



Financial Aid Dictionary

Terms and Acronyms for Beginners

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A

A+ Schools Program – A program administered by the Missouri Department of Elementary and Secondary Education (DESE) which provides paid tuition and fees as well as other financial incentives for students who fulfill needed requirements, graduate from a designated A+ high school and who attend a Missouri community college or vocational-technical school. More information is available at: <http://www.dese.mo.gov/divimprove/aplus/index.html>.

Ability to benefit – Basis on which a student without a high school diploma or GED may qualify for federal student aid. To demonstrate the ability to benefit from a program of study, a student must take a test that is approved by the U.S. Department of Education.

Academic Competitiveness Grant (ACG) – A new federal grant available as of July 1, 2006. Eligibility for this grant is based on high school academic performance as well as financial need. More information is available at: <http://studentaid.ed.gov/PORTALSWebApp/students/english/AcademicGrants.jsp?tab=funding>.

Academic Year (AY) – For the purposes of federal student aid, a period that begins on the first day of classes and ends on the last day of classes or examinations and that consists of at least 30 weeks of instructional time. The standard federal and state definition of an academic year is July 1 through June 30. (Note: the acronym “AY” may also refer to the Award Year.)

Access Missouri – A Missouri state need-based financial aid program administered by the MDHE through the FAMOUS system. This program was newly implemented as of August 28, 2007 and replaced both the Charles Gallagher Grant as well as the College Guarantee program. More information is available at: <http://studentaid.ed.gov/PORTALSWebApp/students/english/AcademicGrants.jsp?tab=funding>.

Accrued interest – Each day interest is calculated on the unpaid principal balance of a loan and increases (accrues). Interest accrues on a subsidized Stafford Loan after the grace period is completed and the borrower enters repayment. For unsubsidized Stafford, parent PLUS, and Grad PLUS Loans, on the other hand, interest begins to accrue after the first disbursement of the loan.

ACD – Anticipated Completion Date, the date a student expects to complete the program of study. May also be referred to as the Expected Graduation Date (EGD) or the Anticipated Graduation Date (AGD).

ACE – American Council on Education.

ACG – Academic Competitiveness Grant, a new federal grant available as of July 1, 2006. Eligibility for this grant is based on high school academic performance as well as financial need. More information is available at: <http://studentaid.ed.gov/PORTALSWebApp/students/english/AcademicGrants.jsp?tab=funding>.

ACH – Automated Clearinghouse, an overnight method of transferring funds electronically via the Federal Reserve.

ACT – American College Testing, a college assessment test administered by ACT, Inc.

Add Loan – Application processing feature within MODEL Direct. The Add Loan process provides a realtime guarantee for loan applications.

Adjusted Gross Income (AGI) – Adjusted Gross Income, an income figure on federal tax returns used to perform need analysis and verification.

Administrative forbearance – A temporary suspension, reduction, or time extension for making principal and/or interest payments on a FFEL Program loan. During any period of forbearance, interest continues to accrue on the loan.

Administrative Wage Garnishment (AWG) – Process by which federal student loan holders may withhold a portion of a borrower’s wages after a loan is in default.

AFDC – Aid to Families with Dependent Children, a public assistance program.

AGD – Anticipated Graduation Date, the date a student expects to graduate. May also be referred to as the Expected Graduation Date.

AGI – Adjusted Gross Income, an income figure on federal tax returns used to perform need analysis and verification.

Aggregate loan limit – The borrower’s maximum allowable unpaid principal amount throughout the student’s academic career. Capitalized interest or any collection costs that may have been added to the principal balance are not included in the borrower’s aggregate loan limit.

Aid Year (AY) – For the purposes of federal student aid, a period that begins on the first day of classes and ends on the last day of classes or examinations and that consists of at least 30 weeks of instructional time. The standard federal and state definition of an academic year is July 1 through June 30. (Note: the acronym “AY” may also refer to the Academic Year or Award Year.)

AL – Alternative loan, the CommonLine loan type code used to identify any non federal student loan, also referred to as “private loan.”

ALAS – Auxiliary Loans to Assist Students. This federal student loan program was available from 1981 to 1986; in 1986 it was re-named the Parent Loans for Undergraduate Students (PLUS) program.

Alternative loan – A non federal student loan, also referred to as “private loan.” Alternative loans are offered to students and/or parents by many, many lenders, secondary markets, and other private entities. The loan type code used in CommonLine to identify an alternative loan is AL.

American College Testing (ACT, Inc.) – An independent not-for-profit organization that provides assessment, research, information, and program management services in the areas of educational testing and planning, career planning, and workforce development.

American Student Assistance (ASA) – the MDHE’s servicer for FFEL Program loans.

ANN – Type of Dear Colleague Letter providing training announcements.

Annual loan limit – The maximum amount a student may borrow for each academic year of study under the Federal Stafford Loan Program. (Note: Federal PLUS and Grad PLUS Loans do NOT have a specific annual loan limit.)

Anticipated disbursement date – The date loan funds are expected to be issued to the school or escrow agent. A school establishes the anticipated disbursement date(s) for a loan at the time of certification.

Anticipated Graduation Date (AGD) – The date a student expects to graduate. May also be referred to as the Expected Graduation Date (EGD) or the Anticipated Completion Date (ACD).

Application – 1) The paper form or the information provided online/electronically to initiate a FFEL Program loan. Electronic versions of the application include MODEL Direct, CommonLine application send files, etc. 2) An eligibility determination for the state student assistance programs administered by the MDHE.

Application Send File – The CommonLine file type used to send application information to guarantors and/or other entities so that FFEL Program loans may be guaranteed and disbursed.

ASA – American Student Assistance, the MDHE’s servicer for FFEL Program loans.

Assignment – Language placed on or attached to the promissory note indicating a change or transfer of loan ownership (e.g., when a loan is sold by a lender to a secondary market).

Assignment of a loan – Any change in the ownership of a loan.

ATOM – Automated Transfer of Money, the MDHE’s free disbursing service.

Automated Clearinghouse (ACH) – An overnight method of transferring funds electronically via the Federal Reserve.

Automated Transfer of Money (ATOM) – The MDHE’s free disbursing service.

Auxiliary Loans to Assist Students (ALAS) – This federal student loan program was available from 1981 to 1986; in 1986 it was re-named the Parent Loans for Undergraduate Students (PLUS) program.

Award – Schools award, or “package,” student aid for each year for students. Once the aid is awarded, schools send award letters to students indicating the type(s) and amount(s) of financial aid awarded for the year. (Under 34 CFR 668.16(h), the school is required to provide information about the sources and amounts of aid offered.) The financial aid award may also be referred to as the “financial aid package.”

Award Letter – Schools send award letters to students indicating the type(s) and amount(s) of financial aid awarded, or packaged, each year. Under 34 CFR 668.16(h), the school is required to provide information about the sources and amounts of aid offered.

Award Year (AY) –The standard federal definition of an award year is July 1 through June 30. (Note: the acronym “AY” may also refer to the Academic Year or Aid Year.)

AWG – Administrative Wage Garnishment; federal student loan holders may withhold a portion of a borrower’s wages after a loan is in default.

AY – Academic year; the standard federal definition of an academic year is July 1 through June 30. This acronym may also be used to abbreviate “aid year” and “award year.”

B

Base year – For need analysis purposes, the calendar year preceeding the award year.

BBAY – Borrower-based academic year, an academic year which deviates from the standard definition and is often used by technical or vocational schools or within non-traditional programs of study. A BBAY is individualized for each borrower and generally covers a period of time during which the borrower completes at least a certain number of credit hours.

Be A Smart Borrower Expansion Portfolio – A resource for students taking loans. It helps keep the borrower’s important information collected and organized. Contact the MDHE default prevention department for more information: marilyn.landrum@dhe.mo.gov or (573) 522-6285.

Blue Book, The – Department of Education manual providing guidance to school business office personnel who handle fiscal recordkeeping, accounting, and reporting functions for the federal Title IV student financial aid programs. The most recent edition is dated October 2005 and may be retrieved from the IFAP website (<http://www.ifap.ed.gov/bbooks/102005BlueBook.html>).

Borrower – A person who obtains a loan and must repay it. This term is NOT synonymous with “student.”

Borrower-based academic year (BBAY) – An academic year that deviates from the standard definition and is often used by technical or vocational schools or within non-traditional programs of study. A BBAY is individualized for each borrower and generally covers a period of time during which the borrower completes at least a certain number of credit hours.

Branch campus – A permanent location of a school that: is geographically apart and independent of the main campus; offers courses leading to a degree or recognized academic credential; has its own faculty and administration; and has its own budgetary and hiring authority.

Branch code – A code assigned to a school’s branch campus to clearly identify it and its associated loans or other aid program amounts from the institution’s main campus. A 2-digit branch code is assigned by the U.S. Department of Education as a part of its 8-digit OPE ID. A 4-digit branch code is used within the header record of CommonLine files.

Bright Flight Scholarship Program – A Missouri state merit-based scholarship program administered by the MDHE and within the FAMOUS system. The official program name within Missouri statutes is the Higher Education Academic Scholarship Program. More information is available at: <http://www.dhe.mo.gov/brightflight.shtml>.

BRLA – Borrower requested loan amount.

Budget – Synonymous with Cost of Attendance (COA). In financial aid terms, a budget is an estimate of a student’s total education-related expenses for an enrollment period. The budget generally includes tuition, fees, room, board, books, supplies, and personal expenses. For the Charles Gallagher program, the standard budget for each institution consists of the institution’s prior year tuition and fees, room and board, and book costs reported through IPEDS, as well as standard budget figures determined by the MDHE using the Consumer Price Index (CPI). For the College Guarantee program, the budget is the lesser of the institution’s Gallagher budget or the average cost of attendance at the University of Missouri-Columbia.

Bursar, or Business Office – The institutional office that is responsible for the billing and collection of school charges.

C

CAM – Common Account Maintenance, the FFEL Program industry’s electronic data standard used by lenders, servicers, and guarantors. Created by the National Council of Higher Education Loan Programs (NCHELP), CAM specifies the type of content, record format, and file structure for sharing data on borrowers and their loans.

Campus-Based Aid – Campus-based aid programs include Federal Work Study (FWS), the Federal Perkins Loan Program, and the Federal Supplemental Educational Opportunity Grant (FSEOG).

Capitalized interest –Accrued interest that is periodically added to a loan’s principal balance. Interest accrues on a subsidized Stafford Loan after the grace period is completed and the borrower enters repayment. For unsubsidized Stafford, parent PLUS, and Grad PLUS Loans, on the other hand, interest begins to accrue after the first disbursement of the loan. Lenders may capitalize any accrued interest on a quarterly basis or at other scheduled time frames.

