

Reading Financial Aid Letters

Financial Aid Award letters from school can be tricky to decipher sometimes. We suggest contacting your CoFo coach to read through them with you. Letters can differ in the language they use, but here are some things to look for, as well as some tips and tricks.

Types of Aid:

Loans - This is money that you will be expected to pay back with interest. Subsidized loans do not accrue interest while you are in school. Unsubsidized loans do. Interest rates for these loans can be found at studentaid.gov.

Scholarships - This is money that you do not have to pay back. You can also apply for independent scholarships. The ones listed on your Financial Aid letter are being offered by your school.

Grants - This money also does not have to be paid back. This is given based off the amount of financial support the institution believes you need.

Work Study - This offers a potential part time job at your university to help pay for school. This is paid as a paycheck to you.

Reading Your Letter:

You might have to google to find what some acronyms mean, since they differ from school to school. COA means Cost of Attendance. This usually only includes direct costs (tuition and fees), though some will note other costs like textbooks, supplies, room and board, transportation etc. These indirect costs like transportation are guesses, so you may need to calculate what they will be for you on your own.



Finding Out the Price:

It is important to look at two amounts to find out which school might be the best fit for you. The first thing to calculate will be Net Price, how much you will spend on the school year including paying loans in the future, and Unmet Need, how much money you will need to pay each year to attend.

Net Price for one academic year (excluding interest) can be calculated using the following formula:

$$\text{Cost of Attendance} \quad (-) \quad \text{Scholarships} \quad (-) \quad \text{Grants}$$

Unmet Need can be calculated using the following formula:

$$\text{Net Price} \quad (-) \quad \text{Loans}$$

Other Expenses:

Be sure to take rent, spending money, transportation and supplies into account when looking at potential costs.

A Few Suggestions:

Accept All Gift Aid Immediately - Accepting loans and gift aid in your school portal does not mean that you are committing to attending that school. If you don't accept it, it could be offered to other students!

Front Loading - Some grants and scholarships are only offered during the first year of school, meaning it could get more expensive. Look up each grant and scholarship to see if they will apply throughout your college journey.

Look at Aid Requirements - Some grants, work study and scholarships have requirements for GPA, number of hours you take, citizenship status and satisfac-

