FINANCIAL AID GLOSSARY

ACADEMIC YEAR	An academic year is one complete school year at the same school, or two complete, half years at different schools. For schools that have a year-round program of instruction, nine months is considered an academic year.
ACADEMIC CALENDAR	The way in which a school structures its academic programs and measures progress over the program's length. For purposes of the FSA programs, there are three basic types of academic calendars: standard term, nonstandard term, and nonterm.
AID FOR MILITARY FAMILY SERVICE	Both the federal government and nonprofit organizations offer money for college to veterans, future military personnel, active duty personnel, or those related to veterans or active duty personnel.
ANNUAL TAXABLE INCOME	Your annual taxable income is the amount of your gross income used to determine how much tax you owe in a given year. This can include wages, salaries, bonuses, tips, investment income, and unearned income (e.g., interest income).
AWARD YEAR	School year for which financial aid is used to fund a student's education. Generally, this is the 12-month period that begins on July 1 of one year and ends on June 30 of the following year.
BOOK VOUCHER	Students who receive financial aid in excess of their charged tuition and fees who have given approval through the Cash Management Form may use their funds to pay for required books and supplies at MC online bookstore. Book credits are processed automatically for eligible students in August for fall semester, in January for spring semester, and in May for the summer session. Check My MC prior to the beginning of the semester to see if you qualify. Book credit eligibility and use of book credits at MC Campus Store ends approximately two weeks into the semester.
CAPITALIZATION	Capitalization is the addition of unpaid accrued interest to the principal balance of a loan. Over time, this can increase your monthly payment.
COLLECTION COSTS	Expenses charged on defaulted federal student loans that are added to the outstanding principal balance of the loan.
CONTRIBUTOR	A contributor is anyone required to provide a signature on the FAFSA® form as well as consent and approval to have their federal tax info transferred directly from the IRS into the form.
COST OF ATTENDANCE (COA)	The estimated total cost of attending an institution for one academic year. This amount may include the following: * Estimated charges for one academic year of tuition and fees - Tuition: Charges assessed for classes and/or other coursework - Fees: Charges assessed for other college services (e.g. technology access, recreational center use) Housing * Includes residence hall charges for on-campus students or an estimate of rent and utilities for an off-campus student * Food – Includes the cost of a meal plan and/or an estimate of the costs of food prepared at home * Estimated transportation and parking costs * Estimated costs for books and supplies Purchase or rental of a computer * Miscellaneous costs such as personal hygiene, laundry, and reasonable entertainment * Other costs specific to certain student circumstances related to attendance, such as dependent care during periods of class attendance or study, expenses related to disabilities, study abroad, educational loan fees, and others * Student health insurance costs
CREDIT	Credit refers to the amount of money you borrow and your ability to borrow to purchase goods and services. Credit is extended to you from a credit grantor with which you make an agreement to pay back the amount spent, plus applicable interest and fees, within an agreed-upon time.
DEBT COLLECTION	Debt collection is the course of pursuing payments of loan debts owed by borrowers.
DEBT CONSOLIDATION	Debt consolidation is a method of debt refinancing that involves taking out one loan to pay off others.
DEFAULT	A loan goes into default when you fail to repay the loan as outlined in your promissory note. Most federal student loans default when a payment isn't made in more than 270 days. It can result in legal consequences and a loss of eligibility for additional federal student aid.
DEFERMENT	A deferment is a temporary postponement of payment on a loan that is allowed under certain conditions and during which interest doesn't accrue on subsidized loans. More info: https://studentaid.gov/manage-loans/lower-payments/get-temporary-relief/deferment
DISBURSEMENT	Means the Financial Aid Office has applied funds from your financial aid award (such as grants and student loans) to any tuition, fees, or book charges owed on your student account. It does not, as many people believe, mean that you are being refunded any credit balance from your financial aid. It simply means the funds are rolling over from the financial aid side to your student account side.
DIRECT COSTS	Charges included in the Cost of Attendance that the student/family pays directly to the college.
