

NEWS FROM

KHEAA–Alabama

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Financial Aid Tip of the Month, August 2016

You should know these financial aid terms

As high school seniors and their parents begin the college financial aid process, they may find themselves faced with unfamiliar terms. This short glossary from KHEAA–Alabama may help.

Conversion scholarship/loan. This type of scholarship requires students to provide certain services. If they don't provide the service, the scholarship becomes a loan.

Cost of attendance. The total cost of one year of college: tuition, fees, room, meals, supplies, transportation and personal items.

Expected family contribution (EFC). This is the amount the student and family are expected to pay for the student's education. It is based on a formula set by Congress.

FAFSA. The Free Application for Federal Student Aid must be submitted by students applying for federal and state aid. The best way to do so is at www.fafsa.gov.

Financial need. The difference between the cost of attendance and the EFC.

Institutional aid. The scholarships, grants and other financial aid programs provided by the college.

Verification. The process of making sure the information submitted on the FAFSA is correct. The federal government requires colleges to have certain students' FAFSA information verified.

KHEAA is a public, non-profit agency established in 1966 to improve students' access to college. It provides information about financial aid and financial literacy at no cost to students and parents. KHEAA also helps colleges manage their student loan default rates and verify information submitted on the FAFSA. For more information about those services, visit www.kheaa.com.

For more information about financial aid and college planning, visit www.alstudentaid.com.