

## Financial Aid Definitions

**Academic Year** - An academic year requires -

- Minimum of 30 weeks of instructional time for a program that measures its length in credit hours or a minimum of 26 weeks of instructional time for a program that measures its length in clock hours; and
- For an undergraduate program, at least:
  - Twenty-four semester or trimester hours, or 36 quarter hours for a course of study that measures its program length in credit hours; or
  - Nine-hundred clock hours for a course of study that measures its program length in clock hours
- All programs must define an academic year that conforms to the minimum requirements even if the program itself is shorter than those minimum requirements.
- The statute continues to authorize the Secretary to allow a reduction in the minimum of 30 weeks of instructional time to not less than 26 weeks for good cause as determined on a case-by-case basis for two-year or four-year programs of instruction for which an institution awards an associate or baccalaureate degree.

**Award Letter** - An official document, issued by the financial aid office, that lists all the financial aid awarded to the student. This letter generally provides the expected family contribution, cost of attendance, and the terms of the aid awarded.

**Capitalization** - The process of adding unpaid interest to the principal balance of an educational loan, increasing the size of the loan that must be repaid.

**Central Processing System (CPS)** - An organization under contract with the Secretary that calculates an applicant's expected family contribution based on the applicant's application information, transmits an ISIR to each institution designated by the applicant, and submits reports to the Secretary on the correctness of its computations of the expected family contribution amounts and the accuracy of the answers to questions on application forms for the previous award year cycle.

**Citizen/Eligible Noncitizen** - To receive federal student aid, a student must be one of the following:

- U.S. citizen (includes citizens of the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands.)
- U.S. national (includes natives of American Samoa or Swain's Island)
- U.S. permanent resident who has an I-151, I-551, or I-551-C (Alien Registration Receipt Card)
- Person designated as lawfully present in U.S. for other than a temporary purpose who has an Arrival-Departure Record (Form I-94) from the Department of Homeland Security, formerly the Immigration and Naturalization Service (INS), stamped as refugee, granted asylum, indefinite parolee and/or humanitarian parolee, or Cuban-Haitian entrant,
- Permanent residents of the Republic of Palau or citizens of the Republic of the Marshall Islands and the Federated States of Micronesia (I-151, I-551, or I-551C (Alien Registration Receipt Card)).

If a student has only a Notice of Approval to Apply for Permanent Residence (I-171 or I-464), he/she is not eligible for federal student aid.

A student in the United States on an F1 or F2 student visa only, or on a J1 or J2 exchange visitor visa only, is not eligible for federal student aid. Also, persons with G series visas (pertaining to international organizations) are not eligible for federal student aid.

**Cognizant Authority** - For Academic Competitiveness Grants, the *cognizant authority* includes, but is not limited to, an LEA (state-authorized local education agency), SEA (state education agency), or other state agency, a public or private high school, a testing organization such as the College Board or a state

agency, or, for home-schooled students, the parent or guardian. In the latter case, the parent or guardian shall provide as documentation a transcript or equivalent or a detailed course list of the secondary school courses that the student completed.

**College Foundation Inc. (CFI)** - College Foundation Inc. is a not-for-profit organization that has been offering students and parents financial assistance since 1955. CFI is the central loan originator and servicer for North Carolina's Federal Family Education Loan Program of long-term, low-interest education loans. CFI also serves as administrative agent for a number of need-based grant programs for North Carolinians and for North Carolina's College Savings and Investment Program. College Foundation's Board is appointed by the Governor.

**College Foundation of North Carolina (CFNC)** - College Foundation of North Carolina is a non-profit partnership between Pathways of North Carolina, College Foundation Inc., and the North Carolina State Education Assistance Authority. These organizations have broad expertise in helping students to prepare successfully for college and to find the best financial aid alternatives. Together they provide a complete and comprehensive source of information – and real solutions for students and their families.