EDUCATIONAL LOAN	A form of financial aid that must be repaid. Educational loans have varying fees, interest rates, repayment terms, and/or borrower protections.
EDUCATIONAL SERVICE AGENCY	An educational service agency is a regional public multiservice agency that is authorized by state law to develop, manage, and provide services or programs to local education agencies, such as public-school districts.
EMANCIPATED MINOR	An emancipated minor is someone who has been legally deemed an adult by a court in their state of residence. If you are an emancipated minor, you are considered an independent student and will not provide information about your parents on the FAFSA® form.
ENDORSER	An endorser is someone who agrees to repay a Direct PLUS Loan if the borrower becomes delinquent in making payments or defaults on the loan. The endorser may not be the student on whose behalf a parent obtains a Direct PLUS Loan. Apply: https://studentaid.gov/endorser-addendum
ENROLLMENT INTENSITY	Is the percentage of full-time enrollment at which a student is enrolled, rounded to the nearest whole percent. For example: full-time enrollment is 12 credit hours and the student is enrolled in 7 hours, the enrollment intensity would be 7 ÷ 12 x 100% = 58.3% (round to 58%).
ENROLLMENT STATUS	Enrollment status is reported by the school you attended, and indicates whether you are, or were, full-time (12 or more credits), three-quarter time (9 - 11 credits), half-time (6 - 8 credits), less than half-time (1 - 5 credits), withdrawn (you left the school before completing the term), graduated (completed program), etc.
ENTRANCE COUNSELING	Entrance counseling explains your rights and the obligations you agree to meet as a condition of accepting a Direct Loan. More information about entrance counseling is available at: https://studentaid.gov/entrance-counseling/.

ESTIMATED FINANCIAL AID OFFER	After filing a FAFSA or MHEC OneApp, a student receives an estimated financial aid offer detailing the aid they may qualify for. Certain circumstances may cause this offer to change, and the actual aid awarded may be different.
EXIT COUNSELING	Exit counseling provides important information to prepare you to repay your federal student loan(s). Topics include: Contact Settings, My Loans, Preparing to Repay, Determining Your Repayment Strategy. Exit counseling is available at: https://studentaid.gov/exit-counseling/.
FAFSA (FREE APPLICATION FOR FEDERAL STUDENT AID)	The Free Application for Federal Student Aid is a financial form students complete to be considered for federal financial aid. To complete this application, log into studentaid.gov to get started. An FSA ID and password is required for the student (and any contributors, such as parents) to complete the application.
FAMILY FINANCIAL RESPONSIBILITY	Many school awards institutional need-based scholarships and grants based upon comprehensive calculations of family financial circumstances. This can result in a higher (or lower) figure than the FAFSA might indicate with its Student Aid Index (SAI) estimate.
FEDERAL DIRECT SUBSIDIZED STUDENT LOAN	A Direct Subsidized Loan is a federal student loan where a student isn't generally responsible for paying interest while remains enrolled at least half time (6 - 8 credits) and during certain periods when the government allows deferment of repayment. There are annual limits on the amounts that may be borrowed, which vary by the student's academic year in school and the student's dependent or independent status. To apply, start by submitting a FAFSA® form: https://studentaid.gov/h/apply-for-aid/fafsa.
FEDERAL DIRECT UNSUBSIDIZED STUDENT LOAN	Loan funds provide to the student by the U.S. Department of Education, through the school. Undergraduate students and graduate students regardless of their need qualify for an unsubsidized loan, provided they have filed the Free Application for Federal Student Aid (FAFSA). Interest accrual begins immediately, and the student can choose to pay the interest while enrolled or upon entering repayment. There are annual limits on the amounts that may be borrowed, which vary by the student's academic year in school and the student's dependent or independent status. An unsubsidized loan through the Direct Loan Program offers students a low, fixed interest rate and flexible repayment terms. It's not based on financial need. Apply for federal student loans: https://studentaid.gov/h/apply-for-aid/fafsa
FEDERAL DIRECT PARENT PLUS LOAN (PLUS)	Loan funds provided to the parents of dependent undergraduate students by the U.S. Department of Education, through the school. This federal loan program allows parents with no adverse credit history to apply for a loan amount up to the Cost of Attendance each year, less any financial aid received by the dependent student. Repayment of principal and interest begins immediately once the loan is fully disbursed with some options to delay payment available.
