Common Financial Aid Acronyms and Abbreviations

ACG: Academic Competitiveness Grant – A federal Grant awarded to U.S. citizens who graduated from High School after June 2005 and completed a rigorous program of study and are eligible to receive the Federal Pell Grant.

Academic Year (AY): A period of time schools use to measure a quantity of study. For example, a school’s academic year may consist of fall and spring semesters. Academic years vary from school to school.

Accrued Interest: The interest that accumulates and is payable on the unpaid principal of a loan.

ACT: American College Testing Program.

AGI: Adjusted Gross Income is all the taxable income as reported on a U.S. income tax return.

Award Letter: Official letter from the college or university financial aid office that lists all the financial aid awarded to the student.

BIA: Bureau of Indian affairs.

Budget: See Cost of Attendance (COA).

Borrower: The individual responsible for repaying a loan.

Capitalization of Interest: The addition of unpaid accrued interest to the principal balance of a loan, which increases the outstanding principal amount due on the loan.

CGS: College Goal Sunday is a free program that helps families complete the Free Application For Federal Student Aid.

COA (Cost of Attendance): The estimated educational costs for one academic year also called the budget; usually includes tuition, fees, books/supplies, room, board, transportation, and personal expenses.

Co-signer: A person who assumes joint responsibility with the primary borrower for repaying a loan. Federal student loans do not require a co-signer, but many private/alternative loans do.

CPS (Central Processing System): The computer system that receives the student’s need analysis data from the FAFSA processor. The CPS performs database matches, calculates the official Expected Family Contribution (EFC) and sends out the Student Aid Report (SAR).

CSS: College Scholarship Service.

Custodial Parent: The parent with whom the dependent student lives, and whose financial information is used in the need analysis when parents are divorced or separated.

Default: A status your loan enters when you fail to make payments according to the terms of your promissory note; defaults are reported to credit bureaus and can influence your future credit and ability to receive financial aid.

Deferment: A postponement in repaying your loan; must be applied for with your lender, and is not available for loans in default status.

DL: Direct loan see FDLP.

ED: U.S. Department of Education, the federal agency that administers federal financial assistance to students enrolled in postsecondary educational programs.

EFA: Estimated Financial Assistance.

EFC: Expected Family Contribution; the amount a student and his or her family are expected to contribute toward the student’s cost of attendance as calculated by a Congressionally mandated formula (the formula is defined by law).

EFT: Electronic Funds Transfer.

Entrance Counseling: Students with federal student loans must complete a loan counseling session before they receive the first disbursement of the loan.

FAA or FAO: Financial Aid Administrator.

FAFSA: Free Application for Federal Student Aid; The application form used to apply for Federal Financial Aid and for most state grant programs. As the name suggests, no fee is charged to file the FAFSA.

FAO: Financial Aid Office.

FDLP: William D. Ford Federal Direct Loan Program, Eligible students and parents borrow subsidized and unsubsidized Stafford Loans, PLUS Loans directly from the US Department of Education at participating schools.

FFELP or FFEL: Private lenders (banks, credit unions, savings and loan associations) provide funds for the Federal Subsidized and Unsubsidized Stafford Loan, Federal PLUS Loans, Graduate PLUS, and Consolidation Loans. The federal government guarantees these loans against default.

FERPA: Family Education Rights & Privacy Act is a Federal law that protects the privacy of student education records. The law applies to all schools that receive funds under an applicable program of the U.S. Department of Education. FERPA gives parents certain rights with respect to their children’s education records. These rights transfer to the student when he or she reaches the age of 18 or attends a school beyond the high school level.

Financial Need: The difference between the cost of attendance (COA) at a college and the Expected Family Contribution (EFC).
FM: Federal Methodology is the formula used by the U.S. Department of Education to determine the amount of money (EFC) a student’s family can reasonably be expected to contribute to the student’s cost of attendance.

FSEOG: Federal Supplemental Educational Opportunity Grant is a federal need-based grant for undergraduates with exceptional financial need, that is, students with the lowest EFCs, priority is given to students who receive Federal Pell Grants. An FSEOG doesn’t have to be paid back.

FTC: Federal Trade Commission

FWS: Federal Work-Study Program provides jobs for undergraduate and graduate students with financial need to earn money to help pay education expenses.

GEAR UP: Gaining Early Awareness and Readiness for Undergraduate Programs

GED: General Education Development (certificate)

GPA: Grade Point Average

Gift Aid: Financial aid, such as grants and scholarships, which does not have to be repaid

Grants: A need-based form of financial aid that does not have to be repaid

IM: Institutional Methodology is a need analysis formula developed and maintained by the College Board to assist colleges, universities, and private scholarship programs in determining eligibility for institutional and private financial aid funds. Schools that employ IM in awarding institutional dollars require completion of the CSS Profile.

INS: U.S. Immigration and Naturalization Service

IRS: Internal Revenue Service

MPN: Master Promissory Note is a promissory note (promise to repay) that can be used to make one or more loans for one or more academic years (up to 10 years).

NCAN: National College Access Network

Need: See Financial Need

Need Analysis: The process used to evaluate a student’s financial resources and determine how much the family is able to contribute toward the cost of attendance.

NSLDS: The National Student Loan data System, or NSLDS, is a national database of information about loans and other financial aid awarded to students

OAS: Ohio Academic Scholarship

OBR: Ohio Board of Regents

OCAN: Ohio College Access Network

OCG: Ohio Choice Grant

OCOG: Ohio College Opportunity Grant

OIG: Ohio Instructional Grant

OTTA: Ohio Tuition Trust Authority

PIN: Personal identification Number; The PIN allows the student and their parents to electronically sign a FAFSA

PLUS: Parent Loan for Undergraduate Students are federally insured loans made to parents of dependent undergraduate students.

PROFILE: (CSS/Financial Aid Profile); A customized financial aid application form required by certain colleges and scholarship programs, which collects additional financial information to determine eligibility for institutional aid.

Promissory Note: A legal contract between a borrower and a lender that includes all the terms and conditions under which the borrower promises to repay the loan

SAP: Satisfactory Academic progress, or SAP, is a policy requiring that student’s maintain progress toward a degree to remain eligible for financial assistance. Each school establishes specific guideline in accordance with federal regulations.

SAR: Student Aid Report, a document sent by the application processor of the FAFSA to the student. The SAR contains all information reported by the student on the FAFSA, and the student’s EFC, which is printed on the front of the SAR.

Self-Help: Financial aid in the form of loans or student employment.

SMART: Science and Mathematics Access to Retain Talent (National SMART Grant)

SSN: Social Security Number

SSS: Selective Service System

Subsidized Loan: Need-based loan

TEACH GRANT: Federal grant program that provides funds to students who intend to teach a subject that is classified as a high need field by the US Department of Education in a public or private elementary or secondary school that serves students from low income families. There is a 4 year teaching obligation. If the service agreement is not meet the Teach Grant becomes an unsubsidized loan, with interest accruing from the time of the first disbursement.

Unsubsidized Loan: Non need-based loan

VA: US Department of Veterans Affairs

Verification: verification is the process used by institutions to check the accuracy of the information students and/or parents supplied when completing the FAFSA