



FINANCE AND ADMINISTRATION CABINET
KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

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Financial Aid Tip of the Month, October 2019

You should know these financial aid terms

As high school seniors and their parents begin the college financial aid process, they may find themselves faced with unfamiliar terms. This short glossary from the Kentucky Higher Education Assistance Authority (KHEAA) may help.

- **Conversion scholarship/loan.** This type of scholarship requires students to provide certain services. If they don't provide the service, the scholarship becomes a loan.
- **Cost of attendance.** The total cost of one year of college: tuition, fees, room, meals, supplies, transportation and personal items.
- **Expected family contribution (EFC).** This is the amount the student and family are expected to pay for the student's education. It is based on a formula set by Congress.
- **FAFSA.** The Free Application for Federal Student Aid must be submitted by students applying for federal and state aid. The best way to do so is at www.fafsa.gov.
- **Financial need.** The difference between the cost of attendance and the EFC.
- **Institutional aid.** The scholarships, grants and other financial aid programs provided by the college.
- **Verification.** The process of making sure the information submitted on the FAFSA is correct. The federal government requires colleges to have certain students' FAFSA information verified.

KHEAA is the state agency that administers Kentucky's student financial aid programs, including the Kentucky Educational Excellence Scholarship (KEES). Its sister agency, the Kentucky Higher Education Student Loan Corporation (KHESLC), offers low-cost Advantage Loans to help students and parents pay for college or to refinance student loans. For more information about Advantage Loans, visit www.advantageeducationloan.com.

For more information about Kentucky scholarships and grants, visit www.kheaa.com; write KHEAA, P.O. Box 798, Frankfort, KY 40602; or call 800-928-8926, ext. 6-7214.

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