**Consolidation** - A loan program that allows a borrower to combine several educational loans into one new loan. This process extends the repayment period and allows for a single monthly payment. This simplifies the repayment process and sometimes results in a lower interest rate, though higher total interest due to the longer repayment period.

**Cost of Attendance (COA)** - The cost of attendance for a student is an estimate of that student's educational expenses for the period of enrollment. It is determined using rules established by the U.S. Congress. The COA includes tuition and fees, room and board, an allowance for books, supplies, transportation, and miscellaneous personal expenses, dependent-care expenses, study-abroad expenses, disability-related expenses, employment expenses for cooperative education and student loan fees.

- HERA amends the cost of attendance provisions to provide institutions the option of including in the cost of attendance the one-time cost of obtaining a first professional license or certificate for a student who is enrolled in a program that requires such professional licensure or certification. The licensure or certification must be required by a State or commonly accepted as required in order to practice or be employed in the profession. In order to be included in the cost of attendance, the cost for such licensure or certification must be incurred while the student is enrolled at the institution. This provision does not include costs associated with preparing the student for the test or examination required for licensure or certification unless such preparation is part of the eligible program.

**Default** - Failure to repay a student loan according to the terms of a promissory note signed by the student. The organization that holds the loan (the state or the federal government) can take action to recover the money, including notifying national credit bureaus of the default. Wages and/or tax refunds of the defaulter may be garnished, and the borrower will no longer be eligible to receive federal financial aid until the defaulted loan is repaid or the borrower has made satisfactory arrangements to repay.

**Reinstatement of eligibility for Title IV financial aid** - Eligibility can be reinstated by establishing and maintaining a satisfactory monthly payment arrangement with NCSEAA for at least six (6) consecutive months. Payments must be on-time, voluntary, and for the full monthly amount each month, including reasonable and affordable amounts authorized in advance by NCSEAA. It is the borrower's responsibility to request consideration for this reinstatement and a borrower may only obtain the benefit of this provision once.

**Loan Rehabilitation** - An eligible borrower must make nine (9) satisfactory, voluntary and on-time monthly payments to NCSEAA over a period of 10 consecutive months. Following completion of this repayment period, and upon the borrower's request, the borrower's loans are returned to CFI as rehabilitated loans.

**Default Fee** - Effective for loans guaranteed on or after July 1, 2006, the HERA eliminates the optional 1% insurance premium fee that guaranty agencies can charge to lenders and that lenders can charge to borrowers and established a Federal default fee equal to 1 percent of the principal amount of the loan. The default fee must be collected by the guaranty agency and deposited into the Federal Fund held by a guaranty agency. The fee may be deducted and collected by the lender from the proceeds of the loan and paid to the guaranty agency or paid from other non-Federal sources. If the fee is charged to the borrower, it must be deducted proportionally from each disbursement of the loan proceeds.

**Deferment** - This is an authorized period of time during which a borrower may postpone principal and interest payments. Deferments are available to borrowers who are in school at least half-time, enrolled in a graduate fellowship program, during periods of unemployment or economic hardship, and in some cases, for teaching in shortage areas or low income schools or for volunteering with the Peace Corps, or VISTA, etc.

**Dependent Student** - For financial aid purposes, an undergraduate student is classified as a dependent and is expected to have access to parental financial resources if he/she is not married, does not have legal dependents, including children, that he/she supports more than 50%, is not a veteran, is not currently serving on active duty (National Guard or Reserves activated by Federal Authority) in the U.S. Armed Forces for purposes other than training, is not an orphan or ward of the court, and is under 24 years of age.

**Direct Assessment Programs** - For purposes of direct assessment programs, independent study occurs when a student follows a course of study with predefined objectives but works with a faculty member to decide how the student is going to meet those objectives. The student and faculty member agree on what the student will do (e.g., required readings, research, and work products), how the student's work will be evaluated, and on what the relative timeframe for completion of the work will be. The student must interact with the faculty member on a regular and substantive basis to assure progress within the course or program.