FEDERAL PELL GRANT PROGRAM	The Pell Grant is the largest federal grant program offered to undergraduates. It is designed to assist students from low-income households. To qualify for a Pell Grant, a student must demonstrate financial need and a Student Aid Index a certain threshold, as established by the federal government. by completing and submitting the FAFSA® form. The Pell grant award amount is prorated based on enrollment status (https://www.nasfaa.org/glossary#enrollment)
FEDERAL PERKINS LOAN	A Perkins Loan was available to undergraduate, graduate, and professional students until Sept. 30, 2017; the program has since expired. The Perkins Loan is a subsidized loan, meaning the federal government pays the loan's interest while the borrower is in school.
FEDERAL STUDENT AID	Federal student aid is aid from the government in the form of: **grants, loans, and/or work-study funds** to assist students with college or career school. Students have to complete the FAFSA® form to apply for this aid.
FEDERAL STUDENT LOANS	Federal student loans must be paid back by the student. Students must complete entrance counseling and a Master Promissory Note (MPN) to receive these loans. Repayment begins six months after the student ceases to be enrolled at least half-time (6 - 8 credits), with options to defer payments available. To be eligible, a student must be enrolled at least half time in an eligible program of study.
FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT (FSEOG)	A federal grant awarded by the institution to qualified undergraduate students who demonstrate exceptional financial need. Funds are limited and priority is given to students who are also Pell Grant recipients.
FEDERAL WORK-STUDY (FWS)	Federal Work-Study provides part-time jobs for undergraduate and graduate students with financial need. You'll need to be awarded work-study by your school's financial aid office. Reach out to the financial aid office for more info. Students are responsible for finding qualified employment. Work study funds are paid out through a paycheck.
FINANCAIL AID	Financial aid is money to help pay for college or career school.
FORBEARANCE	A forbearance allows you to temporarily stop making your monthly student loan payments or temporarily make smaller payments. Eligibility for specific types of forbearance: https://studentaid.gov/manage-loans/lower-payments/get-temporary-relief/forbearance
FSA ID	An FSA ID is an account username and password combination that gives you access to U.S. Department of Education online systems and can serve as your legal signature when completing electronic documents. Create a StudentAid.gov account: https://studentaid.gov/fsa-id/create-account/launch
GIFT AID	Funds awarded to the student that do not have to be repaid, unless the student fails to meet certain criteria, such as a service requirement that is specified as a condition of the gift aid or not completing the period for which the aid was awarded. Gift aid can include awards with titles such as grants, scholarships, remissions, awards, waivers, etc. Gift aid can be awarded based upon many factors, including (but not limited to) financial need, academic excellence, athletic, musical, and/or theatrical talent, affiliation with various groups, and/or career aspirations.
GRADUATION RATE	A school's graduation rate is the percentage of a school's full-time, first-time degree- or certificate-seeking students who complete their degree or certificate within 150 percent of the published length of the program in which they are enrolled.
GRANT	A form of gift aid that is based on financial need that students generally do not need to pay back. Grants cover a variety of education-related expenses, such as tuition and fees, room and board, and books and supplies.
GROSS INCOME	Gross income is your total annual income from wages and other sources, before certain deductions and taxes are calculated.

HALF-TIME ENROLLMENT	Half-time enrollment is an enrollment status applied to students who are only enrolled in half of the expected full-time course load. Half-time enrollment can affect the cost of attendance (COA), and each school may have different half-time enrollment specifications.
HOMELESS	A homeless individual is someone without a home who generally lives in shelters, parks, motels, hotels, cars, or with someone else due to not having anywhere else to go. Homeless individuals can still receive federal student aid.