CB – The abbreviation for Campus-Based aid. Campus-based aid programs include Federal Work Study (FWS), the Federal Perkins Loan Program, and the Federal Supplemental Educational Opportunity Grant (FSEOG). “CB” also indicates a type of Dear Colleague Letter specifically addressing campus-based aid programs.

CBA – Consumer Bankers Association.

CBHE – Coordinating Board for Higher Education, the governing body overseeing the Missouri Department of Higher Education. The CBHE is comprised of 9 board members and meets 5 times each year.

CBO – Congressional Budget Office.

CDA – Central Disbursing Agent, a lender, servicer, guarantor, or other entity that combines disbursement funds and data from multiple origination sources and issues a single EFT transfer and disbursement roster to the school.

CDR – Cohort Default Rate. As defined within 34 CFR 668.181 – 668.198 (subpart M), the percentage of Stafford Loan borrowers who default before the end of the fiscal year following the fiscal year in which they entered repayment on their loans. The U.S. Department of Education calculates this rate annually for each school participating in the federal student loan programs. The most recent period for which final CDRs have been published is 2004. Schools may also obtain their draft CDR for 2005.

Central Processing System (CPS) – A company that is contracted by the U.S. Department of Education to process the Free Application for Federal Student Aid (FAFSA).

Certification – The act of attesting that something is true or meets a certain standard. 1) Within the FFEL Program, the school certifies each borrower’s student loan, attesting to the fact that required eligibility criteria have been met, such as need. 2) Within the state student assistance programs administered by the MDHE, the school certifies each student’s eligibility and at the same time requests funds.

CFR – Code of Federal Regulations. The regulations from the U.S. Department of Education relating to the federal student aid programs are codified in Volume 34. Part 668 governs the student assistance general provisions. Part 682 regulates the FFEL Program.

Change transaction – Any change made to a loan or disbursement post guarantee. Change transactions are defined within the CommonLine Change Send File (CTSF) and are categorized into pre-disbursement (@1-09) and post-disbursement transactions (@1-10). In Missouri, the term “loan maintenance” is used to describe change transactions.

Change Transaction Send File (CTSF) – The CommonLine file type used to send change transactions to guarantors, lenders, and/or servicers so that FFEL Program loans may be updated. CTSFs are divided into pre-disbursement transactions (@1-09) and post-disbursement change transactions (@1-10).

Charles Gallagher Student Financial Assistance Program – A Missouri state need-based grant program administered by the MDHE through the FAMOUS system until the 2006-07 academic year. This program was replaced by Access Missouri August 28, 2007. (This program was formerly known as the Missouri Student Grant Program.)

Choosing the Best School 4U – tips and guidelines for selecting a post-secondary institution and an academic year calendar to help you stay on track as you prepare for college and work through the financial aid process. This publication and all publications published by the MDHE can be requested on the Publications Order Form:

<http://www.dhe.mo.gov/publicationsorderform.shtml>.

CL – CommonLine, the FFEL Program industry’s standards by which loan and borrower information is electronically gathered, stored, and transmitted via a flat file. CommonLine file specifications are agreed to by the industry’s Electronic Standards Committee (ESC) and may be retrieved from the NCHelp e-library at www.nchelp.org.

CL4 – CommonLine Release 4, the most widely used CommonLine file format within the FFEL Program. The CommonLine Release 5 (CL5) formats, although in existence for many years, were never widely adopted and implemented by FAMS vendors or FFEL Program participants.

CL unique ID – Abbreviation for “CommonLine unique identifier,” a sequence of numbers and letters (17 characters) typically assigned by the guarantor at the time of guarantee. Components of the unique identifier include the 6-digit school OPE ID (positions 1-6), a 4-digit school branch code (positions 7-10), a 1-digit system ID (position 11), and an incremental code (positions 12-17).

Claim – The process by which the lender or holder requests reimbursement from the guarantor for a FFEL Program loan due to the borrower’s default, loss of eligibility, or qualification for forgiveness or discharge.

Clock hour – A time period consisting of one of the following: 50-60 minutes of class, lecture, or recitation; 50-60 minutes of faculty supervised laboratory, shop training, or internship; or 60 minutes of preparation for a correspondence course.

COA – Cost of Attendance, an estimate of a student’s total education-related expenses for an enrollment period. The COA generally includes tuition, fees, room, board, books, supplies, and personal expenses. May also be referred to as the “budget.”

COD – Common Origination and Disbursement.

Code of Federal Regulations (CFR) – The regulations from the U.S. Department of Education relating to the federal student aid programs are codified in Volume 34. Part 668 governs the student assistance general provisions. Part 682 regulates the FFEL Program.

Code of State Regulations (CSR) – The regulations from the state of Missouri related to the Missouri Department of Higher Education and its administrative functions and authority are codified in Title 6, Division 10, Chapter 2. This is abbreviated as “6 CSR 10-2.” The Missouri CSRs may be retrieved from the secretary of state website at <http://www.sos.mo.gov/adrules/csr/current/6csr/6csr.asp>.

Cohort Default Rate (CDR) – As defined within 34 CFR 668.181 – 668.198 (subpart M), the percentage of Stafford Loan borrowers who default before the end of the fiscal year following the fiscal year in which they entered repayment on their loans. The U.S. Department of Education calculates this rate annually for each school participating in the federal student loan programs. The most recent period for which final CDRs have been published is 2004. Schools may also obtain their draft CDR for 2005.

College Access Initiative – Included in the Deficit Reduction Act of 2005, this initiative requires guarantors to undertake activities to promote access to postsecondary education. Information and tools may cover topics such as college planning, career preparation, and paying for college and may be made available via websites, publications, or other programs.

Comaker – One of two married individuals who jointly consolidated their federal students loans before July 1, 2006. This term also applies to two parents who were joint borrowers of a PLUS Loan made prior to April 16, 1999.

Common Account Maintenance (CAM) – The FFEL Program industry’s electronic data standard used by lenders, servicers, and guarantors. Created by the National Council of Higher Education Loan Programs (NCHELP), CAM specifies the type of content, record format, and file structure for sharing data on borrowers and their loans.

CommonLine (CL) – The FFEL Program industry’s standards by which loan and borrower information is electronically gathered, stored, and transmitted via a flat file. CommonLine file specifications are agreed to by the industry’s Electronic Standards Committee (ESC) and may be retrieved from the NCHELP website at www.nchelp.org.

CommonLine loan sequence number – A 2-digit number typically assigned by the guarantor at the time of guarantee. This number is attached to the end of the CommonLine unique identifier.

CommonLine unique identifier – A sequence of numbers and letters (17 characters) typically assigned by the guarantor at the time of guarantee. Components of the unique identifier include the 6-digit school OPE ID (positions 1-6), a 4-digit school branch code (positions 7-10), a 1-digit system ID (position 11), and an incremental code (positions 12-17). Term may be abbreviated as “CL unique ID.”

Common Manual – A policy and procedure manual summarizing unified student loan policy that is published by NCHELP. The Common Manual is updated regularly by a committee of FFEL Program agencies.

Common Record: CommonLine (CR:C) – The FFEL Program industry’s newest electronic communication standards by which loan and borrower information is electronically gathered, stored, and transmitted via an XML format. CR:C file specifications are agreed to by the industry’s Electronic Standards Committee (ESC) and may be retrieved from the NCHELP website at www.nchelp.org.

Consummated loan – A loan for which disbursement funds have been delivered to the borrower. For example, a loan is considered consummated when the borrower cashes a paper check from the lender or when the school applies the proceeds of an ACH transfer to the student’s account.

Consolidation – The combining of existing federal student loans into one new loan with an interest rate equal to the weighted average of the loans being consolidated. Consolidation can result in lower monthly payments but higher total debt.

COOL – College Opportunities OnLine, a college locator tool offered online by the U.S. Department of Education's National Center for Education Statistics. The site is located at the following url: <http://www.nces.ed.gov/ipeds/cool/>.

Coordinating Board for Higher Education (CBHE) – The governing body overseeing the Missouri Department of Higher Education. The CBHE is comprised of 9 board members and meets 5 times each year.

Cost less aid – A figure calculated by deducting all financial assistance the student has been or will be awarded for the loan period from the cost of attendance for that same loan period.

Cost of Attendance (COA) – An estimate of a student's total education-related expenses for an enrollment period.

CPS – Central Processing System, a company that is contracted by the U.S. Department of Education to process the Free Application for Federal Student Aid (FAFSA).

CR:C – Common Record: CommonLine, the FFEL Program industry's newest electronic communication standards by which loan and borrower information is electronically gathered, stored, and transmitted via an XML format. CR:C file specifications are agreed to by the industry's Electronic Standards Committee (ESC) and may be retrieved from the NCHelp website at www.nchelp.org.

C record – A record type included in CommonLine application send files as a part of the School Certification Request (SCR) process.

CSR – Code of State Regulations. The regulations from the state of Missouri related to the Missouri Department of Higher Education and its administrative functions and authority are codified in Title 6, Division 10, Chapter 2. This is abbreviated as "6 CSR 10-2." The Missouri CSRs may be retrieved from the secretary of state website at <http://www.sos.mo.gov/adrules/csr/current/6csr/6csr.asp>.

CTSF – Change Transaction Send File, the CommonLine file type used to send change transactions to guarantors, lenders, and/or servicers so that FFEL Program loans may be updated. CTSFs are divided into pre-disbursement transactions (@1-09) and post-disbursement change transactions (@1-10).

Cure – Reinstatement of a loan's guarantee upon completion of a prescribed series of loan collection activities. Also defined as the process by which the loan's guarantee is reinstated.

Custom Reports – A reporting feature within MODEL Direct allowing reports to be created on demand with customized filter criteria and with real-time data.

D

DAA – Default Aversion Assistance, assistance provided to a lender by the guarantor in order to prevent a delinquent loan from defaulting. A lender must submit a DAA request (DAAR) to the MDHE when a borrower is more than 60 days delinquent on a student loan.

DAAR – Default Aversion Assistance Request, the request sent by the lender to the MDHE to request DAA when a borrower is more than 60 days delinquent.

DCL – Dear Colleague Letter, a communication from the U.S. Department of Education that explains, clarifies, or provides guidance regarding federal regulations and statutes.

DE – U.S. Department of Education, which may also be referred to as ED, USDE, or simply the Department.

Dear Colleague Letter (DCL) – A communication from the U.S. Department of Education that explains, clarifies, or provides guidance regarding federal regulations and statutes.

Default – Occurs when the borrower fails to make FFEL Program loan payments for 270 days or more or when the borrower fails to meet other terms of the promissory note.

Default Aversion Assistance (DAA) – Assistance provided to a lender by the guarantor in order to prevent a delinquent loan from defaulting.

Default Fee – A loan program fee required by the Deficit Reduction Act of 2005 to offset the risk of default and its subsequent costs. All Stafford and PLUS Loans guaranteed on or after July 1, 2006 must be assessed a one percent default fee. The fee either must be deducted from the borrower's loan proceeds at the time of disbursement or paid by a third party from other non-federal sources (such as a lender or servicer). Also referred to as DFee and/or FDF.

