

Understanding Your Financial Aid Award Letter

Use this example as a guide to reading your financial aid award letter. Remember, you can choose to accept or decline any part of your financial aid package. If you decide to decline any type of aid, contact the Financial Aid Office. If you have any questions, make sure to contact your prospective college's aid office immediately.

Expenses (COA*)	
Tuition:	\$7,334
Room/Board	\$5,204
Health Fees	\$ 176
Books/Supplies	\$1,015
Personal	\$2,600
Transportation	\$ 900
Total Expenses	\$17,239

*Cost of Attendance (COA): The total expenses (tuition, fees, etc.) of one year's education. Your college may also include indirect costs (books, room and board, transportation, personal expenses, etc.). Our example includes both direct and indirect expenses.

Resources (EFC*)	
Parent's Contribution	
From Earnings	\$2,500
From Assets	\$ 112
Student's Contribution	\$ 500
Total Resources	\$3,112

*Expected Family Contribution: Amount your family is expected to contribute determined by the Free Application for Federal Student Aid (FAFSA).

The amount you end up actually paying for the academic year, could differ from the EFC, depending on what resources are available at the college you decide to attend.

Sample Award Letter Explained

Dear Student:

The results of your Free Application for Federal Student Aid (FAFSA) indicate that you are eligible for financial assistance for the upcoming academic year. We are pleased to offer you the following financial aid award. Please review each type of award before accepting.

Award	Federal Pell Grant (free money)		Option to accept or decline each award		Total
	Fall	Spring	Accept	Decline	
Federal Pell Grant	\$ 625	\$ 625	€	€	\$1,250
Total Direct Loans					\$6,876
Direct Federal Stafford Loan (Subsidized)	\$1,500	\$1,500	€	€	
Direct Federal Stafford Loan (Unsubsidized)	\$1,938	\$1,938	€	€	
Total Financial Aid Package					\$8,126

Federal Stafford Loan – Unsubsidized
 (Interest accrues immediately after loan is disbursed)

Federal Stafford Loan – Subsidized
 (Interest-free until graduation when repayment of interest & principal begins)

What does this mean to you?

Cost of Attendance (COA)	\$17,239
Less Gift Aid (Pell Grant)	- \$1,250
Out-of-Pocket Cost (Net Price)	\$15,989

The out-of-pocket cost (net price) is the difference between the cost of attendance and the gift aid, such as grants and scholarships. It is the amount of money you will have to pay from savings (past income), income and loans (future income). Scholarships and grants will always be the best way to meet the costs of a college education. Search for scholarships at free websites like www.fastweb.com!