



FINANCE AND ADMINISTRATION CABINET  
KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

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### Financial Aid Tip for Students, November 2020

#### 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.

“Understanding the language of student aid helps ensure that students and parents can take advantage of all the funding opportunities that are available for technical and college education,” Gov. Andy Beshear said. “Any Kentucky family with questions about admissions and financial aid should contact KHEAA — the staff there are eager to help you.”

Terms parents and students should know include:

- **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 [fafsa.gov](http://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 refinance student loans. For more information about Advantage Loans, visit [AdvantageEducationLoan.com](http://AdvantageEducationLoan.com).

Many of KHEAA's student aid programs are funded by Kentucky Lottery revenue.

For more information about Kentucky scholarships and grants, visit [kheaa.com](http://kheaa.com); write to KHEAA, P.O. Box 798, Frankfort, KY 40602; or call 800-928-8926, ext. 6-7214.