

Understanding Financial Aid Lingo

Key terms and definitions to guide you through the financial aid process.



Technical terms

Cost of Attendance (COA): AKA the “sticker price.” The sum of direct and indirect costs associated with attendance before any financial aid is applied. Direct costs are expenses directly billed by and paid to the university; including tuition, fees, room, and meal plan charges (if residing on campus). Indirect costs are estimated additional expenses that you may incur; including books and supplies, transportation, loan fees, and other incidental expenses.

Expected Family Contribution (EFC): An index score that measures your family’s financial strength. The EFC is calculated annually using the information provided on the Free Application for Federal Student Aid (FAFSA). The EFC appears on the Student Aid Report (SAR) received after the FAFSA is processed. Despite its confusing name, the EFC is not the actual amount of money a family will contribute toward college costs. Next year, the EFC will be replaced by the “Student Aid Index” (SAI).

Demonstrated Financial Need: COA minus EFC. Demonstrated financial need is used by schools to determine your eligibility for need-based financial aid resources. Recalculated by the Office of Financial Aid Services each academic year upon receipt of your annual FAFSA.

Net Cost: COA minus all gift aid. This is the student/parent contribution for one year of college after grants and scholarships are applied. Net cost includes money paid out-of-pocket or with educational savings plan funds directly to the university, any loans borrowed, and the estimated funds needed to cover indirect costs throughout the year.

Net Price: AKA “estimated bill.” The anticipated amount you pay directly to the university, after all gift aid and loans (if you are planning to borrow) are applied toward your direct costs. This amount does not include your indirect costs.

Satisfactory Academic Progress (SAP): To remain eligible for nearly all forms of financial aid, students must continue to make satisfactory academic progress toward their degree. SAP is measured annually at the end of the standard academic year (fall and spring semesters); although, summer courses are also considered toward progress. For more details, visit moravian.edu/financialaid and select “Academic Progress and Aid.”

Types of Gift, Merit, and Need-Based Aid

Merit-Based Aid: Awarded according to your academic excellence, major or interests, talent, auditions, affiliation with various groups, and/or career aspirations. Typically renewable each year as long as any fund-specific requirements are met.

Need-Based Aid: Awarded according to your demonstrated financial need. May be adjusted upon receipt of new information, including but not limited to: changes to housing and enrollment status; receipt of additional resources; corrections made through verification or resolving mistakes made on the FAFSA; updated income, asset, and household information reported on your annual FAFSA.

Gift Aid: Does not need to be repaid. Includes grants, scholarships, employer educational/tuition benefits (tuition

remission), veterans benefits, etc. May be awarded based on merit, need, or a combination of both. Eligibility and renewal typically require continuous full-time enrollment and satisfactory academic progress. Some forms of gift aid may have additional specific requirements that a student must maintain.

Institutional Grants & Scholarships: Millions of dollars in scholarships and grants are funded each year through the generosity of alumni and friends of Moravian University. As an institution, we invest in our students by providing both merit-based and need-based grants and scholarships to students who meet specific eligibility criteria. Merit scholarships and grants offered by Moravian are renewable at the same value as offered at the time of admission for up to five years (or completion of your undergraduate degree, whichever comes first), so long as

full-time continuous undergraduate enrollment and satisfactory academic progress are achieved. Some merit scholarships may have specific cumulative GPA requirements. Need-based grants and scholarships offered by Moravian require that a student file the FAFSA each year for renewable consideration; as well as maintain full-time continuous enrollment and satisfactory academic progress.

Federal Pell Grant: Need-based grant provided by the federal government to eligible undergraduate students who show exceptional demonstrated financial need and have an EFC below a threshold designated annually by the U.S. Department of Education. Students must complete the FAFSA annually for renewal consideration.

Federal Supplemental Educational Opportunity Grant (FSEOG): Need-based grant provided by the federal government to undergraduate students who show exceptional demonstrated financial need, with priority given to Pell Grant

Types of Self-Help Aid

Self-Help Aid: Financial aid in the form of loans or student employment. An option for students and families to use to contribute toward their educational expenses.

Loan: A form of self-help aid that can be used to help cover a portion or all of a student's net cost. Loans are borrowed money that must be repaid, with interest. Borrowers of loans have the right to decline or reduce loan amounts offered.

Federal Direct Loan (Subsidized/Unsubsidized): A federal loan program offered to FAFSA filers by the U.S. Department of Education, through the university. Students with financial need may qualify for a subsidized loan (the government pays the interest on the loan while the student is enrolled). Students without need and those borrowing more than the annual limit for subsidized loans, qualify for an unsubsidized loan (the government does not pay the interest on the loan while the student is enrolled). The Federal Direct Loan program has a fixed interest rate and origination fee. Repayment begins six months after the borrower ceases to be a student on at least a half-time basis. Students must complete Entrance Counseling and a Master Promissory Note (MPN) using their student FSA ID to receive disbursements.

Parent PLUS Loan (Parent Loan for Undergraduate Students): A federal loan program offered for parents (biological, step, or adoptive) of dependent undergraduate students who file a FAFSA by the U.S. Department of Education, through the university. The Parent PLUS Loan program has a fixed interest rate and

recipients. Awarding is contingent upon the availability of funds and may not be renewed year to year.

Pennsylvania State Grant: Need-based funds awarded by the Commonwealth of Pennsylvania via the Pennsylvania Higher Education Assistance Agency (PHEAA) to PA state residents, through the university. To apply for a PA State Grant, submit the FAFSA and any additional information requested no later than May 1 prior to the academic year. Routinely check your eligibility and confirm receipt of all required items on pheaa.org/signin. Eligibility and grant amounts are based upon demonstrated financial need as determined by PHEAA, enrollment status, and availability of funds as contingent upon final budget authorization. The amount offered reflects an estimate; which is subject to change and may require a corresponding change in university-funded assistance. Residents of states other than PA should check with their respective state agency for information on state grant eligibility and application requirements.

origination fee, and offers repayment to begin six months after the borrower's dependent ceases to be a student on at least a half-time basis. Interested parents can apply on studentaid.gov with their parent FSA ID. Approved parent-borrowers must sign an MPN.

Private Alternative Loan: A supplemental loan option offered by various lenders including banks, credit unions, and other financial institutions. Borrowers may be students (with a credit-worthy cosigner) or parents. If you are looking to borrow a private alternative loan to help finance your education, we encourage you to choose the lender that meets your needs before applying. As you're evaluating your lender options, important loan features to consider include: interest rate type (variable vs. fixed), when repayment begins (after you graduate vs. while you're still in school), repayment plan options (standard monthly payments vs. income-driven repayment), etc.

Student Employment: AKA "work-study." At Moravian University, students interested in working part-time are encouraged to do so via the Student Employment Program. Students may be awarded **Federal Work-Study (FWS)**, a form of need-based self-help aid; however participation in the Student Employment Program does not require FWS eligibility. A variety of departments on campus seek work-study students. Available positions are posted on AMOS and an annual job fair is held in the fall. Earnings from hours worked are paid directly to the student via biweekly paychecks; rather than directly to the student's college bill. Work-study jobs are not guaranteed.

Additional aid information and renewal requirements are available at moravian.edu/financialaid.

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