



## Important Merit Aid Terms

### Determining your family's EFC

- Go to <https://bigfuture.collegeboard.org/pay-for-college/paying-your-share/expected-family-contribution-calculator>
- Choose BOTH Federal Methodology (FM) and Institutional Methodology (IM)
- This is the minimum that colleges will expect you to pay.

### Important financial aid terms

- **EFC** – Estimated Family Contribution. The amount a family can afford to spend on college per year, according to the Federal Methodology or the institution's methodology.
- **Cost of Attendance** – The amount a student should expect to pay to attend a particular college, including tuition, room and board, required fees, books, personal expenses and travel.
- **Discount** – Reduction in tuition.
- **Discount Rate** -- Total Aid divided by Total Price. May be calculated for a particular student or for a group, such as the freshman class.
- **Demonstrated Need** – The mathematical difference between a particular institution's Cost of Attendance and the family's calculated EFC. Some families find that their "felt" need is much higher than their "demonstrated" need.
- **NPC** – Net Price Calculator. Each college is required by federal law to offer a Net Price Calculator on their website, although some schools provide only a cursory calculator that doesn't include merit aid.
- **FAFSA** – Free Application for Federal Student Aid. Filing this form, starting October 1 of the student's senior year, is the only way to be eligible for federal funds or student loans. In a few cases, families must file the FAFSA to receive merit aid as well.
- **Federal Methodology** – The guidelines used by the FAFSA. The Federal Methodology notably does not consider home equity or the salary and assets of the non-custodial parent.
- **CSS/PROFILE** – A more extensive financial aid form, produced by the College Board, used by a subset of colleges. (The vast majority of colleges require only the FAFSA.) Usually asks for non-custodial parent and home equity information.
- **Institutional Methodology** – The methodology embodied by the CSS/PROFILE.
- **Need-based aid** -- Grants, loans, scholarships and work-study funds awarded based on the family's demonstrated need; i.e., Cost of Attendance minus EFC.
- **Student loan** – Funds borrowed from the federal government that the student will have to repay in the future. Any student who submits a FAFSA is entitled to federal student loans.
- **Meet Full Need** – A promise that a college will provide enough need-based aid to cover the full Cost of Attendance after the family has made its expected contribution. This may be good news for needy families, but bad news for middle class and wealthy families who think their EFC is too high.
- **Need-blind admissions** -- A college says it does not consider a family's finances when deciding whether to admit a student. Note that this is not the same thing as meeting full need.
- **Gap** – The difference between the need-based aid provided and the family's EFC.



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- **Admit-Deny** – When a college admits the student, but seriously “gaps” him. The student cannot actually afford to attend, effectively “denying” him. The college can still claim it is “need-blind” in admissions.
- **Merit Aid** – Grants and scholarships awarded without regard to a family’s ability to pay.
- **Outside Scholarships** – Grants received from sources other than the government and the college itself. Ironically, depending on the college’s policy, these scholarships may actually increase the amount a needy family is expected to contribute.

### Web resources

- List of colleges that give merit aid, from the New York Times:  
[http://www.nytimes.com/interactive/2012/07/08/education/edlife/8edlife\\_chart.html?\\_r=0](http://www.nytimes.com/interactive/2012/07/08/education/edlife/8edlife_chart.html?_r=0)
- MeritAid.com – an exhaustive list of scholarships offered by each college.
- For researching outside scholarships:
  - <http://www.college-scholarships.com/>
  - <http://fastaid.com/>
  - <https://www.nerdwallet.com/nerdscholar/scholarships/>