**Electronic Data Exchange** - An electronic exchange system between the central processor and an institution under which:

- A student is able to transmit his or her application information to the central processor through his or her institution and an ISIR is transmitted back to the institution;
- A student through his or her institution is able to transmit any changes in application information to the central processor; and
- An institution is able to receive an ISIR from the central processor for a student.

**Eligible Institution** - An institution of higher education that meets all the criteria to participate in Title IV federal student aid programs (includes public or private nonprofit institutions, postsecondary vocational schools, and proprietary institutions).

**Eligible Program** - A course of study that leads to a degree or certificate and meets specified Title IV student aid eligibility criteria. To receive Title IV student aid, a student must be enrolled in an eligible program, with two exceptions:

- If a school has stated that the student must take certain coursework to qualify for admission into one of its eligible programs, the student can get a Direct Loan or a FFEL Program Loan (or the student's parents can get a PLUS Loan or graduate/professional students can get a PLUS) for up to 12 consecutive months while the student is completing that coursework. The student must be enrolled at least half-time and must meet the usual student aid eligibility requirements.
- If a student is enrolled at least half-time in a program to obtain a professional credential or certification required by a state for employment as an elementary or secondary school teacher, the student can get a Federal Perkins Loan, Federal Work-Study, or a Direct or FFEL Stafford Loan, (or the student's parents can get a PLUS Loan) while the student is enrolled in that program.

- HERA (Higher Education Reconciliation Act of 2005) adds a new type of eligible program – an instructional program that uses direct assessment of student learning, or recognizes the direct assessment of student learning by others, in lieu of measuring student learning in credit hours or clock hours. The assessment must be consistent with the institution’s or program’s accreditation. The Secretary will determine initially whether each program for which an institution proposes to use direct assessment is an eligible program. Note that direct assessment programs are not programs that offer credit for “life experience.”

**Eligible Student** - Is someone who is enrolled or accepted for enrollment in an eligible institution for the purpose of obtaining a degree or certificate offered by the school.

- Basic student eligibility issues:
  - Must be enrolled as a regular student in an eligible program
  - Cannot also be enrolled in elementary or secondary school
  - Must have a high school diploma or equivalent, pass an approved ability-to-benefit test, or have been home-schooled
  - Must make satisfactory progress
  - Must meet enrollment status requirements
  - Must have resolved any drug conviction issue

**Enrolled** - The status of a student who:

- Has completed the registration requirements (except for the payment of tuition and fees) at the institution that he or she is attending; or
- Has been admitted into an educational program offered predominantly by correspondence and has submitted one lesson, completed by him or her after acceptance for enrollment and without the help of a representative of the institution.

**Entrance/Exit Interviews** - Before a borrower’s first loan disbursement can be released and before the borrower leaves school, he/she must participate in these counseling sessions.

**Expected Family Contribution (EFC)** - Determined by a formula, this figure indicates how much of a family’s financial resources should be available to help pay for the student’s education. The EFC is used by the federal government to calculate eligibility for federal aid. Both FM (federal methodology) and IM (institutional methodology) use the EFC concept, although the calculated EFC under the two methodologies may differ.

**FAFSA4caster** - A tool to help students and their families plan for education beyond high school. The tool will provide students with an early estimate of their eligibility for federal student aid. Students and their families can use this information to help them make important decisions as they prepare and apply for college. The FAFSA4caster:

- Instantly calculates a student’s eligibility for federal student aid, including grants
- Reduces the time it will take to complete the FAFSA because much of the information will populate the *FAFSA on the Web* application
- Simplifies the financial aid process for students and their families

**Federal Consolidation Loan Program (Consolidation Loan Program)** - Program which encourages making loans to borrowers for the purpose of consolidating loans under the Federal Insured Student Loan (FISL), Stafford Loan, SLS, ALAS, (as in effect before October 17, 1986), PLUS, Perkins Loan programs, the Health Professions Student Loan (HPSL) including Loans for Disadvantaged Students (LDS) Program authorized by subpart II of part A of Title VII of the Public Health Services Act, Health Education Assistance Loans (HEAL) authorized by subpart I of Part A of Title VII of the part B of title VIII of the Public Health Service Act, and existing loans obtained under the Consolidation Loan Program, and William D. Ford Direct Loan (Direct Loan) Program loans, if the application for the Consolidation loan was received on or after November 13, 1997.