Default Fee subsidy – Term used to refer to a Default Fee that is paid by a third party on behalf of the borrower.

Deferment – 1) A period of time during repayment in which the borrower, upon meeting certain conditions, is not required to make loan principal payments. For a subsidized Federal Stafford Loan, the loan is also eligible for a federal interest subsidy during periods of deferment. For an unsubsidized Federal Stafford, PLUS, or Grad PLUS Loan, the borrower is responsible for the interest during periods of deferment. In this case, the interest may either be paid or may be accrued and capitalized onto the principal amount. 2) For the Bright Flight program, a student may be eligible for a deferment of eligibility for up to 27 continuous months for participating in a student exchange program, service to a non-profit organization, service or active duty in the armed forces, and for medical reasons.

Deficit Reduction Act of 2005 – Legislation signed into law by President Bush in February of 2006. The portion of the legislation impacting student financial aid provisions, including student loan interest rates and fees, consolidation rules, school as lender, and other policies and procedures, is referred to as the Higher Education Reconciliation Act (HERA) of 2005.

Delinquency – A period that begins on the day after the due date of a loan payment when the borrower fails to make the equivalent of at least one full payment.

Delivery of proceeds – Delivery of loan proceeds by the school to the borrower. Also referred to as “release of proceeds.”

Department of Elementary and Secondary Education (DESE) – The Missouri state agency overseeing the state's elementary and secondary public school systems.

Department of Higher Education (DHE) – The Missouri state agency overseeing the state’s higher education systems and related policies and administering student aid programs, including the FFEL Program and state aid programs such as the Bright Flight Scholarship. Also known as the MDHE. The agency’s website may be found at www.dhe.mo.gov.

Dependent student – A student who does not meet the eligibility requirements for an independent student under section 480(d) of the Higher Education Act of 1965.

DESE – Department of Elementary and Secondary Education, the Missouri state agency overseeing the state’s elementary and secondary public school systems as well as the A+ Program.

DFee – Default Fee, a fee required by the Deficit Reduction Act of 2005. All Stafford and PLUS Loans guaranteed on or after July 1, 2006 must be assessed a one percent fee. The fee either must be deducted from the borrower’s loan proceeds at the time of disbursement or paid by a third party from other non-federal sources (such as a lender or servicer). This fee is also referred to as FDF.

DHE – Department of Higher Education, the Missouri state agency overseeing the state’s higher education systems and related policies and administering student aid programs, including the FFEL Program and state aid programs such as the Bright Flight Scholarship. Also known as the MDHE. The agency’s website may be found at www.dhe.mo.gov.

DHS – Department of Homeland Security. On March 1, 2003, the DHS absorbed the former federal agency, Immigration and Naturalization Service (INS). At that time, the INS was renamed the U.S. Citizenship and Immigration Services (USCIS).

Direct lending, or direct loan – The William D. Ford Direct Loan Program, a federal student loan program through which the U.S. Department of Education loans money directly to students and parents rather than having the loans funded by private lenders, as in the case of the FFEL Program. Direct lending is codified in federal regulations within 34 CFR 685.

Disbursement – 1) The transfer of loan funds by the lender to the school or escrow agent. (Note: under limited circumstances, a lender may also disburse funds directly to the borrower.) For a Federal Consolidation Loan, disbursement occurs when loan proceeds are transferred from the consolidating lender to the current holder of the loan being consolidated, which pays the original loan in full. 2) For the state student assistance programs administered by the MDHE, disbursement is the transfer of grant or scholarship funds to the school, or in some instances, to the student. Disbursement to the school occurs via EFT or master check. Disbursement to a student occurs via individual check.

Disbursement date – The date loan funds are issued to the school or escrow agent. For a paper check, the disbursement date is the date the check is issued. For an electronic funds transfer via ACH or wire, the disbursement date is the date the funds are transferred from the lender to the school or escrow agent. (Note: under limited circumstances, a lender may also issue funds directly to the borrower.)

Disbursement date change – A pre-disbursement change transaction updating the date loan funds should be issued to the school or escrow agent. May also be referred to as rescheduling a disbursement. Within CommonLine 4 files, the disbursement date change is located within the @1-09 record.

Disbursement Roster (DR) – The electronic file or paper report listing all disbursements and related information for each borrower.

Disbursing agent – The lender, servicer, guarantor, or other entity that issues disbursement funds to the school for delivery to the borrower.

Discharge – The release of a borrower or any comaker from all or a portion of his or her loan obligation. Valid reasons for discharge include school closure, death, total and permanent disability, an unpaid refund by the school, or the school's false certification of a FFEL Program loan.

DL – Direct Loan Program, a federal student loan program through which the U.S. Department of Education loans money directly to students and parents rather than having the loans funded by private lenders, as in the case of the FFEL Program. Direct lending is codified in federal regulations within 34 CFR 685.

DP Grant – Default Prevention Grant program, offered by the MDHE since 2001. Schools are periodically invited to submit proposals for grant funds to help reduce their default rates, reduce default claims paid for their borrowers, improve retention rates, implement financial literacy programs, or implement other default prevention activities.

DR – Disbursement Roster, the electronic file or paper report listing all disbursements and related information for each borrower.

Due diligence – The collection procedures required to attempt to satisfactorily resolve a delinquency and prevent a default in accordance with federal regulations.

DVA – Department of Veterans Affairs.

E

EAC – Electronic Access Code. Also Electronic Access Conference, an annual conference sponsored by the U.S. Department of Education.

Economic hardship – A period during which the borrower is working full time but is earning an amount that does not exceed the greater of the minimum wage or the poverty line for a family of two. Economic hardship also exists if a borrower's monthly payments on federal student loans are equal to or greater than 20 percent of his/her monthly income.

ED – U.S. Department of Education, which may also be referred to as DE or simply the Department.

EDE – Electronic Data Exchange, a federal system for institutions to electronically transmit, receive, and correct application data, package student awards, and transmit Federal Pell Grant and direct loan information.

EDExpress – A PC-based software offered by the U.S. Department of Education to schools to administer the Federal Pell Grant Program and the direct loan program.

E-distribution list – The Missouri Department of Higher Education's electronic news service. To sign up for this service, visit <http://www.dhe.mo.gov/mdhedigest/signup.shtml>.

EFA – Estimated Financial Assistance (or Aid), a school's estimation of the amount of financial aid for which the student is eligible during any given enrollment period. EFA may include loan, grant, or scholarship aid from federal, state, institutional, or other sources.

EFC – Expected Family Contribution, the amount the student or student's family is expected to pay toward the student's cost of attendance as a result of the Federal Need Analysis Methodology.

EFT – Electronic Funds Transfer, the transfer of funds via an electronic method such as wire, which is realtime, or Automated Clearinghouse (ACH), an overnight process.

Electronic Access Conference (EAC) – An annual conference sponsored by the U.S. Department of Education.

Electronic Data Exchange (EDE) – Federal system used by schools to administer the Federal Pell Grant Program and the direct loan program.

Electronic Funds Transfer (EFT) – The transfer of funds via an electronic method such as wire, which is realtime, or Automated Clearinghouse (ACH), an overnight process.

Electronic signature (e-sign) – Information in electronic format that is attached to or logically associated with an electronic record and used by a person with the intent to sign the electronic record. Students, parents, and borrowers may electronically sign the FAFSA, a FFEL Program loan application, or other student aid document.

Electronic Standards Committee (ESC) – A committee sponsored by NCHelp through which CommonLine and other electronic file formats and methods are determined.

ELM – A non-profit mutual benefit company formed and owned by its lender, servicer, and guarantor members. ELM provides software for FFEL Program and private loan processing and CommonLine file exchange.

ELM-NDN – ELM's National Disbursing Network (NDN), which provides consolidated disbursement services to schools.

Emergency action – A special action taken by the guarantor or by the U.S. Department of Education to temporarily suspend a school, lender, or servicer from participation in the federal student aid programs. An emergency action may be followed by the initiation of formal Limitation, Suspension, and Termination procedures.

Encryption – A process by which data is translated into a proprietary code (algorithm) so that it can only be read or altered by an entity that possesses the keys to decipher (decrypt) the code. There are two types of encryption: symmetric (private key) and asymmetric (public key).

Endorser – A signer of a promissory note who is secondarily liable for a loan obligation. A lender may require a PLUS applicant with adverse credit history to obtain a creditworthy endorser in order to receive the loan.

Enrolled – The status of a student who has been admitted to an educational program or has completed an institution's registration requirements.

Enrollment status – The status indicating whether a student is enrolled full time (FT), half time (HT), or less than half time (LTH). Other enrollment statuses may include an approved leave of absence (LOA), never enrolled (X), graduated (G), withdrawn (W), or deceased.

Enterprise – The MDHE's system for guaranteeing and servicing loans. Enterprise is owned and developed by American Student Assistance (ASA), the MDHE's servicer. Also referred to as MODEL Enterprise.

Entrance counseling – Counseling required to be provided by a school to its borrowers prior to delivering a student's first disbursement associated with his or her first loan.

Entrance Counseling Workbook – A step-by-step guide to understanding the responsibilities of a student loan. This publication and all publications published by the MDHE can be requested on the Publications Order Form: <http://www.dhe.mo.gov/publicationsorderform.shtml>.

ESC – Electronic Standards Committee, a committee sponsored by NCHelp through which CommonLine and other electronic file formats and methods are determined.

Escrow agent – A guarantor or other eligible entity that receives the proceeds of a FFEL Program loan as an agent of an eligible lender for the purpose of transmitting those proceeds to the school.

E-sign – Process of electronically "signing" a FFEL Program loan application, FAFSA, or other student aid document by providing information in an electronic format such as within a web loan delivery product (e.g., the MDHE-ASA product, MODEL Direct).

Estimated Financial Assistance/Aid (EFA) – A school's estimation of the amount of financial aid for which the student is eligible during any given enrollment period. EFA may include loan, grant, or scholarship aid from federal, state, institutional, or other sources.

Estimated need cutoff – The estimated need amount that students must demonstrate to qualify for the Gallagher and College Guarantee programs. The MDHE estimates the need cutoff each spring; the actual need cutoff is determined immediately prior to setting spending authority in FAMOUS.

Excel – A Microsoft spreadsheet software package. Reports available within MODEL Direct may be exported in a Microsoft Excel format.

Exit Counseling Workbook – An easy-to-read workbook that explains the ins and outs of repaying a student loan. This publication and all publications published by the MDHE can be requested on the Publications Order Form: <http://www.dhe.mo.gov/publicationsorderform.shtml>.

Expected Family Contribution (EFC) – The amount the student or student’s family is expected to pay toward the student’s cost of attendance as a result of the Federal Need Analysis Methodology.

