

Financial Aid Terms

Capitalization of Interest A borrower of an unsubsidized Federal Stafford Loan (not Federal PLUS Loan) has the option of either paying interest while he/she is enrolled in school or not paying interest but having the interest amount due added to the principle balance. Adding interest payments due to the principle amount owed is referred to as capitalization of interest. *See Loans - Repayment.*

Cost of Attendance Cost of attendance for federal and need-based student financial aid purposes at Carroll is determined using federal guidelines. Such costs include actual tuition cost, allowances for room and board (actual cost if living on campus), personal, transportation, books, and miscellaneous expenses. It is emphasized that cost of attendance for purposes of determining financial aid eligibility is not the same as costs charged by the College. Cost of attendance for financial aid purposes includes allowances for additional costs a student may incur while attending college.

Credit Balances and Refunds If application of student financial aid resources, including loan proceeds, results in a credit balance in your student account after all charges have been posted, a refund will be available. *Contact the Business Office for further information.*

Electronic Funds Transfer (EFT) The process whereby loan proceeds are transferred to Carroll College by the lender via electronic means instead of by paper check. EFT eliminates the need for a student to go to the Business Office and endorse a paper check and allows timely deposit of proceeds to the student account. EFT is the most expeditious method and is preferred by Carroll.

Entrance Counseling Colleges are required to conduct loan counseling with each Federal Stafford Loan or Federal Perkins Loan borrower prior to release of the first disbursement of the student's first loan. The Financial Aid Office schedules entrance-counseling sessions, generally during freshmen orientation. All federal loan borrowers are required to complete entrance counseling.

Exit Counseling Colleges are required to conduct loan counseling with each student who received federal loan proceeds through the school. Exit counseling is conducted when a student leaves school (graduates, withdraws, transfers, etc.). All federal loan borrowers are required to complete exit counseling.

Expected Family Contribution (EFC) The amount a student's family is expected to contribute to the cost of attendance as calculated by the federal need analysis formula. Note that financial aid awards for an enrollment period may be less than the actual cost of attending college. If this is the case, the family is responsible for paying the unfunded cost. *See Cost of Attendance.*

Federal Academic Competiveness Grant (ACG) Awarded to U.S. citizens who are full time (12 credits), Federal Pell Grant recipients who have completed a rigorous secondary program of study and are in their first or second year. The maximum award for first year students is \$750 per year. Second year students maximum award is \$1,300 per year. Students must maintain at least a 3.0 GPA to be eligible for the second year ACG. *For more information please go to <http://studentaid.ed.gov>.*

Federal National Science Mathematics Access to Retain Talent Grant (National SMART)

\$4,000 per year awarded to U.S. citizens who are full-time (12 credits), Federal Pell Grant recipients. This award is awarded to third and fourth year students who are majoring in physical, life, or computer science, engineering, mathematics, technology, or a critical foreign language. Students must maintain a 3.00 GPA to be eligible. *For more information please go to <http://studentaid.ed.gov>.*

Federal Need Analysis The system used by the federal government to calculate the amount of monies a family is expected to contribute to the cost of education. Information used for the need analysis is provided by the student and family through the Free Application for Federal Student Aid (FAFSA). The result of federal need analysis is an expected family contribution (EFC).

Federal Pell Grant A federal need-based grant. *See Scholarships and Grants.*

Federal Perkins Loan Program A need-based, campus-based federal student loan program. Loans are offered through need-based financial aid packaging by colleges. Funding is limited; therefore, not all students who have demonstrated financial need will receive a Federal Perkins Loan award. To accept an award, students must complete a Perkins Loan Questionnaire and sign a promissory note on or about the first day of the enrollment period. Loan proceeds are transferred directly to the student account. *See Loan and Subsidized Loan.*

Federal PLUS (Parent) Loan Program A federal unsubsidized loan program, which provides parents the opportunity to borrow monies to pay for their student's cost of education. The Program allows parents to borrow monies to fund the gap that may exist between cost of attendance and aid resources. Interested parents are encouraged to contact the Financial Aid Office. *See Unsubsidized Loan, Multiple Disbursements, and Lender Fees.*

Federal Stafford Loan A federally guaranteed student loan offered under the Federal Family Education Loan Program (FFELP). Annual and cumulative maximums are stipulated by federal regulations. Federal Stafford Loans may be subsidized or unsubsidized. *See Subsidized Loan, Unsubsidized Loan, Multiple Disbursements and Lender Fees.*

