



# Paying for College – Key Financial Aid Terms

The **FAFSA** (Free Application for Federal Student Aid) is an application that determines how much you and your family can contribute towards your college education and what type of government aid programs you qualify for. The FAFSA is processed and assessed by the federal government. The FAFSA opens on October 1 and can be completed online at [www.fafsa.ed.gov](http://www.fafsa.ed.gov) or using a paper application. It's important to complete the FAFSA before or by the priority deadline established by each college. If you don't file the FAFSA on time, you will still be eligible for Federal grants and loans, but you may miss out on school scholarships, state grants and work study opportunities to help pay for college. Most colleges base their financial aid contributions (grants, scholarships, work-study, etc.) on the data gathered from the FAFSA.

**Scholarships** are gifts of money awarded to students who meet certain qualifications, often based on merit, activities and financial need. You do not have to repay scholarship awards. Sometimes scholarships require a certain GPA range, or they are reserved for particular ethnic groups, students from a particular school district or geographical location. Scholarship opportunities are vast and qualifications varied, but there are many resources available to help you search for them. Visit [www.finaid.org](http://www.finaid.org) and investigate the local community scholarship list on the Taos High School website each spring.

**Grants** are money that the college gives to students. Additionally, outside sources sometimes offer grant dollars. Grants are usually based upon your financial need. Like scholarships, grants are money that you don't have to pay back.

**Loans** are money you borrow from a bank or from the government. Eventually, this money has to be paid back. Not only do you pay back the amount you borrow, but you also have to pay interest for the loan. There are several different types of loans with different interest rates.

**Work-study** is money the government gives to colleges so that they can pay students to work for them. Work-study is awarded on a need-basis. The college determines work-study awards, and students can earn only the amount awarded. If a student is granted work-study money, s/he might work at the bookstore, library or even the admission office.

**Expected Family Contribution (EFC)** is the amount of money you are expected to pay towards your college education. The government determines this amount based upon family taxes, income and expense information reported on your FAFSA.

The **Student Aid Report (SAR)** is generated after you submit the FAFSA. This report will inform you of how much your family will be expected to contribute towards your college education and whether you qualify for federal aid. Your SAR will be sent to the colleges you apply to (you can list 10 colleges when completing the FAFSA) and it will be used to calculate your financial aid package

**The CSS Profile** is administered by College Board (<https://cssprofile.collegeboard.org/>). The CSS Profile is most often used by private colleges and universities to determine the amount of non-government or institutional aid they can offer students. The CSS Profile, unlike the FAFSA, charges a fee for processing and submission, although you may be eligible for a fee waiver. Many colleges require both forms. Check with individual colleges to find out whether they require the CSS Profile.