

College is an investment in you... and there's money to help you pay for it.

While most colleges expect you and your family to contribute toward your education, financial aid can help narrow the gap between your resources and your costs. Financial aid is available from the federal government, states, colleges and private sources:

Grants are money you don't have to repay and are typically based on financial need.

Scholarships are also free money for college and are usually based on your area of study or merit, such as good grades, high test scores, athletic, musical or other special talents, community service, and sometimes financial need.

Work-study or student employment programs—federal and college—let you earn money in certain jobs on or off campus to help pay for your education.

Loans are borrowed money that you must pay back, usually with interest.

Your first step to getting money for college is to complete the Free Application for Federal Student Aid, or FAFSA. Some financial aid offered by your state or college may require you to submit additional information or applications. Apply early and meet the deadlines because many financial aid funds are limited.

Also explore private scholarships, tax credits and other options—flip to page 25. Ask if your college offers a plan that will let you spread your payments over the school year.

Your school counselor or career center is the place to start. Also, browse the Web, starting with the sites listed on the back cover.

Cracking the Codes: Financial Aid Acronyms

Here are the major ones:

CAR	California Aid Report
COA	cost of attendance
DRN	Data Release Number
EFC	expected family contribution
FAFSA	Free Application for Federal Student Aid
GED	General Educational Development (high school graduation equivalency certificate)
GPA	grade point average
MPN	master promissory note for federal loans
PIN	personal identification number
SAR	Student Aid Report
SSN	Social Security number



2007 Median* Annual Earnings

*Median is the middle of a distribution; half the earnings are above the median and half are below. Earnings are for full-time workers age 25 and above.

The Power of Education Not only can you earn much more during your lifetime than someone with only a high school diploma, but you'll also have a better chance of earning it in a career you enjoy.

You should know:

- Cal Grants are free money you don't have to pay back.
- Financial aid can cover more than tuition and books. Paying rent, eating and getting from one place to another add up. Luckily, most state and federal grants and scholarships, as well as federal loans, take that into account.
- College isn't just for the wealthy. See pages 25-27 to learn more.
- You don't have to attend full time to get financial aid. You can use your federal Pell Grant and other aid if you only go to college half time. Even if you take one or two classes, you may still be able to use your Pell Grant.
- Money is set aside for foster youth. If you are or were in foster care, you may be eligible for thousands of dollars a year for college or job training on top of any other financial aid you receive.
- You don't need to be a U.S. citizen to receive financial aid—and your parents don't need to be citizens either. The majority of U.S. permanent residents and other eligible noncitizens qualify for most federal and state aid. If you're an undocumented student, you aren't eligible for state or federal aid, but in California you may qualify for in-state tuition rates at public colleges. See page 19.
- Completing the FAFSA is not as difficult as it may first appear. The form is available in English and Spanish, and has step-by-step instructions; ask your school for help. You can also attend a free college application workshop. For dates and locations, go to www.californiacashforcollege.org.

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Apply for financial aid even before finding out if you've been accepted to college. Otherwise you may miss out on scholarships, grants and other free money for education.

Ability-to-benefit test: one of the ways to determine eligibility for federal aid for students who aren't high school graduates or don't have a GED certificate.

Assets: an item of value, such as real estate, stocks, bonds, cash savings, trust funds, money market funds, college savings plans, retirement plans (previous year's contributions only) and prepaid tuition plans.

California Aid Report (CAR): the report from the California Student Aid Commission summarizing the information you provide on your FAFSA; estimates your Cal Grant award.

California residency: you're considered a California resident if you're an unmarried student, under 18, and your parents have been legal California residents for one year prior to the residence determination date of the college you will attend, or September 20, if your college does not have a residence determination date; if you've lived for two years with a legal California resident, other than a parent; or if a parent is in the U.S. Armed Forces, stationed in California and on active duty when you enroll. All married students, regardless of age, and unmarried students 18 or older, must establish their own residency. Students with questions regarding their residency should contact their campus financial aid office.

Campus-based aid: the three federal programs administered by colleges: Federal Perkins Loan, Federal Supplemental Educational Opportunity Grant and Federal Work-Study.

Capitalization: when interest is added to the principal balance of a loan rather than being paid as it accrues; any future interest is based on the higher loan amount.

Citizen/national: U.S. citizens are those born in one of the 50 states, the District of Columbia, or abroad to a U.S. citizen. Nationals include citizens of Puerto Rico, the U.S. Virgin Islands, Guam and the Northern Mariana Islands and natives of American Samoa and Swain's Island.

