

FINANCIAL AID GLOSSARY OF TERMS

There are many terms used throughout this web site - as well as the world of financial aid - that may be unfamiliar to you. Below are more commonly found terms and definitions that may help you understand the financial aid process better.

1. **Award Letter** - If you submit the Free Application for Federal Student Aid (FAFSA), you will receive several separate award notifications. The first will be a Student Aid Report from the Federal government. The Student Aid Report (SAR) is very important because it is your proof that the Federal government processed your FAFSA. In addition, it tells you which colleges are going to receive your information. The second will be a letter from NYCDA stating the types of financial aid and explaining the types and amounts of NYCDA and Federal funds you may receive.
2. **Entrance and Exit Interviews** - Federal regulations require ALL student borrowers to complete entrance and exit loan counseling. The purpose of the interviews is to explain your rights and responsibilities of borrowing and to remind you of the importance of repaying the funds that have been borrowed.
3. **FAFSA (Free Application to Federal Student Aid)** - To help you, the U.S. Department of Education offers a variety of student financial aid programs. But before filling out the Free Application for Federal Student Aid (FAFSA) on the Web, you should be aware of the following criteria:
 - Students who are not U.S. citizens are subject to different regulations which may require supporting documentation depending upon the financial aid sought. You will be contacted if this applies to you. U.S. citizens may also be required to document their citizenship status.
 - To be eligible for aid from Federal and state government sources, students must be classified either as U.S. citizens or as eligible non-citizens. Students are considered to be eligible for financial aid if one of the following conditions apply:
 - U.S. permanent resident with an Alien Registration Receipt Card ("green card"), I-151 or I-551.
 - Conditional permanent resident (I-151C).
 - Other eligible non-citizen with an Arrival-Departure Record (I94) from the U.S. Immigration and Naturalization Service showing any one of the following designations: (a) "Refugee," (b) "Indefinite Parole," (c)

"Humanitarian Parole," (d) "Asylum Granted," or (e) "Cuban-Haitian Entrant."

- In order to be eligible for financial aid, you must have a valid Social Security number. A computer match will be performed between the Social Security number on your financial aid application and the number on file with the Social Security Administration. To allow for timely processing of your financial aid application, copy your Social Security number and your name onto your application exactly as they appear on your Social Security card. Financial aid applicants who have legally changed their names, through marriage or by court order, must have their cards updated with the Social Security Administration. These steps are strongly recommended to avoid unnecessary delays.
 - Some families may experience a significant change in their financial situation between the calendar year (used in calculating need) and due to divorce, death of a wage earner, loss of a job, or loss of benefits. In such cases, the student's eligibility for financial aid can be reevaluated based on the current financial situation. To request a reevaluation, contact the NYCDA Financial Aid Office at (212) 645-0030.
4. **Federal Methodology (FM)** - This calculation, established by government statute, is used to calculate a student's eligibility for financial aid assistance, including Pell Grants, and some institutional and private aid programs. FM measures the need of applicants with two basic considerations in mind: the expenses related to the total cost of education and a student's resources, including both parent and student financial situations. Most aid is determined by need. Financial need is the difference between educational cost and total family contribution.
 5. **The Formula:** Cost of Education – Family Contribution = Your Demonstrated Financial Need
 6. The **cost of attendance** or **cost of education** to attend NYCDA is the sum of tuition, fees, books and supplies, transportation, personal expenses, and room and board for students living in NYCDA housing.
 7. **Grants** - Grants and scholarships are types of aid that do NOT have to be repaid. They may take the form of scholarships, federal or state grants, or outside scholarships.
 8. **Loans** - All loans must be repaid. Therefore, when deciding whether to borrow, you should examine your need for assistance and your future ability to repay. Unlike consumer loans, student loans have longer terms of repayment and in most cases do not enter repayment until you leave school. Interest rates vary from program to program but are usually lower than rates on loans

made to the general public. The precise terms of the loans are contained in the promissory notes that borrowers must sign.

- 9. Promissory Note** - With your financial aid award letter from NYCDA, if eligible for a loan, a letter instructing how to complete the Master Promissory Note for new borrowers or a Stafford loan or loan application for Stafford loan will be mailed to you. Follow the instructions in the letter. The school section will already be completed. Print a copy of it for your records. A signed MPN is required only once and remains valid for up to 10 years. The Stafford loan is thus renewed automatically for eligible returning students, and will be confirmed each year by a Statement of Disclosure sent to you from your lender. You must, however, first submit a FAFSA each year.
- 10. Student Aid Report (SAR)** - The SAR may include important information about the status of your application including missing information and/or missing signature that must be completed.
- 11. Scholarships** - Scholarships and grants are types of aid that do NOT have to be repaid. They may take the form of scholarships, federal or state grants, or outside scholarships.
- 12. Verification** - Verification is a process to verify the data submitted on the FAFSA for a percentage of financial aid applicants. If you are selected for verification you will receive a letter from NYCDA with a verification form and instructions to return the appropriate information. Please do NOT submit any information until NYCDA requests it. Financial Aid will not be disbursed to your account until the verification process is complete.