Extended repayment schedule – A repayment schedule option available to borrowers with outstanding principal and interest in FFEL Program loans totaling more than \$30,000. An extended repayment schedule may provide for standard or graduated installments not to exceed a period of 25 years. Note: this option is only available to borrowers who meet the qualifications on or after October 7, 1998.

F

FAA – Financial Aid Administrator, a staff member at an eligible school who administers financial aid programs.

FAD – Financial Aid Director, a staff member at an eligible school who heads the financial aid office.

FAFSA – Free Application for Federal Student Aid, the form the student must complete to apply for federal Title IV financial assistance and for Missouri need-based aid programs. The FAFSA may also be completed on the web at the following url: <http://www.fafsa.ed.gov/>.

FAMOUS – Financial Assistance for Missouri Undergraduate Students, the MDHE’s system and integrated database used to administer the MDHE’s state financial aid programs. FAMOUS was developed with input from Missouri schools and implemented during the 2005-2006 academic year. More information is available at: <http://www.dhe.mo.gov/famous.shtml>.

FAMS – Financial Aid Management System, software used by the school to administer all aspects and types of financial aid. FAMS products include Datatel’s product Colleague, PeopleSoft, SCT’s product Banner, the College Board’s product PowerFAIDS, and many others.

FANG – Financial Aid Noon Group, the mid-Missouri group of financial aid officers. FANG normally meets several times a year in Columbia.

FAO – Financial Aid Officer, a staff member at an eligible school who administers financial aid programs.

FAT – Financial Aid Transcript, an official record of federal financial aid a student has received at schools the student previously attended.

DFD – Federal Default Fee, a loan program fee required by the Deficit Reduction Act of 2005 to offset the risk of default and its subsequent costs. All Stafford and PLUS Loans guaranteed on or after July 1, 2006 must be assessed a one percent default fee. The fee either must be deducted from the borrower’s loan proceeds at the time of disbursement or paid by a third party from other non-federal sources (such as by a lender or servicer). Also referred to as DFee.

FDLP – The William D. Ford Federal Direct Loan Program, a federal student loan program through which the U.S. Department of Education loans money directly to students and parents rather than having the loans funded by private lenders, as in the case of the FFEL Program.

Federal Default Fee (DFD) – A loan program fee required by the Deficit Reduction Act of 2005 to offset the risk of default and its subsequent costs. All Stafford and PLUS Loans guaranteed on or after July 1, 2006 must be assessed a one percent default fee. The fee either must be deducted from the borrower’s loan proceeds at the time of disbursement or paid by a third party from other non-federal sources (such as by a lender or servicer). Also referred to as DFee.

Federal Direct Loan Program (FDLP) – The William D. Ford Direct Loan Program, a federal student loan program through which the U.S. Department of Education loans money directly to students and parents rather than having the loans funded by private lenders, as in the case of the FFEL Program.

Federal Family Education Loan Program (FFELP) – Federal student loans that were authorized by Title IV, Part B, of the Higher Education Act of 1965, as amended. FFEL Program loans are funded by private lenders and are guaranteed by state agencies or other non-profit organizations. FFEL Program loans include Federal Stafford (subsidized and unsubsidized), Federal PLUS (for parents or for graduate/professional students), and Federal Consolidation Loans.

Federal Fiscal Year (FFY) – The period of October 1st through September 30th.

Federal Need Analysis Methodology (FM) – The formula used to calculate the EFC (Expected Family Contribution), which is then used to determine a student’s eligibility for the federal financial aid, state aid, and/or institutional aid programs.

Federal Perkins Loan – The Federal Perkins Loan Program, a campus-based Title IV student loan program administered by the school.

Federal Register – A federal government publication that lists regulations, regulatory amendments, notices, and proposed regulatory changes for all federal executive agencies.

Federal Reserve – The Federal Reserve Act established 12 banks for holding government reserve funds. The banking industry uses the Federal Reserve system for transferring funds electronically via an overnight process. (See also ACH.)

Federal Work-Study Program (FWS) – A campus-based Title IV student employment program administered by the school. FWS is a need-based program.

FERPA – Family Educational Rights and Privacy Act of 1974.

FFEL Program – The Federal Family Education Loan Program loans that were authorized by Title IV, Part B, of the Higher Education Act of 1965, as amended. FFEL Program loans are funded by private lenders and are guaranteed by state agencies or other non-profit organizations. FFEL Program loans include Federal Stafford (subsidized and unsubsidized), Federal PLUS (for parents or for graduate/professional students), and Federal Consolidation Loans.

FFY – Federal Fiscal Year, the period of October 1st through September 30th.

File Transfer Protocol (FTP) – A standard internet protocol that allows the transmission of data files.

Financial Aid Administrator (FAA) – A staff member at an eligible school who administers financial aid programs.

Financial Aid Director (FAD) – A staff member at an eligible school who heads the financial aid office.

Financial Aid Management System (FAMS) – Software used by the school to administer all aspects and types of financial aid. FAMS products include Datatel’s product Colleague, PeopleSoft, SCT’s product Banner, the College Board’s product PowerFAIDS, and many others.

Financial Aid Noon Group (FANG) – Mid-Missouri’s group of financial aid officers, normally meeting several times a year in Columbia.

Financial Aid Officer (FAO) – A staff member at an eligible school who administers financial aid programs.

Financial aid package – The total amount of financial aid that a school awards a student for any given aid year. Also referred to as “financial aid award.”

Financial Aid Transcript (FAT) – An official record of federal financial aid a student has received at schools the student previously attended.

Financial Assistance and Outreach Group – The division within the MDHE that administers Missouri's state aid programs, such as the Charles Gallagher Student Financial Assistance Program.

Financial literacy – The ability to read, analyze, manage, and communicate about the personal financial conditions affecting material well-being. This term is used to describe financial education programs on college campuses and within high schools. The objective of financial literacy programs is to help students better manage their finances, budget effectively, and borrow wisely.

Financial need – The student's COA (Cost of Attendance) less the EFC (Expected Family Contribution). The resulting amount is used to determine a student's eligibility for most of the federal student aid programs as well as some state and institutional aid programs.

FISAP – Fiscal Operations Report and Application to Participate in the federal campus-based aid programs. Information about the FISAP, instructions, and the actual form may be found at: <http://www.cbfishap.ed.gov/CBSWebApp/welcome.jsp>.

Fiscal Year (FY) – An annual budgetary period. A fiscal year may be defined as a calendar year or other period, such as a State Fiscal Year (July 1-June 30) or Federal Fiscal Year (October 1-September 30).

Fixed rate – An interest rate that is fixed at the time the loan is obtained (as opposed to a variable rate, which may change at specific times or based on specific indicators). As of July 1, 2006, interest rates on FFEL Program loans are fixed, replacing the variable rate loans that existed prior to that date.

Flat file – Within systems terms, a flat file is a single file containing flat ASCII, or a string of characters. Data in flat files must be read and processed sequentially. CommonLine 4 files are flat files.

FM – Federal Need Analysis Methodology, the formula used to calculate the EFC, which is then used to determine a student's eligibility for the federal financial aid, state aid, and/or institutional aid programs.

Forbearance – A period of time during which the borrower is permitted to temporarily cease making loan payments or to reduce the amount of the payments. The borrower is responsible for all interest that accrues during the forbearance period, for all loan types.

Forgiveness – The release of a borrower or any comaker from all or a portion of his or her loan obligation due to qualifying child care service or qualifying teaching service.

FP – Type of Dear Colleague Letter addressed to FFEL Program participants.

FRB – Federal Reserve Bank, one of 12 banks established by The Federal Reserve Act for holding government reserve funds. The banking industry uses the Federal Reserve system for transferring funds electronically via an overnight process. (See also ACH.)

Free Application for Federal Student Aid (FAFSA) – The form the student must complete to apply for federal Title IV financial assistance. The FAFSA may also be completed on the web at the following url: <http://www.fafsa.ed.gov/>.

Freely associated states – States under U.S. jurisdiction whose residents are eligible for federal student aid. Includes the Republic of the Marshall Islands, the Federal States of Micronesia, and the Republic of Palau.

FSA – Federal Student Aid.

FSA Handbook – Federal Student Aid Handbook, a guide to administering the Title IV financial aid programs, published annually by the U.S. Department of Education.

FT – Full Time, an enrollment status indicating the student is carrying a full academic workload as determined by the school.

FTP – File Transfer Protocol, a standard internet protocol that allows the transmission of data files.

Full Time (FT) – An enrollment status indicating the student is carrying a full academic workload as determined by the school.

Funds – Any monies or commitment to provide money, including checks, electronic transfers via ACH or wire.

FWS – Federal Work-Study Program, a campus-based Title IV student employment program administered by the school. FWS is a need-based program.

FY – Fiscal Year, an annual budgetary period. A fiscal year may be defined as a calendar year or other period, such as a State Fiscal Year (July 1-June 30) or Federal Fiscal Year (October 1-September 30).

FYE – First year experience, a term used related to students' first year in attendance at a postsecondary institution.

G

Gallagher grant – Missouri’s Charles Gallagher Student Financial Assistance Program, administered by the MDHE until the 2006-07 academic year and replaced by Access Missouri August 28, 2007.

GB – Graduate borrower, a loan type within CommonLine file specifications used on/after July 1, 2006 to designate a PLUS Loan made to a graduate or professional student as a Grad PLUS Loan. Grad PLUS Loans display within the MDHE’s online product, MODEL Direct, as “GB.”

GEAR UP – Gaining Early Awareness and Readiness for Undergraduate Programs. The MDHE administered a GEAR UP program in Missouri until September 2007.

GED – General Educational Development certificate, an equivalent of a high school diploma. (See also “Ability to benefit.”)

GEN – General Dear Colleague Letter.

Gift aid – Financial aid that does not have to be repaid, including grants and scholarships.

GO – Guarantee Only, a type of application process flow within the FFEL Program and outlined in CommonLine file specifications. In a “GO” process flow, the school submits loan application information to the guarantor, which then guarantees the loan and takes no further action. It is assumed that either the school or the lender will obtain a signed MPN from the borrower either via paper or an electronic method.

GP – Guarantee and Print, a type of application process flow within the FFEL Program and outlined in CommonLine file specifications. In a “GP” process flow, the school submits loan application information to the guarantor for guarantee. After the loan is guaranteed, either a paper MPN is mailed to the borrower for completion or the application is made available online for the borrower to complete and sign.

Grace period – The period that begins the day after a Stafford Loan borrower ceases to be enrolled at least half time and ends the day before the repayment period begins. During the grace period, the borrower is not required to make payments on the principal of the loan.

Grade level – A student’s academic class level, as certified by a school official. Undergraduate students are assigned a level of 01 (freshman) through 05 (5th year senior). Graduate students are assigned a level A (first year graduate) through D (fourth year and beyond).