Cost of attendance (COA): the total cost of college for the school year as calculated by colleges, including tuition, fees, books, supplies, transportation, food, housing, personal expenses, and sometimes the rental or purchase of a computer; also known as the student budget.

CSS/Financial Aid Profile®: the financial aid application administered by the College Board and required by some independent colleges and scholarship organizations to award private aid.

Data Release Number (DRN): the four-digit number assigned to your FAFSA by the federal processor. You'll need the DRN to make corrections to your mailing address or the schools you listed on your FAFSA.

Default: failure to make loan payments or otherwise honor a loan's terms.

Eligible noncitizen: a U.S. permanent resident who has a Permanent Resident Card (I-551 or I-151); a conditional permanent resident (I-551C); or a noncitizen who has

an Arrival-Departure Record (I-94) from the Department of Homeland Security's U.S. Citizenship and Immigration Services with one of the following designations: Refugee (including noncitizen victims of human trafficking), Asylum Granted, Parolee (the I-94 confirms paroled for a minimum of one year and status has not expired), T-Visa holder, or Cuban-Haitian Entrant.

Expected family contribution (EFC): the portion of your own and your family's financial resources that should be available to pay for college, based on a federal formula using the information on your FAFSA.

FAFSA: Free Application for Federal Student Aid; the application used to apply for federal and most state financial aid, and sometimes institutional aid.

Federal methodology: the formula the federal government uses to determine a family's ability to contribute toward a college education using the information submitted on the FAFSA to calculate the expected family contribution (doesn't count home equity and certain other assets); also used by states and some colleges.

Federal processor: the federal government's computer system that analyzes the information on your FAFSA, calculates your expected family contribution and sends out the Student Aid Report.

Financial aid eligibility: the difference between your expected family contribution and the college's cost of attendance; also known as your financial need.

Financial aid package: the total amount of financial aid offered by a school; usually a combination of grants, scholarships, loans and work-study.

GED: General Educational Development test/certificate used to measure high school academic achievement.

GPA: grade point average.

Grant: financial aid that doesn't need to be repaid; usually based on financial need.

Home equity: current home value minus the amount still owed.

Independent college: a nonprofit, private college that is not run by a government organization.

Institution-based aid: financial assistance offered and controlled by individual colleges, such as alumni scholarships and endowments from private donors; also called institutional aid.

Institutional methodology: the formula used by some colleges to determine your eligibility for institutional aid; may count home equity and other assets the FAFSA does not.

Interest: the money lenders charge you for borrowing their money.

Master promissory note (MPN): a legally binding contract between a borrower and lender listing all terms and conditions of a loan; federal loans require an MPN.

Merit-based aid: financial aid that is based on merit—grades, test scores, athletic ability, talents or other criteria—and not income or assets.

Need-based aid: financial aid that is based on your own or your family's income and assets; most financial aid offered by the government is need-based.

PIN: personal identification number from the U.S. Department of Education that serves as your e-signature on the electronic FAFSA; also can be used to check on the status of your FAFSA.

Principal (loan): the sum you owe, not including interest, when you borrow money.

Private career college: a for-profit institution offering a course of study or job skills beyond high school.

Satisfactory academic progress: (as established by your college) the progress you must maintain toward obtaining a degree or certificate to continue receiving financial aid, and the GPA you must maintain.

Scholarship: money for college you don't have to repay, awarded based on grades, test scores, major, heritage or other criteria, and sometimes, financial need.

Selective Service registration: most males (citizens and eligible noncitizens) age 18-25 who are not currently on active duty in the Armed Forces must register with the Selective Service for military draft to receive federal student aid.

Student Aid Report (SAR): the report from the federal processor summarizing the information you provide on the FAFSA.

Student budget: the total cost of attending a college; also known as the cost of attendance (COA).

Undocumented students: students who live in the U.S. and are not U.S. citizens or eligible noncitizens and who don't have an Alien Registration Card, visa or other legal documentation; includes students or their families who entered the country legally on tourist or work visas and chose to stay after their visas expired.

Untaxed income: all income you receive that's not taxed or may not be reported to the IRS.

Verification: the procedure by which a college checks the information reported on the FAFSA, usually by requesting a copy of your (and/or your parents') signed tax return and other documentation.

Veteran: a person who has engaged in active duty in the U.S. Armed Forces or is a National Guard or Reserve enlistee called to active duty for purposes other than training, or who was a cadet or midshipman at one of the service academies, and who was released under a condition other than dishonorable; or who'll be a veteran by June 30, 2010.