**Federal Direct Student Loan Program (FDSLPL)** - Under this program education loans are made available directly from the U.S. Government. Participating schools serve as agents for subsidized and unsubsidized Stafford Loans, Graduate/Professional PLUS loans and Parent PLUS loans.

**Federal Family Education Loan Program (FFELP)** - Education loans made by private lenders and guaranteed by the state designated guaranty agencies on behalf of the federal government. The North Carolina State Education Assistance Authority is the guarantor under the North Carolina FFELP. Subsidized and Unsubsidized Federal Stafford Loans and Parent PLUS and Graduate/Professional PLUS loans are included in this program.

**Federal Methodology (FM)** - This is an eligibility formula, mandated by the U.S. Congress, that determines the student's and the family's "expected family contribution" (EFC). This formula is used in making allocations of federal aid and, at some colleges and universities, for making institutional aid decisions as well.

**Federal PLUS (PLUS) Program** - Encourages making loans to parents of dependent undergraduate students. As of July 1, 2006, the PLUS Program also provides for making loans to graduate and professional students.

**Federal Student Aid (FSA)** - FSA was created by Congress in 1998 as a performance-based organization and delivers approximately \$77 billion of financial aid each year to more than 10 million students and their families.

**Financial Aid Package** - The total financial aid a student receives to meet educational expenses is called the "financial aid package." It may include federal, state and private aid such as grants, loans, work-study, and scholarships.

**Financial Need** - This is the difference between the Cost of Attendance and the Estimated Family Contribution and is used in determining what the student's aid package will be.

**Forbearance** - When the lender agrees to temporarily postpone a borrower's principal repayment obligation for a period of time. Interest continues to accrue on the loan during the forbearance period.

**Free Application for Federal Student Aid (FAFSA)** - This is the federal aid application that must be completed by students who want to be considered for federal need-based financial aid and most state need-based financial aid.

**Full-Time Student** - An enrolled student who is carrying a full-time academic workload, as determined by the institution, under a standard applicable to all students enrolled in a particular educational program. The student's workload may include any combination of courses, work, research, or special studies that the institution considers sufficient to classify the student as a full-time student. However, for an undergraduate student, an institution's minimum standard must equal or exceed one of the following minimum requirements:

1. For a program that measures progress in credit hours and uses standard terms (semesters, trimesters, or quarters), 12 semester hours or 12 quarter hours per academic term.
2. For a program that measures progress in credit hours and does not use terms, 24 semester hours or 36 quarter hours over the weeks of instructional time in the academic year, for an educational program using credit hours but not using a semester, trimester, or quarter system, or the prorated equivalent if the program is less than one academic year.
3. For a program that measures progress in credit hours and uses nonstandard terms (terms other than semesters, trimesters or quarters) the number of credits determined by –
  - o Dividing the number of weeks of instructional time in the term by the number of weeks of instructional time in the program's academic year; and
  - o Multiplying the fraction determined under paragraph (3)(i) of this definition by the number of credit hours in the program's academic year.
4. For a program that measures progress in clock hours, 24 clock hours per week.
5. A series of courses or seminars that equals 12 semester hours or 12 quarter hours in a maximum of 18 weeks.
6. The work portion of a cooperative education program in which the amount of work performed is equivalent to the academic workload of a full-time student.
7. For correspondence coursework, a full-time courseload must be—

- Commensurate with the full-time definitions listed in paragraphs (1) through (6) of this definition; and
- At least one-half of the coursework must be made up of non-correspondence coursework that meets the institution's requirement for full-time students.