INDEPENDENT STUDENT	Based on the FAFSA, a student is considered independent if they meet one of the following criteria: at least 24 years old, married, a veteran, a member of the armed forces, an orphan, a ward of the court, someone with legal dependents other than a spouse, an emancipated minor, or someone who is homeless or at risk of becoming homeless.
INDIRECT COSTS	Estimated expenses associated with attending college that do not appear on a student's college bill, but should be included when budgeting for school.
INTEREST	Interest is a loan expense charged for the use of borrowed money and is paid by a borrower to a lender. The expense is calculated as a percentage of the unpaid principal amount of the loan. Select the article link to get more info.
IRAQ and AFGHANISTAN SERVICE GRANT (IASG)	You may be eligible for the Iraq and Afghanistan Service Grant (IASG) if your parent or guardian died as a result of military service performed in Iraq or Afghanistan after the events of 9/11, and you are not eligible for a Federal Pell Grant.
LEGAL GUARDIANSHIP	Legal guardianship is a designation by a court that authorizes someone to care for an individual in place or absence of parents. Having a legal guardian qualifies you as an independent student, such that you do not have to report your parents' income on the FAFSA® form.
LENDER	A lender is an organization that loans money. For Direct Loans, the lender is the U.S. Department of Education. If you have a FFEL Program loan, the lender may be a financial institution such as a bank or credit union. If you have a Perkins Loan, the lender is the school where you received the loan.
LOAN DISCHARGE	Loan discharge is the removal of a borrower's obligation to repay some or all of a loan under certain circumstances including death, disability, bankruptcy, fraud, and identity theft: https://studentaid.gov/manage-loans/forgiveness-cancellation
LOAN FORGIVENESS	Student loan forgiveness is offered to encourage certain types of employment. A loan may be fully or partially forgiven after a certain number of years of qualifying employment.
MASTER PROMISORY NOTE (MPN)	An MPN is a legal document that contains the Borrower's Rights and Responsibilities and Terms and Conditions for repayment. Direct PLUS and Direct Subsidized / Unsubsidized loans have different MPNs. Access the MPN at: https://studentaid.gov/mpn.
MARYLAND HIGHER EDUCATION COMMISSION (MHEC ONE APP)	As of the 2021-2022 award year, the qualified children of undocumented immigrants who are eligible for in-state tuition under §15–106.8.of the MD Education Article also are now eligible to apply for various State financial aid grants and scholarships. For more details https://mhec.maryland.gov/Pages/MHEC%20One%20App%20FAQs.aspx Log into https://mdcaps.mhec.state.md.us/MDCAPS/login.aspx?c=-8584398272946875691&ReturnUrl=/MDCAPS/int/FinAid/index.aspx to get started.
MERIT-BASED	Merit-based means that something is based on a student's skill or ability. For example, a merit-based scholarship might be awarded based on a student's high grades.
NEED	The difference between cost and ability to pay. The student's Student Aid Index, or Family Financial Responsibility (if applicable) is subtracted from their Cost of Attendance. The remaining balance is the student's financial need for the purposes of assessing financial aid awards.
NET PRICE	Amount of direct and indirect costs remaining after all gift aid is applied. Net price can be covered through a variety of sources, including savings, income, and education loans.
OMBUDSMAN GROUP	The Ombudsman Group is dedicated to helping resolve disputes related to the federal student aid programs, including Direct Loans, Federal Family Education Loan (FFEL) Program loans, Perkins Loans, and grant programs: https://studentaid.gov/feedback-ombudsman/disputes/prepare
PREPAID TUITION	A prepaid tuition plan, also known as a section 529 plan, lets you lock in future tuition rates at in-state public colleges at current prices and is usually guaranteed by the state in which the plan was established.
PRINCIPAL	Principal refers to the sum of money lent, on which interest is paid.