Federal Stafford/Perkins Loan Master Promissory Note A promissory note which allows students to obtain multiple Federal Stafford Loans through the one-time completion and signing of a paper promissory note. The student need only accept a subsequent loan award through other means and be certified as an eligible borrower by the school. *See Federal Stafford/Perkins Loan Serialization.*

Federal Stafford/Perkins Loan Serialization The process of using a master promissory note to associate subsequent borrowing with the completed and signed note. Additional borrowing is "serialized", or added to prior borrowings, under the Federal Stafford Loan Master Promissory Note. *See Federal Stafford/Perkins Loan Master Promissory Note.*

Federal Supplemental Opportunity Grant (FSEOG) A federal need-based grant. Funds are limited. *See Scholarships and Grants.*

Federal Work-Study (FWS) Program A need-based federal work program funded jointly by the federal government and the College. Eligibility for FWS is determined using the federal need analysis process. Funding is limited; therefore, not all eligible students receive a FWS award in their financial aid packages. Note the following:

- A Student Employment Guidelines Brochure is available in the Financial Aid Office and is provided to students upon request or when the student applies for an FWS job. *See Need-Based Work.*
- A "job fair" is held during freshmen orientation to assist students with locating FWS jobs.
- Students are responsible for locating a job or jobs. If they encounter difficulties, they are encouraged to talk with Office of Human Resources personnel. Students are responsible for locating a job(s) in a timely manner. If a student locates a job late in the semester or does not earn the full amount of the FWS award, the award is not replaced with other aid resources nor is the next semester's work award increased.
- Generally, students are paid the federal or state minimum wage (currently \$6.15/hour). A \$775 per semester FWS award authorizes a student to work an average of 7 hours per week; a \$1,150 per semester FWS award authorizes a student to work an average of 11 hours per week. Students must keep this in mind as work may be terminated after the full amount of the award has been earned.

Financial Aid Package/Award An award comprised of student financial aid resources for the enrollment period. It lists all of the aid being offered a student by the College, to include grants, scholarships, loans, and work. The student must notify Carroll of acceptance of awards by signing and returning the award letter. The financial aid package is developed based on information available to the Financial Aid Office at the time of packaging, and in accordance with the College's financial aid packaging policy. In most instances, data input on the FAFSA (full-time/part-time status, graduation date, etc.) is used. Unless otherwise indicated, packages assume full-time attendance (at least 10 credit hours per semester in the fall and spring). **Changes to EFC or credit hours enrolled, and receipt of other aid resources, may result in financial aid package adjustments.**

Financial Aid Satisfactory Academic Progress (SAP) Returning and readmit students must be making satisfactory academic progress toward their degree or certificate in order to receive federal and need-based Carroll aid. Performance is measured after grades are posted for the fall and spring semesters. Students who have not made satisfactory progress will be notified and may not be eligible to receive federal and Carroll need-based financial aid. Carroll's financial aid satisfactory academic progress policy is available in the Financial Aid Office and provided in the Carroll catalog. In many instances, returning students will receive financial aid packages prior to the determination of compliance with SAP standards. If students have not met the SAP standards, their financial aid awards will be



cancelled and the students will be notified and made aware of the appeal process.

Financial Aid Transcripts Transfer students to Carroll may be contacted to request financial aid transcripts from post-secondary institutions previously attended. Transcripts provide information which prevents financial aid offices from overawarding federal financial aid resources.

Financial Need Cost of attendance less expected family contribution (EFC).

Grace Period A period of time after a student ceases enrollment, or enrolls for less than half-time (less than six credit hours), before he/she is required to begin repayment of the loan. See *Loan - Repayment*.

Grants See Scholarships and Grants.

Lender Fees There are lender fees associated with Federal Stafford, Federal PLUS (Parent) Loans, and alternative education. The result is that actual loan proceeds will be less than the amount shown on the award letter. See *Federal Stafford Loan, Federal PLUS (Parent) Loan, and Loan-Alternative Education*.

Loans Aid that requires repayment with interest. The dates to begin repayment differ depending on the loan program. Receipt of loan proceeds is dependent on the student completing loan documents and promissory notes. See *Federal Perkins Loan, Federal Stafford Loan, Federal PLUS (Parent) Loan, Loan - Alternative Education, and Loan - Repayment*.

