

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. Make sure to contact your prospective college's aid office immediately, if you have any questions.

Expenses (COA*)

Tuition:	\$7,334
Health and Fees:	176
Books/Supplies:	1,015
Room/Board:	5,204
Personal:	2,600
Transportation:	910

Total Expenses: \$17,239

Resources (EFC*)

Family's Resources	
Parent's Contribution:	
From Earnings:	\$2,500
From Assets:	112
Student's Contribution:	500
Other Resources	

Total Resources: \$3,112

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

* Expected Family Contribution (EFC): Amount your family is expected to give per year, determined by FAFSA results (e.g., EFC is \$3,112 [2,500+112+500]). The amount you end up actually paying could differ from the EFC, depending on what resources are available at your college.

Awarded Financial Aid

Notice the choice to accept/decline each award

Award	Fall	Spring	Accept	Decline	Total	
Pell Grant	\$625	\$625	<input type="checkbox"/>	<input type="checkbox"/>	\$1,250	<- Federal Pell Grant (free money)
Direct Stafford Loan (Subsidized)						
	\$1500	\$1500	<input type="checkbox"/>	<input type="checkbox"/>	\$3,000	<- Federal Stafford Loan –Subsidized (interest-free until 6 months after graduation)
Direct Stafford Loan (Unsubsidized)						
	\$1,938	\$1,938	<input type="checkbox"/>	<input type="checkbox"/>	\$3,876	<- Federal Stafford Loan –Unsubsidized (interest accrues immediately after loan is disbursed)
Total Direct Loans					\$6,876	
Total Financial Aid Package					\$8,126	

(COA) - (EFC) - (Aid) = **Unmet Need**
 \$17,239 - \$3,112 - \$8,127 = **\$6,001**

If you have applied to other schools, compare this financial aid award with the others. Remember to search for scholarships at www.fastweb.com! Scholarships will always be the best way to meet the costs of a college education.

Comparing Financial Aid Award Letters

You may receive award letters from different colleges. Keep the following in mind when making your final decision.

- Look carefully at your award letters: Letters from different schools will probably have their figures and costs in different formats. Compare award letters to see how their offers measure up. Ask if outside scholarships will affect your aid.
- Compare loan offers: Interest rates, how interest compounds, repayment terms and cancellation provisions can vary widely from loan to loan.
- Compare affordability of aid offers over time: Ask how your financial aid package will change over time. The aid package made available to you in your

senior year may look very different from the one you were offered freshman year.

- Look beyond the "sticker price": The school with the lowest cost of attendance may not be the most affordable. The amount and type of aid offered will influence affordability.
- Don't accept an offer just because it has the lowest "unmet need": You may save more by accepting an offer with a higher unmet need, if the aid package offers scholarships, grants and work-study instead of loans.
- Compare like terms: How do the schools determine cost of attendance? Do they all include direct costs as well as indirect costs? How do they handle outside scholarships? What work-study options are available? What are wages like? Can you substitute work-study for a loan?