Grant – Financial aid that does not have to be repaid, such as the Missouri Charles Gallagher Student Financial Assistance Program, administered by the MDHE.

Graduated repayment schedule – A repayment schedule under which the amount of the borrower’s payment is scheduled to change during the course of the repayment period. The graduated repayment schedule cannot exceed 10 years unless the borrower is eligible for an extended repayment period.

Guarantee – A conditional legal obligation for the guarantor to reimburse the FFEL Program lender for some portion of a loan that is not repaid by the borrower due to default, death, disability, or other reason defined in federal regulations.

Guarantor (or guaranty agency) – A state or private nonprofit organization that has an agreement with the U.S. Secretary of Education to administer the FFEL Program. The MDHE is Missouri’s state-designated guaranty agency.

GUI – Graphical User Interface. The MDHE’s FAMOUS system is comprised of three GUIs, one for each of the following: 1) postsecondary institutions (PSIs), 2) high schools, and 3) the MDHE.

H

H – Code used to request a “hold” on a disbursement or to indicate a hold status, as defined within CommonLine file specifications and located in the @1-09 record.

HACU – Hispanic Association of Colleges and Universities.

Half Time (HT) – An enrollment status indicating the student is carrying an academic workload, as determined by the school, that is more than half time but less than full time. For the Marguerite Ross Barnett scholarship, half-time enrollment is defined as 6-11 credit hours.

HEA – the Higher Education Act of 1965, as amended, which created the federal student aid programs.

Header – A term that comes at the beginning of the school’s scheduled academic year (SAY).

Header record – The beginning portion of a CommonLine file. The header record contains the source of the file (organization creating and sending the file) and the recipient organization. In CommonLine file specifications, the header record is documented as @H.

Higher Education Act of 1965 (HEA) – The Act which created the federal student aid programs.

Higher Education Reconciliation Act (HERA) of 2005 – The portion of the Deficit Reduction Act of 2005 specifically addressing student financial aid provisions, including student loan interest rates and fees, consolidation rules, school as lender, and other policies and procedures.

Holder – An eligible lender that owns a FFEL Program loan.

Hold/release code (H/R code) – Within CommonLine file specifications, an “H” may be used to indicate a hold on a disbursement and an “R” indicates a status of “release.” This transaction is located within the @1-09 record.

HT – Half Time, an enrollment status indicating the student is carrying an academic workload, as determined by the school, that is more than half time but less than full time.

HTML – HyperText Markup Language, the authoring language used in the creation of websites and documents for the World Wide Web. Reports available within MODEL Direct may be exported in an HTML format, allowing the information to be viewable on the screen or printed from the web browser.

I, J, & K

ICM – Integrated Common Manual, a policy and procedure manual for FFELP participants. The manual and related tools may be found at www.commonmanual.org.

IFAP – Information for Financial Aid Professionals, an electronic library (www.ifap.ed.gov) provided by the U.S. Department of Education which includes publications and regulations for the federal student aid programs.

Income-contingent repayment schedule – A repayment schedule for some Direct Loans under which the borrower’s monthly payment amount is adjusted annually, based on the borrower’s income, family size, and debt amount.

Income-sensitive repayment schedule – A repayment schedule for some FFEL Program loans under which the borrower’s monthly payment amount is adjusted annually, based solely on the borrower’s expected total monthly gross income received.

Independent student – A student who meets one or more of the federal criteria to be classified as independent for aid awarding purposes. Criteria under section 480(d) of the HEA include:

- Age 24 by December 31 of the academic year
- Graduate or professional student
- Married student
- Student with legal dependents
- Veteran
- Orphan or ward of the court

INS – The U.S. Immigration and Naturalization Service. On March 1, 2003, the INS transitioned into the Department of Home Security (DHS) and was renamed the U.S. Citizenship and Immigration Services (USCIS).

In-school status – Occurs when a Stafford Loan borrower is enrolled in school at least half time, the grace period has not yet been used, and the borrower has not yet entered repayment. If the borrower returns to school before the grace period is fully used, the borrower continues to qualify for in-school status. Also be referred to as the “interim status.”

Institutional aid – Financial aid programs created, funded, and administered by any given postsecondary institution.

Institutional Student Information Record (ISIR) – The electronic output record provided to the school by the CPS that includes information provided by the student on the FAFSA. The ISIR contains the student’s EFC (Expected Family Contribution) and the results of federal database matches.

Integrated Common Manual (ICM) – A policy and procedure manual for FFELP participants. The manual and related tools may be found at www.commonmanual.org.

Interest – The charge made to a borrower for use of a lender’s money.

Interest rate – The maximum rate of interest that is charged on student loans is defined within federal statutes. In the FFEL Program, lenders often reduce the interest rate from the statutory maximum during the in-school or repayment periods for borrowers who pay on time or who meet specified eligibility requirements.

IPEDS – Integrated Postsecondary Education Data System, an annual report filed by postsecondary educational institutions to the U.S. Department of Education. IPEDS data is submitted to the National Center on Education Statistics (NCES).

IRS offset – The withholding of a borrower’s federal Treasury payments, such as federal tax refunds. Also known as “Treasury offset.”

ISIR – Institutional Student Information Record, the electronic output record provided to the school by the CPS that includes information provided by the student on the FAFSA. The ISIR contains the student’s EFC and the results of federal database matches.

KC-RAP – The Kansas City area group of financial aid professionals, normally meeting several times a year.

L

Last Date of Attendance (LDA) – The last day the student was physically present in class, as confirmed by the student’s attendance records. An LDA may also be referred to as an out of school date (OSD) or, if the student completed the program of study, the actual graduation date.

Late conversion – The scheduling of a FFEL Program borrower’s first payment due date beyond the normal regulatory time limits.

Late disbursement – A disbursement made by a lender after the end of the loan period or the date on which the student ceased to be enrolled at least half time.

Late Stage Delinquency Assistance (LSDA) – Refers to procedures followed by Student Loan Counseling Services (SLCS) when a loan is 241 days delinquent or more. The MDHE contracts with SLCS for default aversion assistance services.

LDA – Last Date of Attendance, the last day the student was physically present in class, as confirmed by the student’s attendance records. An LDA may also be referred to as an out of school date (OSD) or, if the student completed the program of study, the actual graduation date.

Leave of Absence (LOA) – An approved leave of absence is a break in enrollment, not including a regularly scheduled semester break or spring break, that is requested by the student and approved by the school. The student’s request must be in writing and must include the reason for the leave. An LOA cannot exceed 180 days in any 12-month period.

Lender – A lender in the FFEL Program may be a national or state chartered bank, a mutual savings bank, a credit union, an insurance company, or other entity that provides the actual student loan funds to schools and borrowers.

Lender of Last Resort (LLR) – A student loan lender that agrees to make Stafford Loans to qualified students, regardless of the type of school, school’s CDA, etc. The MDHE offers an LLR program for Missouri students.

Less than half time (LTH) – An enrollment status indicating the student is carrying less than a half-time academic workload, as determined by the school. Students who are less than half time are not eligible to borrow FFEL Program loans.

Limitation – The continuation of a school’s eligibility to participate in the guarantor’s programs, subject to compliance with special conditions or restrictions established by the U.S. Department of Education or by the guarantor.

LLR – Lender of Last Resort, a student loan lender that agrees to make Stafford Loans to qualified students, regardless of the type of school, school’s CDA, etc. The MDHE offers an LLR program for Missouri students.

LOA – Leave of Absence, an approved break in enrollment, not including a regularly scheduled semester break or spring break, that is requested by the student and approved by the school. The student’s request must be in writing and must include the reason for the leave. An LOA cannot exceed 180 days in any 12-month period.

Loan maintenance – Term used to describe change transactions, such as disbursement cancels, disbursement date changes, etc.

Loan period – The period of time for which the loan is certified. The loan period generally equals an academic year or term.

Loan sale – The change in ownership of a loan from one eligible FFEL Program lender to another lender or holder.

Loan transfer – Any action that results in a change of the system used to service a loan.

LSDA – Late Stage Delinquency Assistance. Refers to procedures followed by Student Loan Counseling Services (SLCS) when a loan is 241 days delinquent or more. The MDHE contracts with SLCS for default aversion assistance services.

LTH – Less than half time, an enrollment status indicating the student is carrying less than a half-time academic workload, as determined by the school. Students who are less than half time are not eligible to borrow FFEL Program loans.

M

MAPCS – Missouri Association of Private Career Schools.

Mapping Your Future (MYF) – An organization sponsored by FFEL Program participants, such as the MDHE, to offer online student loan counseling, financial literacy and debt management tools, outreach and early awareness activities, and other services. May be found on the world wide web at www.mapping-your-future.org.

Mapping Your Future (MYF) Online Stafford Entrance Counseling Leaflet – A guide for completing entrance counseling online through Mapping Your Future. This publication and all publications published by the MDHE can be requested on the Publications Order Form: <http://www.dhe.mo.gov/publicationsorderform.shtml>

Mapping Your Future (MYF) Online Stafford Exit Counseling Leaflet – A guide to completing student loan exit counseling online through Mapping Your Future, This publication and all publications published by the MDHE can be requested on the Publications Order Form: <http://www.dhe.mo.gov/publicationsorderform.shtml>

Mapping Your Future (MYF) 10 Financial Fitness Tools – A guide to completing student loan exit counseling online through Mapping Your Future, This publication and all publications published by the MDHE can be requested on the Publications Order Form: <http://www.dhe.mo.gov/publicationsorderform.shtml>.

Marguerite Ross Barnett Memorial Scholarship Program – A scholarship program established for Missouri students who are employed at least 20 hours a week while enrolled in 6 to 11 credit hours. The MDHE administers this scholarship program. More information is available at: <http://www.dhe.mo.gov/rossbarnett.shtml>.

MARIO – Missouri Advantage Repayment Incentive Option, a student loan forgiveness program for individuals working in Missouri's life science companies. MARIO was created by a partnership between the MDHE, MOHELA, and the Missouri Department of Economic Development.

MASFAA – Midwest Association of Student Financial Aid Administrators. MASFAA includes the following states: Missouri, Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio, West Virginia, and Wisconsin.

MASFAP – Missouri Association of Student Financial Aid Personnel. May be found on the world wide web at www.masfap.org.

MASFAP-L – An electronic email distribution list, or listserv, maintained by the Missouri Association of Student Financial Aid Personnel. Schools and other MASFAP members may post messages, questions, and news of interest to Missouri's financial aid community.

Mastercheck – A single paper check issued from a lender or disbursing agent that includes funds for multiple FFEL Program borrowers.

Master Promissory Note (MPN) – A common form that allows a student or parent to borrow multiple loans for multiple academic years and providing repayment obligations information (rights and responsibilities). A signed borrower MPN is required before student loan funds can be disbursed to the school.

MCCA – Missouri Community College Association. May be found on the world wide web at www.mocca.org.