**General Education Development (GED) Certificate** - This is a certificate students receive if they have passed a specific, approved high school equivalency test. Students who do not have a high school diploma but who have a GED may still qualify for federal and state student aid.

**General Student Eligibility Requirements** - The general elements of eligibility require a student to:

- Be a regular student enrolled or accepted for enrollment in an eligible program at an eligible institution;
- Have a high school diploma or its recognized equivalent, or, either pass an approved test or enroll in a school that participates in an approved state process, or have been home-schooled;
- Not be simultaneously enrolled in elementary or secondary school;
- Be a U.S. citizen or national, or an eligible noncitizen;
- Have a correct Social Security Number (SSN);
- Be registered with the Selective Service, if required;
- File a Statement of Educational Purpose;
- Not be in default on a Title IV loan non owe an overpayment on a Title IV grant or loan;
- Not have borrowed in excess of the annual or aggregate loan limits;
- Not have property subject to a lien for a debt owed to the U.S.;
- Not have been convicted of, or not have pled nolo contendere or guilty to, a crime involving fraud in obtaining Title IV, HEA financial assistance
  - Must completely repay the fraudulently obtained funds to the Secretary, or to the holder of the loan before regaining eligibility for Title IV, HEA financial assistance
  - Be maintaining satisfactory academic progress; and
  - Have financial need, if applicable.

**Grace Period** - Period of time when a borrower leaves school or drops below half-time and the borrower is not obligated to begin repayment of his/her loans – usually six or nine months.

**Graduate or professional student** - A student who--

1. Is not receiving title IV aid as an undergraduate student for the same period of enrollment;
2. Is enrolled in a program or course above the baccalaureate level or is enrolled in a program leading to a professional degree; and
3. Has completed the equivalent of at least three years of full-time study either prior to entrance in to the program or as part of the program itself.
4. **Mixed-degree programs** - some schools offer mixed-degree programs. A student might earn a bachelor's degree and a master's degree in five years of coursework. The school determines at what point after three years' worth of full-time study the student ceases to be an undergraduate and becomes a graduate student, which of course affects his dependency status and loan limits, among other things. This determination must be consistent for all students in a program.

**Grant** - Financial aid awarded on the basis of need or merit that the student is not obligated to repay.

**Guaranty Agency** - The state designated organization that administers the Federal Stafford Loan and Federal PLUS Loan programs (the State Education Assistance Authority in North Carolina).

**Half-Time Student** - An enrolled student who is carrying a half-time academic workload, as determined by the institution, which amounts to at least half of the workload of the applicable minimum requirement outlined in the definition of a full-time student, is considered enrolled as a half-time student. A student enrolled solely in a program of study by correspondence who is carrying a workload of at least 12 hours of work per week, or is earning at least six credit hours per semester, trimester, or quarter is considered enrolled as a half-time student. However, regardless of the work, no student enrolled solely in

correspondence study is considered more than a half-time student. A student must be attending school at least half-time to be eligible to receive Direct or FFEL Program loans and Federal Perkins loans. Half-time enrollment is not a requirement to receive aid from the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant and Federal Work-Study programs.

**Independent Student** - For financial aid purposes, a student is classified as an independent student if at least one of the following applies: he/she is 24 years of age or older, is married, is enrolled in a graduate or professional educational program (beyond a bachelor's degree), has legal dependents other than a spouse, is an orphan or ward of the court (or was a ward of the court until age 18), is a veteran of the US armed forces ("veteran" is a student who has engaged in active service in the U.S. Army, Navy, Air Force, Marines or Coast Guard and was released under a condition other than dishonorable – including a student who attended a U.S. military academy but withdrew in good standing – or a student who is not a veteran now but will be a veteran by June 30 of award year) or is currently serving on active duty in the U.S. Armed Forces for purposes other than training (added as of 2/8/06 through HERA). Active duty also includes National Guard or Reserves called to active duty for other than training purposes and activated by Federal authority.

