

# GLOSSARY OF FINANCIAL AID TERMS

- EFC (Expected Family Contribution): A calculation used by your college to calculate the amount of federal student aid you are eligible to receive. It is based on your family's taxed and untaxed income, assets, your family size, and the number of family members who will attend college during the year.
- FAFSA: The Free Application for Federal Student Aid is the application you must submit to apply for financial aid. It is required for all students seeking federal, state and institutional aid. Please log on to <https://fafsa.ed.gov> to complete this application.
- Financial Aid: This is money either given or loaned to you to help pay for college. Financial Aid can come from federal, state, colleges, private and social organizations.
- Grant: Money you receive and do not need to re-pay. It is a gift.
- Loan: Money you borrow and must pay back. You will have to re-pay the loan plus an additional fee for borrowing the money called interest.
- IRS Data Retrieval Tool (IRS DRT): This time-saving software tool allows students and parents who filed a U.S tax return with the IRS (Internal Revenue Service) to easily access their tax return information and seamlessly transfer that data directly into their FAFSA.

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- **MASSGrant/MASSGrant Plus:** A program that provides students with grants (money you do not have to repay) from the state of Massachusetts. The amount of money you can receive depends on your unmet need and how many classes you are taking.
- **Master Promissory Note (MPN):** A binding legal document that you must sign when you get a federal student loan. It lists the terms and conditions under which you agree to repay the loan and explains your rights and responsibilities as a borrower. It's important to read and save your MPN because you'll need to refer to it later when you begin repaying your loan or at other times when you need information about provisions of the loan, such as deferments or forbearances.
- **SAR (Student Aid Report):** This report will be sent to you via email a few days after your FAFSA form has been processed or by mail within 7-10 days if you did not provide an email address. If there are no corrections or additional information you must provide, the SAR will contain your EFC, which is the number that's used to determine your eligibility for federal student aid.
- **Scholarship:** Money you receive and do not need to repay. Scholarships are a type of gift. They are usually given to students based on qualifying criteria such as academic performance.
- **Work-Study:** A federal program that allows students to work on campus and get paid as part of their financial aid package.