PROGRAM LEVEL	Level of the degree-granting program in which a student is enrolled. Program levels may include: undergraduate (students seeking an associate degree, an undergraduate certificate, or a baccalaureate degree); post-baccalaureate (such as teacher certification); or graduate (students working on a master's degree, graduate certificate, doctorate, or professional degree). The amounts and types of financial aid for which a student is eligible is determined, in part, by their program level.
REFUND	A return of excess funding (Title IV, third-party, Veteran Affairs funding) to the student after tuition, fees, and/or books and supplies charged at the bookstore have been paid. Refunds typically get deposited into the student's personal bank account (if they have set up Direct Deposit) or sent as a paper check via the postal service (to the address they have on file with Records & Registration) approximately a week after the disbursement date.
REHABILITATION LOAN	Loan rehabilitation is one method of getting your student loan out of default. To begin the rehabilitation process, you must contact your loan holder. For more info about getting out of default: https://studentaid.gov/manage-loans/default/get-out
REPAYMENT	Repayment is paying back money you borrowed by making scheduled payments to a loan holder or servicer.
RETURN OF TITLE IV FUNDS (R2T4)	A refund to the Department of Education that may occur when a student withdraws from all courses within a semester, or permanently withdraws from the College. The R2T4 calculation compares the amount of Title IV aid the recipient earned to the amount disbursed and determines whether funds must be returned, or if the student is eligible for a post-withdrawal disbursement.
SATISFACTORY ACADEMIC PROGRESS	Satisfactory academic progress is the process a school uses to determine if a student is meeting all of his or her educational requirements and is on target to graduate on time with a degree or certificate. This process may vary across schools.

SCHOLARSHIPS	Scholarships are gifts that don't have to be repaid and are designed to help students pay for an undergraduate degree. They can be a one-time gift or are renewable, depending on the scholarship. Gift aid is typically based on merit, such as, academic excellence, talent, affiliation with various groups, or career aspirations or a combination of merit and need.
STATE AID	State aid is financial assistance that a state offers to eligible residents. We don't administer state aid programs. Contact your school's financial aid office or your state's grant agency for more info: https://mhec.maryland.gov/Pages/default.aspx
STUDENT FRAUD	Student fraud is any situation where an individual falsifies information in order to qualify for student aid. Examples of student fraud include using false information on the FAFSA form or reporting an invalid high school diploma.
STUDENT LOAN DEBT BURDEN	Student loan debt burden is the percentage of a borrower's monthly income that is dedicated to his or her student loan payments. The smaller this percentage, the lower the debt burden.
TOTAL and PERMANENT DISABILITY DISCHARGE	A total and permanent disability discharge relieves you from having to repay your federal student loan(s) and/or complete your TEACH Grant service obligation. Learn more at: https://studentaid.gov/manage-loans/forgiveness-cancellation/disability-discharge
TITLE IV FINANCIAL AID	Federal financial aid authorized by Title IV of the Higher Education Act of 1965, as amended. Title IV Financial Aid programs that the College participates in include Federal Pell Grant, Federal Work Study, Federal Supplemental Educational Opportunity Grant (FSEOG) and Federal Direct Loans (Subsidized, Unsubsidized and Parent PLUS).
TUITION	Tuition is the amount of money you owe for receiving instruction, materials, and/or supplies, or for the rental or purchase of equipment, for a course of study at your institution.
UNMET NEED	The student's Cost of Attendance after subtracting any need-based aid received as well as the student's Student Aid Index or Family Financial Responsibility (if applicable).
UNTAXED INCOME	Is income that is excluded from federal income taxation under the IRS code. Examples of untaxed income include Supplemental Security Income, child support, alimony, and federal or public assistance.
VERIFICATION	A federally mandated process to confirm the accuracy of data provided by selected applicants on the Free Application for Federal Student Aid (FAFSA). To complete the verification process, the student and any applicable contributors (parents or spouse) are required to provide certain documents to the school for review. If the documentation the student provides the institution doesn't match what was reported on the FAFSA, verification can result in changes to the student's financial aid eligibility, and/or financial aid offers.