MDHE – Missouri Department of Higher Education, the Missouri state agency overseeing the state's higher education systems and related policies and administering student aid programs, including the FFEL Program and state aid programs such as the Bright Flight Scholarship. Also known as the DHE. The agency's website may be found at www.dhe.mo.gov.

MDHE Digest – The Missouri Department of Higher Education's monthly electronic newsletter. To sign up for this publication, visit <http://www.dhe.mo.gov/mdhedigest/signup.shtml>.

MDHE e-distribution list – The Missouri Department of Higher Education's electronic news service. To sign up for this service, visit <http://www.dhe.mo.gov/mdhedigest/signup.shtml>.

Meteor – Financial aid database providing information on students and their aid awards for FFEL Program loans, Pell Grants, state scholarships and grants, and other sources of aid. Also referred to as Meteor Network or Meteor Project.

MIBA – Missouri Independent Bankers Association. May be found on the world wide web at www.miba.net.

Midwest Student Exchange Program (MSEP) – This program ensures reduced tuition rates to Missouri residents who enroll in designated academic programs at participating schools in Kansas, Michigan, Minnesota, Nebraska, North Dakota, and Wisconsin. (Residents of those states may enroll in designated academic programs at participating Missouri schools.) More information is available at: <http://www.mhec.org/>.

MIME – Multi-purpose Internet Mail Extensions, a standard messaging protocol used to exchange text in languages with different character sets and multi-media email among many different computer systems that use internet mail.

Missouri College Guarantee Program – A scholarship program based on financial need as well as high school and college academic achievement and administered by the MDHE through the 2006-07 academic year. This program was replaced by Access Missouri August 28, 2007.

Missouri College Guarantee PLUS Program – A scholarship program based on financial need, academic achievement, and participation in the federal TRIO Programs. This scholarship program was administered by the MDHE through the 2006-07 academic year and was replaced by Access Missouri August 28, 2007.

Missouri Department of Higher Education (MDHE) – The Missouri state agency overseeing the state's higher education systems and related policies and administering student aid programs, including FFELP loans and state aid programs such as the Bright Flight Scholarship. Sometimes referred to as the DHE. The agency's website may be found at www.dhe.mo.gov.

Missouri Higher Education Loan Authority (MOHELA) – Missouri's designated FFEL Program secondary market. MOHELA, a non-profit quasi-governmental entity, originates, disburses, services, and purchases FFEL Program loans. MOHELA was created more than 20 years ago and is headquartered in Chesterfield, Missouri.

Missouri task force – Former name for the MDHE's State Student Financial Aid Committee, comprised of financial aid administrators and established in February of 2005 to make recommendations to improve the Missouri student financial assistance programs.

MLN – Missouri Learners' Network, an organization that shares information, promotes educational opportunities provided by Missouri schools, and refers students to participating institutions for educational programs, courses, and learner services.

MOBIUS – Missouri Bibliographic Information User system, a consortium of academic libraries. May be found on the world wide web at <http://mobius.missouri.edu/>.

MODEL – Missouri Direct for Educational Loans, the MDHE’s system used to guarantee and track FFEL Program loans and borrowers.

MODEL Direct – A web loan delivery product offered by the MDHE and developed by ASA, the MDHE’s servicer. MODEL Direct allows schools and lenders to inquire on loans or borrowers, submit change transactions, manage files, and guarantee new loans within a real-time environment. See <http://www.dhe.mo.gov/model.shtml> for more information.

MODEL Gateway – A web loan delivery product developed by ASA, the MDHE’s servicer, to allow schools to process loan applications and changes with guarantors other than the MDHE.

MOHELA – Missouri Higher Education Loan Authority, Missouri’s designated FFELP secondary market. MOHELA, a non-profit quasi-governmental entity, originates, disburses, services, and purchases FFELP and private loans. Additionally, MOHELA provides Missouri students with significant repayment benefits, including deeply discounted interest rates when the MDHE is the guarantor. MOHELA was created more than 20 years ago and is headquartered in Chesterfield, Missouri. May be found on the world wide web at www.mohela.org.

Monetary adjustments – Term used within MODEL Direct for change transactions impacting a disbursement such as increasing or decreasing the certified loan amount, reducing or canceling a disbursement, etc.

MOREnet – Missouri Research and Education Network. Provides networking capabilities and internet access for colleges and universities, elementary and secondary schools, state agencies, libraries, and community networks.

MOST – Missouri Saving for Tuition Program, Missouri’s 529 college savings plan, which is serviced by Upromise. See <https://missourimost.s.upromise.com/> for more information.

MPN – Master Promissory Note. A common form that allows a student or parent to borrow multiple loans for multiple academic years.

M record – Modification record, a record type that may be included in unsolicited CommonLine response files, if requested. An “M record” is sent in response files to indicate status updates and changes made by a source other than the school’s CTSF (Change Transaction Send File).

MSEP – Midwest Student Exchange Program, which ensures reduced tuition rates to Missouri residents who enroll in designated academic programs at participating schools in Kansas, Michigan, Minnesota, Nebraska, North Dakota, and Wisconsin. For more information, see <http://www.mhec.org/>.

MSGP – Missouri Student Grant Program. Original name for the Charles Gallagher Student Financial Assistance Program, which was discontinued after the 2006-07 academic year and replaced by Access Missouri on August 28, 2007.

MSLG – Missouri Student Loan Group, the division of the MDHE which administers the FFEL Program.

Multiple changes – Feature within MODEL Direct allowing a single change to be applied to multiple borrowers/loans at one time. Change types supported include multiple hold/release and multiple cancellations.

Multiple disbursements – Disbursement of FFEL Program loans in two or more installments of approximately equal increments.

MYF – Mapping Your Future, an organization sponsored by FFEL Program participants, such as the MDHE, to offer online student loan counseling, financial literacy and debt management tools, outreach and early awareness activities, and other services. May be found on the world wide web at www.mapping-your-future.org.

N

NAACP – National Association for the Advancement of Colored People.

NACUBO – National Association of College and University Business Officers.

NAICU – National Association of Independent Colleges and Universities.

NASFAA – National Association of Student Financial Aid Administrators.

NASSGAP – National Association of State Student Grant and Aid Programs.

National Council of Higher Education Loan Programs (NCHELP) – The FFEL Program national association for guarantors, secondary markets, collection agencies, and other organizations. NCHELP provides tools, manuals, documents, and resources online, including the Code of Federal Regulations (CFR). Visit the NCHELP e-library at www.nchelp.org.

National credit bureau – A credit reporting agency with a service area encompassing more than a single region of the country. Examples of national credit bureaus include TransUnion and Equifax.

National Disbursing Network (NDN) – ELM's Central Disbursing Agent (CDA) service.

National of the U.S. – As defined by the Immigration and Nationality Act, a U.S. citizen or a noncitizen who owes permanent allegiance to the United States. This term includes all U.S. citizens as well as the citizens of American Samoa and Swain's Island. Also referred to as U.S. National.

National SMART Grant Program – A new federal grant available as of July 1, 2006. Eligibility for this grant is based on science and math curriculum and academic performance as well as financial need. SMART is an acronym for Science and Mathematics Access to Retain Talent.

NATTS – National Association of Trade and Technical Schools.

NCA – North Central Association Commission on Accreditation and School Improvement, an academic accrediting body.

NCAA – National Collegiate Athletic Association.

NCES – National Center for Education Statistics. The NCES is a division of the U.S. Department of Education and the Institute of Education Sciences and is the primary federal entity for collecting and analyzing data related to education. The NCES collects IPEDS data from schools.

NCHELP – National Council of Higher Education Loan Programs, the FFEL Program national association for guarantors and secondary markets. NCHELP provides tools, manuals, documents, and resources online, including the Code of Federal Regulations (CFR). Visit the NCHELP e-library at www.nchelp.org.

NCLB – No Child Left Behind Act of 2001.

NDN – ELM's National Disbursing Network (NDN), which provides consolidated disbursement services to schools.

NDSL – National Direct Student Loan, renamed the Federal Perkins Loan Program in 1992. (Note: this is NOT the same program as the William D. Ford Direct Loan Program, or FDLP.)

Need – The student’s COA less the EFC, which is used to determine a student’s eligibility for most of the federal student aid programs as well as some state and institutional aid programs. For the Missouri Gallagher Grant, need is defined as the COA less the EFC less estimated Pell eligibility.

Need analysis – A standardized assessment of the ability of a student and family to contribute toward educational expenses. The need analysis formula currently used when students complete the FAFSA is referred to as Federal Methodology.

Need cutoff – The need amount that students had to demonstrate to qualify for the Gallagher and College Guarantee Programs through the 2006-07 academic year. The MDHE estimated the need cutoff in the spring of each year before final appropriations and student eligibility was known. The actual need cutoff was then determined prior to setting spending authority in FAMOUS.

Nelnet – A for-profit FFEL Program secondary market and servicer that originates, disburses, services, and purchases FFEL Program loans.

New borrower – A borrower who has no outstanding balance on any FFEL Program loans at the time he or she signs or e-signs a FFEL Program MPN.

NOG – Notice of Loan Guarantee and Disclosure Statement, which is sent to lenders upon the guarantee of a loan by the MDHE. The lender then sends a copy of the NOG to the borrower.

NOLA – Notice of Loan Approval, a paper copy of the MDHE’s loan guarantee statement which schools may receive if profiled for this service.

Nonsubsidized loan – A loan that is not eligible for federal interest benefits. (Note: nonsubsidized loans were offered by some guarantors before the introduction of the unsubsidized Stafford Loan Program.)

Non-term-based institution – A school that measures its academic year in credit or clock hours rather than academic terms such as quarters or semesters.

Notice of Loan Approval (NOLA) – A paper copy of the MDHE’s loan guarantee statement which schools may receive if profiled for this service.

NPRM – Notice of Proposed Rulemaking, an announcement in the Federal Register of proposed regulations with explanation and a specified period during which public comment is invited.

NSLDS – National Student Loan Data System, a database comprised of information from guarantors, schools, lenders, and the U.S. Department of Education that contains data on Title IV student financial aid received by students. Title IV aid participants, such as schools, lenders, and guarantors, are required to provide data to the NSLDS.

O

OAKFAP – The Ozark area group of financial aid professionals, normally meeting in Springfield.

OELA – Office of English Language Acquisition, a division of the U.S. Department of Education devoted to promoting high quality education for English Language Learners (ELLs). The OELA administers Title III of the No Child Left Behind Act of 2001.

OERI – Office of Educational Research and Improvement, a division of the U.S. Department of Education. The Education Sciences Reform Act of 2002 renamed this office the Institute of Education Sciences (IES).

OFee – Origination Fee, a fee charged to offset the federal government's cost of interest subsidies (for subsidized Federal Stafford Loans) and reinsurance payments for loans that either default or are eligible for forgiveness or discharge. This fee, if charged to the borrower, may be subtracted from the borrower's loan proceeds at the time of disbursement.

