



## Glossary

**Academic Year:** the measure of the academic work to be accomplished by a student each year as defined by the University, which has two semesters that contain at least 30 weeks of instructional time in which a full-time student is expected to complete at least 24 semester credits.

**Award Year:** the period of time between fall term and the end of the following second summer session.

**Accrued Interest:** interest that accumulates on the unpaid loan balance.

**Borrower:** person responsible for repaying a loan who has agreed to the terms and signed a promissory note.

**Campus-Based Programs:** a collective term that refers to the Federal Supplemental Educational Opportunity Grant, Federal Work-Study program, and Federal Perkins Loan.

**Capitalizing Interest:** adding unpaid, accumulated interest to the loan principal, increasing the total loan payment.

**Central Processing System (CPS):** the system that receives your need analysis data. CPS calculates your official Expected Family Contribution (EFC).

**Consolidation Loan/Direct Consolidation Loan:** two categories of consolidation loans – FFEL Consolidation Loans – allows the borrower to combine different types and amounts of federal loans to simplify repayment.

**Cost of Attendance (COA):** your anticipated expense to attend Howard University. Includes tuition, fees, housing, food, transportation, books and supplies, personal expenses, and other costs, depending on individual choices.



**Credit Balance:** the amount remaining in your University student account after payment of all University charges.

**Default:** failure to repay a loan according to the terms of the promissory note. For a loan repayable in monthly installments, a loan is in default after 180 days of non payment.

**Deferment:** the temporary postponement of loan payments for a limited period of time. Deferments, allowed for specific borrower activities, extend the loan repayment period by the length of the deferment period.

**Delinquency:** this occurs when payments are late or missed, as specified in the terms of the promissory note and the selected repayment plan.

**Dependent Student:** must meet any one of the criteria as defined by the federal government: born after January 1, 1980, unmarried, is an undergraduate, student does not have legal dependents, is not an orphan or ward of the court (or was not a ward of the court until age 18); and is not a veteran. Dependent students must report their parents' income on their financial aid applications.

**Disbursement:** the release of financial aid funds to your University account; funds are disbursed when the student's financial aid file is complete and registration has been verified; when loan proceeds are paid by the University to the parent borrower.

**Discharge:** the release of borrowers from their obligations to repay their Direct Loans when they have met certain requirements.

**Disclosure Statement:** statement of the actual cost of a loan, including the interest and the loan fee.

**Direct Loan Servicing Center:** the U.S. Department of Education's agent contracted to collect Direct Loans and handle deferment, repayment options, and consolidations.

**Expected Family Contribution (EFC):** dollar amount that a family is expected to contribute to a student's education; determined by need analysis.

**Entrance/Exit Interview:** counseling sessions that borrowers attend before receiving their first loan disbursement and, again, before leaving school.

**Free Application for Federal Student Aid (FAFSA):** the federal form that must be completed to be considered for all federal student aid.

**Federal Direct Loan Program:** the William D. Ford Federal Direct Loan Program, (also, Direct Loan Program) is a federal program that provides loans to student and parent borrowers directly through the U.S. Department of Education; included are Federal Direct Stafford/Ford Loans, Federal Direct Unsubsidized Stafford/Ford Loans, Federal Direct PLUS Loans, and Federal Direct Consolidation Loans.

**Federal Pell Grant:** a federally funded program for undergraduate students who have not earned a baccalaureate degree.

**Federal Perkins Loan:** low interest loans for undergraduate or graduate students. Priority is given to students with exceptional financial need as defined by the University.

**Federal Quality Assurance Program:** a program to assure that delivery of student aid conducted accurately, expeditiously, and with integrity. Participants are student financial aid applicants selected at random.



**Financial Aid:** financial assistance in the form of scholarships, grants, fellowships, employment opportunities and educational loans from federal, state, and private sources.

**Financial Aid Award Package:** a letter to you from Howard University that lists the types of and amounts of aid offered and the terms and conditions of that aid.

**Forbearance:** an arrangement to postpone or reduce a borrower's monthly payment amount for a limited and specified period, or to extend the repayment period. The borrower is charged interest during a forbearance.

**Ford Federal Direct PLUS Loan:** a loan for parents with good credit histories who want to borrow for their dependent student.

**Full-time Student:** an undergraduate student taking a minimum of 12 credits per term or a graduate student taking a minimum of 9 credits per term.

**Grants:** educational funds that do not require repayment from present or future earnings.

**Grace Period:** the period between the time borrowers leave school or drop below half-time study and the time they must begin repaying their loans usually six to nine months, depending on the type of loan.

**Half-time Student:** an undergraduate student taking at least 6 credits, or a graduate student taking at least 4 credits per term during the academic year.