**Institutional Methodology (IM)** - This need-analysis formula was developed by College Board's College Scholarship Service. It determines the student's and the family's capacity to pay for college each year and is used by some postsecondary institutions for awarding institutional and private financial aid.

**Institutional Student Information Record (ISIR)** - electronic record produced by the CPS that provides schools with FSA applicant's:

- Personal identification information;
- Data used to calculate the applicant's EFC; and
- EFC calculated by the central processor.

**Interest** - This is the amount of fee charged to borrowers for their loans. Interest is calculated as a percentage of the principal loan amount. The rate may be constant throughout the life of the loan (fixed rate) or it may change at specified times (variable rate).

**Legal Dependent** - Any child of the student who receives more than half support from the student (the child does not have to live with the student), including a biological or adopted child. Also, any person, other than a spouse, who lives with the student and receives more than half of his or her support from the student now and will continue to receive more than half support from the student through June 30 of award year.

**Multiple Reporting Record (MRR)** - Procedure in the Common Origination and Disbursement (COD) system that is designed to identify and resolve potential overaward payments and concurrent enrollments before they occur. The MRR identifies originations and/or disbursements reported by more than one school for the same student.

**Need Analysis** - This is the process of reviewing a student's aid application to determine the ability of the family to contribute to the costs of education. Completing a need analysis form (e.g., FAFSA or PROFILE) is the required step in applying for most types of need-based financial aid.

**North Carolina's National College Savings Program** - North Carolina's National College Savings Program is North Carolina's tax-advantaged "529" plan for anyone who wants to save and invest for a college education. This program offers a variety of investment options from lower risk/return to higher risk/return. A participant may select one or more options that meet his or her investment goals for college savings.

**North Carolina State Education Assistance Authority (NCSEAA)** - The Authority was created in 1965 by the General Assembly as a political subdivision of the State. It is governed by the Authority Board consisting of seven members who are appointed by the Governor for four-year terms. NCSEAA insures federal student loans (guaranty agency) and is authorized by the North Carolina General Assembly to administer 50 postsecondary financial aid programs funded by federal, state, and private sources

(including FFELP). NCSEAA is involved in outreach projects, and provides opportunities for North Carolina school counselors so that they can better assist students and their families in planning for college. NCSEAA has implemented a long-term parental savings trust fund to assist North Carolina families in paying for their children's education. NCSEAA also maintains an aggressive student loan collection system for recovery of defaulted and matured student loan obligations.

**Origination Fee** - This is a fee charged by the federal government and deducted from the loan before disbursement to offset part of the administrative costs of the Federal Family Education Loan Program (FFELP).

**Parent** - A student's biological or adoptive mother or father. (Note that grandparents, legal guardians and foster parents are not considered parents for financial aid purposes.)

**Participating Institution** - An eligible institution that meets the standards for participation in Title IV, HEA programs in subpart B and has a current program participation agreement with the Secretary.

**Pathways of North Carolina** - A partnership whose goal is to prepare every student in the state for a college education. To accomplish this, Pathways provides tools, information, and services in three vital areas:

- Career exploration and planning
- Academic planning and preparation
- Financial information

The Pathways partnership is funded by the General Assembly, and administered by the University of North Carolina. Pathways is provided as a free service to the state of North Carolina. The Pathways of North Carolina partnership includes:

- The State Department of Public Instruction
- North Carolina Community College System
- North Carolina Independent Colleges and Universities
- The University of North Carolina
- North Carolina State Education Assistance Authority (NCSEAA).

**Potential Overaward Project (POP)** - Process within the Common Origination and Disbursement (COD) system that tracks a Federal Pell Grant recipient's disbursements in order to determine an overaward. Each time a school reports a disbursement, the system checks to see that the disbursement will not exceed the recipient's award.

**Principal** - The initial amount of the student loan. Interest is charged on this amount, and guarantee and origination fees are deducted prior to disbursement.