Office of Postsecondary Education (OPE) – A division of the U.S. Department of Education that directs, coordinates, and recommends policies for programs that are designed to provide financial assistance to eligible students. May be found on the world wide web at <http://www.ed.gov/about/offices/list/ope/index.html?src=oc>.

Online MDHE: A resource for financial aid officers – a guide for getting the most out of the MDHE's Web tools and resources. This publication and all publications published by the MDHE can be requested on the Publications Order Form: <http://www.dhe.mo.gov/publicationsorderform.shtml>.

Online MDHE: A resource for students and their families – a guide for getting the most out of the MDHE's Web tools and resources. This publication and all publications published by the MDHE can be requested on the Publications Order Form: <http://www.dhe.mo.gov/publicationsorderform.shtml>.

OPE ID – An 8-digit identification number, including a 6-digit number followed by a 2-digit branch code, assigned by the U.S. Department of Education's Office of Postsecondary Education (OPE) division after approving an institution to participate in the federal student aid programs. Schools that don't administer Title IV aid but want their students to qualify for in-school deferments are also assigned an OPE ID number.

Origination Fee – A fee charged to offset the federal government's cost of interest subsidies (for subsidized Federal Stafford Loans) and reinsurance payments for loans that either default or are eligible for forgiveness or discharge. This fee, if charged to the borrower, may be subtracted from the borrower's loan proceeds at the time of disbursement.

Out of school date (OSD) – The date the student ceases to be enrolled at least half time. An OSD may also be referred to as the last date of attendance (LDA) or, if the student completed the program of study, the actual graduation date.

Overaward – Any amount of a student's total financial assistance package (excluding Pell Grants) that exceeds the student's financial need. May also be referred to as an overpayment.

P & Q

P – Type of Dear Colleague Letter providing information about Pell Grants.

Package – Schools award, or “package,” student aid for each year for students. Once the aid is packaged, schools send award letters to students indicating the type(s) and amount(s) of financial aid awarded for year. (Under 34 CFR 668.16(h), the school is required to provide information about the sources and amounts of aid offered.)

Parent – For the purpose of PLUS Loan eligibility, a parent is defined as a student’s natural or adoptive mother or father, or the spouse of a parent who remarried if that spouse’s income and assets would be required for completion of the FAFSA.

Part B – The section of Title IV of the Higher Education Act of 1965, as amended, that authorizes the FFEL Program.

Part D – The section of Title IV of the Higher Education Act of 1965, as amended, that authorizes the William D. Ford Federal Direct Student Loan Program.

Partial cancellation – Pre-disbursement cancellation of a portion of a loan or disbursement rather than a full cancellation of an entire loan. May also be referred to as a disbursement amount change and is defined within CommonLine file specifications’ @1-09 record. (Note: the post-disbursement version of this transaction is defined within the @1-10 record.)

Participation agreement – Agreement with the MDHE that permits a school to participate in the state student assistance programs.

Payment period – The basis on which a school must schedule and deliver disbursements for a particular loan period. A payment period is determined by the structure of the school’s academic program.

PCA – Preclaims assistance, activities that guarantors were required to perform to help borrowers bring a delinquent loan account current. PCA was replaced by DAA in recent years; see “DAA” and “DAAR” for related information.

PEPS – Postsecondary Education Participants System, a database of postsecondary institutions that participate in any program administered by the U.S. Department of Education.

Period of enrollment – As defined by federal regulation, the period for which a Stafford or PLUS loan is intended. The period of enrollment must coincide with a bona fide academic term established by the school for which the school’s charges are generally assessed. For instance, a semester, quarter, or entire academic year might be a student’s period of enrollment.

Perkins Loan – The Federal Perkins Loan Program, a campus-based Title IV student loan program administered by the school.

Permanent resident of the United States – A person who meets certain requirements of the U.S. Citizenship and Immigration Services (USCIS), a division of the Department of Homeland Security (DHS). (Formerly known as the INS. On March 1, 2003, the INS transitioned into the DHS and was renamed the USCIS.)

PG – Print and Guarantee, a type of application process flow within the FFEL Program and outlined in CommonLine file specifications. In a “PG” process flow, the school submits loan application information to the guarantor or lender, and that entity then either mails a paper MPN to the borrower for completion or makes the application available online for the borrower to access and complete. Once the borrower completes his/her portion of the application process, the loan is guaranteed. A PG process often works well for PLUS loans, whereby the borrower must first pass a credit check before the loan can be guaranteed.

PIN – Personal Identification Number.

PJ – Professional Judgment, the flexibility given to a financial aid administrator to make adjustments to student eligibility for federal Title IV aid and for Missouri student aid on a case-by-case basis.

PL – 1) Loan type within CommonLine file specifications for a parent PLUS loan (as opposed to a Graduate PLUS loan, which has a loan type of “GL”). 2) Public Law. For example, the public law associated with the HERA is PL 109-171.

Plain Language Disclosure statement – Document providing FFEL Program terms and other information in “plain language” (instead of jargon).

PLUS Loan for Graduate and Professional Students – Effective July 1, 2006, PLUS loans may be offered to graduate and professional students. According to CommonLine file specifications, the loan type to be used for Grad PLUS Loans is GB.

POP3 – Post Office Protocol Version 3, a method to permit workstations on the internet to access a mailbox server.

Post-Withdrawal Disbursement (PWD) – A disbursement made when the calculation for the school’s return to Title IV funds (R2T4) result in the student being eligible to receive more Title IV aid than was disbursed or delivered prior to his or her withdrawal.

PPA – Program Participation Agreement with the U.S. Department of Education that permits a school to participate in the Title IV federal student financial aid programs.

PRCN – Program Review Control Number.

PRI – Participation Rate Index, a cohort default rate appeal option for postsecondary institutions with a low percentage of students participating in the federal loan programs.

Principal balance – The outstanding amount of a loan, on which the lender charges interest.

Private loan – A non federal student loan, also referred to as “alternative loan.” Private loans are offered to students and/or parents by many, many lenders, secondary markets, and other private entities.

Professional Judgment (PJ) – The flexibility given to a financial aid administrator to make adjustments to student eligibility for federal Title IV aid and for Missouri state aid on a case-by-case basis.

Program review – A comprehensive review of a lender, school, or servicer participating in the FFEL Programs. The review may be conducted by the U.S. Department of Education or by a guarantor to ensure compliance with federal regulations and with policies and procedures.

Promissory note – A legally binding agreement the borrower signs, or e-signs, to obtain a loan under the FFEL Program. The current promissory note format in place is referred to as an MPN, which allows the borrower to obtain multiple loans for multiple years of school using the same promissory note.

Proportional proration – A required calculation used to determine the applicable annual loan limit for an undergraduate student if the student’s program or remainder of the program is less than a full academic year in length.

Proration – A reduction of the standard annual loan limit for an undergraduate student if the student’s program or remainder of the program is less than a full academic year in length.

PSI – **P**ost**s**econdary **I**nstitution.

PT – Part time, a term used to describe students attending school with less than a full-time academic workload, as defined by the school.

Publications Order Form –The MDHE makes available, free of charge, a variety of publications to assist in providing financial aid officers and students with information about financial assistance, debt management, and default prevention. More information is available at: <http://www.dhe.mo.gov/publicationsorderform.shtml>.

PWD – Post-Withdrawal Disbursement, a disbursement made when the calculation for the school’s return to Title IV funds (R2T4) result in the student being eligible to receive more Title IV aid than was disbursed or delivered prior to his or her withdrawal.

Quality Assurance (QA) – Any program in business designed to help an office or procedure obtain optimal results. In systems, QA is generally used to describe systems testing prior to releasing new or enhanced software.

R

R – Code used to request a “release” on a disbursement or to indicate a released status, as defined within CommonLine file specifications.

R2T4 – Return to Title IV aid calculation used to determine the portion of aid funds delivered that need to be returned after a student withdraws from school.

Reaffirmation – A borrower’s acknowledgment of a loan repayment obligation, including all principal, interest, and other costs, in a legally binding manner.

Reallocation – A change transaction performed when a student’s eligibility changes, requiring an increase (or decrease) in the subsidized portion of a Stafford Loan and a corresponding decrease (or increase) in the unsubsidized portion. Within CommonLine file specifications, reallocations are requested by submitting the CTSF @1-13 and @1-14 transactions.

Realtime – A system requirement that a program respond within a small amount of time, typically milli- or microseconds. In jargon, refers to doing something while someone is waiting or watching. The MDHE’s web loan delivery product, MODEL Direct, is a realtime product providing data directly from the MDHE’s FFEL Program database. Change transactions are also sent and posted realtime via MODEL Direct. The MDHE’s FAMOUS system is also a realtime product for administering the state grant and scholarship programs.

Reauthorization – The legislative process, generally carried out every five years for the Higher Education Act, whereby Congress reviews and either renews, terminates, or amends existing programs.

Recall (of a claim) – A lender request to a guarantor to return a default claim that has already been filed but has not yet been paid because the claim no longer qualifies for default.

Recertification – A process occurring every three years through which institutional eligibility for participation in the MDHE’s state student financial assistance programs is reviewed. Institutions must complete a recertification application to maintain eligibility.

Recognized equivalent of a high school diploma – A recognized equivalent of a high school diploma may be a GED certificate, the academic transcript of a student who has successfully completed a 2-year program of study acceptable toward a bachelor’s degree, or has obtained other state certifications/requirements.

Refund – The difference between the amount the student paid toward school charges and the amount the school can retain under a refund policy. The federally mandated calculation is referred to as R2T4. (See also Return of Title IV funds.) Within CommonLine file specifications, refunds are requested by submitting the CTSF @1-11 transaction.

Region VII – The local office of the U.S. Department of Education, located in Kansas City, MO.

Regulation B – The section of the Equal Credit Opportunity Act (12 CFR 202) that prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, or age.

Rehabilitation – A process by which a borrower with a defaulted FFEL Program loan may regain eligibility for Title IV aid by adhering to strict repayment requirements.

Reinstatement (of borrower Title IV eligibility) – A process by which a borrower with a defaulted FFEL Program loan may regain eligibility for Title IV aid by adhering to strict repayment requirements.

Reissue – A post-disbursement change transaction for changing the disbursement date from a past date to a future date. Within CommonLine, this transaction is located in the @1-10 record.

Release of proceeds – Delivery of loan proceeds by the school to the borrower. (Note: This term is NOT equivalent to the lender’s process of disbursing funds to the school.)

Repayment period – The period during which payments of principal and interest are required. The repayment period follows any applicable in-school or grace period (for Stafford Loans) and excludes any period of authorized deferment or forbearance.