**Income:** amount of money received from any or all of the following: wages, interest, dividends, sales, or rental property or services, business or farm profits, certain welfare programs, disability, inheritance, gambling and contest winnings, retirement benefits and other types of taxable income.

**Independent Student:** meet any one of the following criteria as defined by the federal government: born before January 1, 1980, are married, are a graduate or professional student, have legal dependents other than a spouse, are an orphan or ward of the court (or were a ward of the court until age 18); or a veteran. You must report only your own income and assets (and those of a spouse) when applying for financial aid.

Parents of independent students are not eligible for Direct PLUS Loans.

**Interest Rate:** cost paid to borrow money; may be fixed or variable.

**Legal Dependent (for dependency determination):** a child or person (other than a spouse) who lives with and gets more than half of his or her support from the student and will continue to receive that support during the school year.

**Legal Guardian:** a court appointed individual whose guardianship responsibilities include using personal financial resources to support the person in his or her charge.

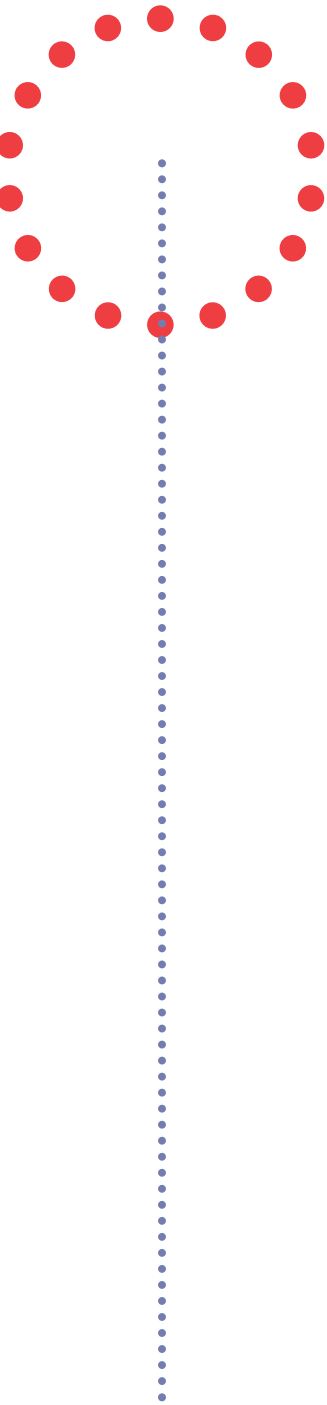
**Less Than Half-time Student:** an undergraduate student taking less than half-time credits but a minimum of 1 credit per term.

**Loan Principal:** the total sum of money borrowed.

**Merit-based Aid:** assistance that is awarded because of a student's achievements or talent in a particular area (e.g. academics or athletics).

**Need:** the difference between Howard University's cost of attendance and a student's (and family's) ability to pay. Ability to pay is represented by the EFC.





**Need Analysis:** a system used to estimate a family's ability to pay for postsecondary education; one of the necessary steps in establishing a student's need for financial assistance.

**Origination Loan Fee:** a fee charged by the federal government and deducted from the loan proceeds before disbursement to help reduce the cost of supporting low interest loans.

**Overaward:** a situation in which the student's financial aid exceeds the calculated financial need. Federal student aid programs do not allow overawards.

**Prepayment:** any amount paid on a loan by the borrower before it is required to be paid under the terms of the promissory note. There is no penalty for prepaying principal or interest on Direct Loans.

**Principal:** amount a person borrows (which may increase as a result of capitalized interest) and the amount on which interest is paid.

**Promissory Note:** a legal and binding document signed by a borrower which includes the terms and conditions for repayment of a loan.

**Repayment Schedule:** a statement provided by the Direct Loan Servicing Center to the borrower that lists the amount borrowed, the amount of monthly payments, and the date payments are due.

**Satisfactory Academic Progress (SAP):** the academic standard, as determined by Howard University in compliance with federal regulations, that a student must meet to continue receiving financial aid.

**Scholarships:** educational funds that do not require repayment from present or future earnings and are usually awarded on the basis of merit.

**Servicer:** a company employed by the federal government to perform administrative tasks involved with loans.

**Statement of Educational Purpose/Registration Compliance:** a statement on the FAFSA in which students certify with their signature that they will use funds only for educational expenses and that they are registered with Selective Service, if required. Student Aid Report (SAR): the notification to the student of the results of processing the FAFSA.

**Three Quarter-time Student:** an undergraduate student taking 9-11 credits per term.

**Variable Interest:** rate of interest on a loan that is tied to a stated index and changes annually every July 1 as the index changes.

**Verification:** the process to confirm an individual student's application data. Students and parents must submit tax returns and other supporting documentation if asked.

**Work-Study:** state and federal employment programs that subsidize wages for needy students to help them pay for educational expenses.