**Professional Degree** - A degree that signifies both completion of the academic requirement for beginning practice in a given profession and a level of professional skill beyond that normally required for a bachelor's degree. Professional licensure is also generally required. Examples of a professional degree include but are not limited to Pharmacy, Dentistry, Veterinary Medicine, Chiropractic, Law, Medicine, Optometry, Osteopathic Medicine, Podiatry, and Theology.

**PROFILE** - A need-analysis form required by some institutions for non-federal aid and processed through the College Scholarship Service (CSS).

**Program Participation Agreement (PPA)** - Required for a school to participate in Title IV programs. Contains conditions governing a school's participation in Title IV programs and expiration date, and applies to each educational program, branch campus, and location listed in school's certification application.

**Promissory Note** - A borrower must sign a legal document when he/she receives an education loan that lists conditions under which the money is borrowed and the terms under which he/she agrees to repay

the loan with interest. The borrower's promissory note is usually returned to him/her when the loan is repaid in full.

**Recertification** - Process for school to request continuing participation in Title IV programs when its eligibility is scheduled to expire. Gatekeeping activity to ensure only schools meeting Title IV eligibility standards are allowed to continue to participate in Title IV programs.

**Recipient Financial Management System (RFMS)** - Is designed to report and request funds for the Federal Pell Grant Program.

**Regular Student** - One who is enrolled (or accepted for enrollment) at an institution in an eligible program for the purpose of obtaining a degree, certificate, or other recognized educational credential offered by that institution. Note that, if an individual is not yet beyond the age of compulsory school attendance in the state in which the institution is physically located, the institution may only enroll the individual as a "regular student" if he or she has a high school diploma or its equivalent.

**Residency** - In North Carolina, a person does not necessarily have to be a US citizen in order to be classified as a North Carolina resident for tuition purposes. However, a person must reside in this state for at least 12 months prior to the date of enrollment or re-enrollment in a postsecondary institution. Each postsecondary institution makes its own determination regarding in-state residency. Some factors used in determining domiciliary intent are place of abode, place where one votes, place of jury service, car registration or license, driver's license, place of employment, state where income tax is paid, location of personal property, and where one spends vacation time. Minors residing in North Carolina are considered residents of the state where their parents reside. A North Carolina resident who leaves the state is granted a 12-month grace period during which time he/she is treated as an in-state resident for tuition purposes. State law also allows military and their dependents to be treated as North Carolina residents for tuition purposes while stationed in North Carolina.

**Satisfactory Academic Progress (SAP)** - A student must be making satisfactory academic progress in order to continue receiving federal aid. Each institution develops its own satisfactory academic progress standards for financial aid eligibility. SAP must adhere to federal regulations.

**Scholarship** - A form of financial aid given to students on the basis of need or merit (or a combination of both) to help pay for their education expenses. Some scholarships have community service requirements and geographic, institutional or academic major restrictions. Most scholarships require the student to maintain satisfactory academic progress for renewal.

**Scholarship/Loan** - A form of financial aid that has a service and/or cash repayment obligation as a condition for receiving the funds. A student must promise to repay the money upon graduation or withdrawal from the program within a specified time period either through service in a certain geographical and/or subject area or in cash at a predetermined interest rate.

**Selective Service Registration** - A male student must register with the Selective Service to receive federal and/or state student aid. The requirement applies to males who are between the ages of 18 and 25, are citizens or eligible non-citizens, and are not currently on active duty in the armed forces. Exemptions include men currently in the armed services and on active duty, men who are not yet 18 at the time they complete their applications (an update is not required during the year, even if a student turns 18 after completing the application), men born before 1960 and noncitizens who first entered the U.S. after they turned 26. See the *FSA Handbook* for additional information.

**Student Aid Report (SAR) and the SAR Acknowledgement** - These paper documents provide the student with processed application information. The CPS prints these forms and mails them directly to the address the student provided or sends via e-mail if student provided.

**Student Aid Internet Gateway (SAIG)** - ED vehicle for electronically transmitting and receiving data on Title IV student aid programs. Entities exchanging data through the SAIG include the CPS, NSLDS, COD, schools, third-party servicers, state agencies, lenders and guarantors.

