AND PRIVACY ACT:** Protects the privacy of your educational records. Only you (the student) have access unless you grant permission via the Registrar's Office.

**Satisfactory Academic Progress (SAP):** To remain eligible for aid, you must: maintain a 2.0 GPA, complete at least 67% of attempted units, and stay within 150% of your program's length.

**Verification:** Process where FAFSA data is confirmed for accuracy. May require tax documents or IDs. No aid is released until verification is complete.

**Prior-Prior Year (PPY):** Refers to the tax year used for FAFSA. Example: 2024 taxes are used for the 2026-2027 FAFSA.

**Student Aid Index (SAI):** Replaces the Expected Family Contribution (EFC), it measures your ability to pay for college.

**TIP FOR STUDENTS:** Stay organized, complete all required steps early, and check your email often for updates from the Financial Aid Office!