Loan - Alternative Education Many non-federal entities provide unsubsidized loan programs for students enrolled in post-secondary education programs. The programs are designed to supplement the federal loan programs by filling the gap between cost of attendance and family resources. Contact your choice of lender to complete your loan application. See *Loans and Unsubsidized Loans*.

Loan - Repayment Loans require repayment. Repayment of loans usually begins after a student ceases enrollment or enrolls for less than half time. Generally, after a student ceases enrollment for less than half time, there is a grace period before repayment of the loan commences. Loan repayment regulations for the Federal Perkins Loan, Federal Stafford Loan, and Federal PLUS (Parent) Loan programs differ. Refer to the promissory note or contact the Financial Aid Office or lender for further information. See *Grace Period*.

Multiple Disbursements Multiple disbursements generally are required for all Federal Stafford and Federal PLUS (Parent) Loan proceeds. Students attending a full academic year will generally receive one-half of the proceeds at the beginning of the first semester and one-half of the proceeds at the beginning of the second semester.

Need-Based Work Work performed by a student who has been awarded a need-based, Federal Work-Study award in his/her financial aid package. See *Federal Work-Study (FWS) Program and Work*.

Payment Plan In addition to the financial assistance contained in the award letter, Carroll makes available a 10-month payment plan, which allows for semester charges to be paid in installments. Information on Carroll's 10-month payment plan is provided with financial aid award packages. Contact the Business Office for further information.

Promissory Note A formal, written agreement to repay a loan and to abide by the conditions of the loan agreement.

Room and Board Grants Current federal tax law requires that room and board scholarships and grants be reported as taxable income when filing income tax returns.

Scholarships and Grants "Gift" aid that is not required to be repaid unless a student withdraws from Carroll, changes enrollment status, etc. Gift aid includes federal need-based grants (Pell, FSEOG, ACG, SMART), Carroll need-based grants, Carroll non-need-based scholarships and grants, Carroll endowed scholarships and grants, etc. Gift aid may be for one year or one semester only, or for a specified number of years or semesters. Carroll and federal grants are transferred to your student account in the Business Office on or about the first day of each semester.

Subsidized Loan A loan that is awarded based on financial need. The borrower is not required to pay interest or principle on the loan so long as he/she remains enrolled at least half time. The federal government "subsidizes" the lender by paying interest while the borrower is attending school. The Federal Perkins Loan and the Federal Stafford Loan - Subsidized are need-based loans subsidized by the federal government. See *Federal Perkins Loan, Federal Stafford Loan, and Loan - Repayment*.

Unsubsidized Loan A loan that is awarded on a basis other than need. The borrower is responsible for paying interest on the loan upon final disbursement of loan proceeds for an enrollment period. See *Capitalization of Interest, Federal Stafford Loan, Federal PLUS (Parent) Loan, and Loan - Repayment*.

Verification The process used by the federal government and colleges to ensure that students and families submit accurate information on the application for federal student aid. Colleges are required to verify selected applications. The process requires colleges to obtain federal income tax and other data from the student and his/ her family (includes supporting schedules and W-2 forms). The information submitted on the application for federal aid is compared with actual income tax and other data. If necessary, corrections must be made to the application and a new EFC calculated. Verification may result in a revised financial aid package/award. If you are selected for verification, you must consider the financial aid award tentative, pending completion of the verification process. If your EFC changes as a result of verification, it is likely that your financial aid package will be adjusted. **Federal regulations prevent the release of federal aid resources until verification is complete.** For your information, a copy of your federal income tax return may be obtained from the Internal Revenue Service.

Withdrawal/Return of Federal Student Aid A withdrawal occurs when a student discontinues attending all classes for which enrolled before the end of an enrollment period. Students who withdraw from Carroll must notify the Financial Aid Office and other Carroll offices of the withdrawal. A formal withdrawal card is obtained from the Office of the Registrar. Federal regulations provide that Carroll must determine if a portion of federal aid must be returned to the federal financial aid programs. The determination is made using calculations prescribed by federal regulations. In some instances, withdrawal from Carroll will result in student aid being returned or canceled and the student owing a balance to Carroll. Such should be considered when contemplating complete withdrawal from classes. Carroll's return of federal student aid policy is available in the Financial Aid Office and the Carroll catalog.

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