**Subsidized Loan** - This is a need-based loan on which the federal government pays the interest while the borrower is enrolled in school, during the grace period, and during any deferment periods.

**The College Board** - A national nonprofit membership association whose mission is to prepare, inspire, and connect students to college and opportunity. Founded in 1900, the association is composed of more than 4,300 schools, colleges, universities, and other educational organizations. Each year, the College Board serves over three million students and their parents, 23,000 high schools, and 3,500 colleges through major programs and services in college admissions, guidance, assessment, financial aid, enrollment, and teaching and learning. Among its best-known programs are the SAT, the PSAT/NMSQT, and the Advanced Placement Program.

**Three-quarter time student** - An enrolled student who is carrying a three-quarter time academic workload, as determined by the institution, that amounts to at least three quarters of the work of the applicable minimum requirement outlined in the definition of a full-time student.

**Title IV Aid** - The Title IV programs include the Federal Pell Grant, Academic Competitiveness Grant, National SMART Grant, TEACH Grant program, campus-based (Federal Perkins Loan, Federal Work-Study, and Federal Supplemental Educational Opportunity Grant) programs, Federal Family Education Loan, and William D. Ford Federal Direct Loan Programs (Title IV HEA Programs).

**Unaffiliated Lenders** - No common control, ownership, directors, trustees, or general partnership relations exist that would connect one lender on the school's list of preferred lenders to another. School is expected to collect and retain a statement certifying to this fact, upon which the school can rely, from each of the lenders they propose to include on their list.

**Undergraduate Student -**

1. A student who is enrolled in an undergraduate course of study that usually does not exceed four years, or is enrolled in a longer program designed to lead to a degree at the baccalaureate level. For purposes of 34 CFR 690.6(c)(5) students who have completed a baccalaureate program of study and who are subsequently completing a State-required teacher certification program are treated as undergraduates.
2. In addition to meeting the definition in paragraph above, a student is only considered an undergraduate for purposes of the Federal Supplemental Education Opportunity Grant (FSEOG) Program, the Federal Pell Grant Program, the Academic Competitiveness Grant (ACG) Program, National Science and Mathematics Access to Retain Talent (SMART) Grant Program and TEACH Grant program if the student has not yet earned a baccalaureate or professional degree. However, for purposes of 34 CFR 690.6(c)(5) students who have completed a baccalaureate program of study and who are subsequently completing a State-required teach certification program are treated as undergraduates.
3. For purposes of dual degree programs that allow individuals to complete a bachelor's degree and either a graduate or professional degree within the same program, a student is considered an undergraduate student for at least the first three years of that program.
4. A student enrolled in a four to five year program designed to lead to an undergraduate degree. A student enrolled in a program of any other, longer length is considered an undergraduate student for only the first four years of that program.

**Unsubsidized Loan** - This is a non-need-based loan for which borrowers are responsible for interest from the date the loan is disbursed.

**Verification** - This is a review process to determine the accuracy of the information on a student's financial aid application. If a student is selected for verification, he/she is required to submit documentation (such as federal tax returns) to support information on his/her federal aid application.

**Veteran** - A student who 1) has engaged in active service in the U.S. Armed Forces (Army, Navy, Air Force, Marines, or Coast Guard), or has been a member of the National Guard or Reserves who was called to active duty for purposes other than training, or was a cadet or midshipman at one of the service academies, or attended a U.S. military academy preparatory school, and 2) was released under a condition other than dishonorable. A veteran is also a student who does not meet this definition now but will by the end of the academic year...June 30 of academic year.

**Week -**

- A week is a consecutive seven-day period;
- A week of instructional time is any week in which at least one day of regularly scheduled instruction or examinations occur, or, after the last scheduled day of classes for a term or payment period, at least one day of study for final examinations occurs; and
- Instructional time does not include any vacation periods, homework, or periods of orientation or counseling.