Repayment schedule – The legal addendum to the promissory note stating the terms of repayment and fulfilling disclosure requirements. The repayment schedule includes the total principal and interest due, the regular installment amount due, and the number of installments required to pay the loan in full. It also includes the interest rate, the due date for the first payment, and the frequency of installments.

Repayment start date – the date the repayment period begins. For Stafford Loans, the repayment period begins on the day following the last day of the grace period. For PLUS Loans, repayment begins on the date the loan is fully disbursed. (PLUS Loans are, however, eligible for an in-school deferment when the borrower is enrolled at least half time.)

Repurchase (of a claim) – The lender’s purchase of a defaulted loan from the guarantor that bought the claim.

Rescheduling a disbursement – A pre-disbursement change transaction updating the date loan funds should be issued to the school or escrow agent. Within CommonLine 4 files, this transaction is referred to as a disbursement date change and is located within the @1-09 record.

Response File – The CommonLine file type used to return responses to application send files and change transaction send files. A response file contains a snapshot of the processor’s database after processing an application for guarantee or after posting a change transaction. A response file generally contains “R records” but may also contain “M records,” if desired.

Return of Title IV funds – The federally mandated process by which a school calculates the amount of federal funds to be returned for a Title IV aid recipient who withdraws or ceases attendance during a payment period or period of enrollment.

Rolling delinquency – A delinquency that occurs whenever the delinquent status of a loan is increased or reduced but not completely eliminated as the result of a payment, deferment, forbearance, adjustment to the LDA or OSD, or reversal of a payment.

Ross Scholarship – Marguerite Ross Barnett Memorial Scholarship Program, a scholarship program established for Missouri students who are employed a minimum of 20 hours a week while enrolled in 6 to 11 credit hours. The MDHE administers this scholarship program.

R record – Response record, a record type included in CommonLine response files. An “R record” is sent to the original source of a change transaction send file.

RSMo – Revised Statutes of Missouri, the document authorizing the Missouri state student aid programs and designating the MDHE as the administrative body for the FFELP and the state aid programs. The revised statutes are available on the General Assembly’s website at www.moga.mo.gov/statutesearch/, and the MDHE may be found in Chapter 173.

S

SAP – Satisfactory Academic Progress. To remain eligible for most types of financial aid, the student must maintain satisfactory academic progress as defined by the school.

SAL – School as Lender. A school, other than a correspondence school, that has been approved to act as a lender under the FFEL Program for its graduate and professional students. (Note: to participate as an SAL, the school had to be participating as of April 1, 2006. No new schools are being approved to act as their own lender.)

Sallie Mae – A for-profit FFEL Program secondary market and servicer that originates, disburses, services, and purchases FFEL Program loans.

SAR – Student Aid Report, the paper output record provided to the student after completing the FAFSA. The SAR contains the student's EFC and results of federal database matches. The electronic version of the record, which is sent to the school, is called the ISIR.

SAT – Scholastic Aptitude Test, administered by the College Board.

Satisfactory Academic Progress (SAP) – To remain eligible for most types of financial aid, the student must maintain satisfactory academic progress as defined by the school.

Satisfactory repayment arrangement – A specified number of consecutive, on-time, voluntary, reasonable and affordable full monthly payments made by a borrower to the holder of a loan in default. Satisfactory repayment arrangements may be established by a borrower to either regain Title IV eligibility, or rehabilitate a defaulted loan, or to consolidate a defaulted loan.

SAY – Scheduled Academic Year. The fixed period, as published in a school's printed materials, that generally begins and ends at the same time each year. The SAY is the period to which the statutory definition of an academic year must be applied and must meet the statutory requirements of an academic year as defined by the U.S. Department of Education.

School-Based Software (SBS) – Software used by the school to certify loans and generate or load CommonLine files. SBS is often used by schools that do not have a FAMS or for which the FFEL Program module of their FAMS is not used.

Scholarship – Financial assistance that is usually based on merit or ability and that does not have to be repaid.

School as Lender (SAL) – A school, other than a correspondence school, that has been approved to act as a lender under the FFEL Program for its graduate and professional students. (Note: to participate as an SAL, the school had to be participating as of April 1, 2006. No new schools are being approved to act as their own lender.)

School Certification Request (SCR) process – Optional process within CommonLine file specifications whereby a C record type is generated in application send files in response to a borrower-initiated application process. With the SCR process, the application send file is sent to the school for certification after the borrower has completed his/her part of the process, including passing any required credit check.

Secondary market – An entity that purchases education loans from eligible lenders. The secondary market obtains funds from investors or public bonds and uses those funds to purchase existing education loans from lenders.

Separation date – Another term for a student's OSD (out of school date) or LDA (last date of attendance).

Servicer – An entity that enters into a contract with a program participant to administer any aspect of its participation in a Title IV program. Schools, lenders, secondary markets, guarantors, and the federal government may all employ servicers. MOHELA, Nelnet, and Sallie Mae are all FFEL Program servicers operating in the state of Missouri.

Setting spending authority – The act of changing Bright Flight, Gallagher, and College Guarantee awards from estimated to actual in FAMOUS. Once spending authority is set, students' eligibility statuses are frozen and schools can begin requesting disbursements and award amounts.

SF – Within CommonLine file specifications, loan type code used to indicate a subsidized Federal Stafford Loan.

SFA – Student Financial Aid or Assistance.

SFY – State Fiscal Year, a period from July 1 through June 30 of the following calendar year for the state of Missouri.

SHEEO – State Higher Education Executive Officers.

Skip tracing – Efforts to locate a borrower's telephone number or address when such information is unknown.

SLAP – St. Louis area group of financial aid professionals.

SLCS – Student Loan Counseling Services, a company with which the MDHE contracts for default aversion assistance services.

Smart Approach to Student Loans and Consumer Debt - A comprehensive guide to understanding a student loan from start to finish. This publication and all publications published by the MDHE can be requested on the Publications Order Form:
<http://www.dhe.mo.gov/publicationsorderform.shtml>.

SMART Grant – Science and Mathematics Access to Retain Talent, a new federal grant available as of July 1, 2006. Eligibility for this grant is based on science and math curriculum and academic performance as well as financial need. May also be referred to as the National SMART Grant Program.

Source, The – MDHE's Guide to grants, scholarships, loans and more-Outlines all of the state student financial assistance programs. This publication and all publications published by the MDHE can be requested on the Publications Order Form:
<http://www.dhe.mo.gov/publicationsorderform.shtml>.

SMTP – Simple Mail Transfer Protocol, a syntax for text messages sent from one computer to another using email.

Special allowance – A percentage of the daily average unpaid principal balance paid to a lender by the U.S. Department of Education on eligible FFEL Program loans. Special allowance is only paid when the regulatory maximum student loan interest rate is below market rates.

SSA – Social Security Administration.

SSN – Social Security Number.

Standard repayment schedule – A repayment schedule under which the borrower pays the same amount for each installment payment throughout the entire repayment period OR pays an amount that is adjusted to reflect annual changes in a variable-rate loan.

State aid – Financial aid programs funded by the state of Missouri. The MDHE administers several state aid programs.

State Fiscal Year (SFY) – A period from July 1 through June 30 of the following calendar year for the state of Missouri.

State Student Financial Aid Committee – A committee of Missouri financial aid administrators established in February of 2005 to make recommendations to improve and strengthen the Missouri student financial assistance programs. (Formerly known as “the state aid program task force.”)

State tax offset – The withholding of a borrower’s state income tax refund to repay a defaulted loan.

Statutory interest rate – The maximum annual interest rate under the Higher Education Act of 1965, as amended, that a lender may charge on a FFEL Program loan.

Student Aid Report (SAR) – The paper output record provided to the student after completing the FAFSA. The SAR contains the student’s EFC and results of federal database matches. The electronic version of the record, which is sent to the school, is called the ISIR.

SU – Within CommonLine file specifications, loan type code used to indicate an unsubsidized Federal Stafford Loan.

Subrogation – A transfer in the ownership of a defaulted FFEL Program loan from a guarantor to the U.S. Department of Education. Loans to be subrogated are determined by established federal criteria, revised annually by DE.

Subscription reports – Standard production reports available from the MDHE and within MODEL Direct. Subscription reports may be received daily, weekly, or monthly. To subscribe to one of these reports or to change the frequency, select the Manage Subscriptions option within MODEL Direct’s Manage Reports menu.

Subsidized loan – A loan eligible for federal interest benefits. The federal government pays the interest that accrues on subsidized Federal Stafford Loans during the student’s in-school, grace, and authorized deferment periods.

Suspension – Suspension of the eligibility of a school, lender, or servicer to participate in a guarantor’s programs for a specified period of time until specified requirements are met.

T

Task force – Former name for the State Student Financial Aid Committee. The committee is comprised of Missouri financial aid administrators and was established in February of 2005 to make recommendations to improve and strengthen Missouri's student financial aid programs.

T-bill – A note or bill issued by the U.S. Treasury as legal tender for all debts. The T-bill is used to calculate variable interest rates for federal student loans made prior to July 1, 2006, and to determine special allowance rates.

Teacher shortage area – A federally designated geographic area, grade level, discipline, or academic, instructional, subject matter that has been classified as a shortage area by the U.S. Department of Education.

Template – Feature within MODEL Direct allowing a school to establish common values, such as loan period dates, that can be applied to multiple loans being certified.

Term-based school – A school that uses standard academic terms, such as quarters, trimesters, or semesters.

Termination – withdrawal of the eligibility of a school, lender, or servicer to participate in a guarantor's programs.

The Blue Book – Department of Education manual providing guidance to school business office personnel who handle fiscal recordkeeping, accounting, and reporting functions for the federal Title IV student financial aid programs. The most recent edition is dated October 2005 and may be retrieved from the IFAP website (<http://www.ifap.ed.gov/bbooks/102005BlueBook.html>).

The Source – MDHE's Guide to grants, scholarships, loans and more-Outlines all of the state student financial assistance programs. This publication and all publications published by the MDHE can be requested on the Publications Order Form: <http://www.dhe.mo.gov/publicationsorderform.shtml>.

Third-party servicer – In the case of a lender or guarantor, an entity that enters into a contract with a program participant to administer any aspect of its participation in a Title IV program.

Three times rule – The federal requirement that no single installment of a graduated or income-sensitive repayment schedule may be more than three times greater than any other installment.

Title IV – The section of the Higher Education Act of 1965, as amended, that authorizes federal student loan, work, and grant programs.

Totally and permanently disabled – the condition of an individual who is unable to work and earn money due to an injury or illness that is expected to continue indefinitely or eventually result in death.

Trailer – A term that comes at the end of the school's SAY.

Trailer record – The ending portion of a CommonLine file. The trailer record contains a summary of the preceding records, including totals, and is used to verify transmissions. In CommonLine file specifications, the trailer record is documented as @T.

Transfer – For student loan servicing purposes, a transfer is any action, such as the sale of a loan, that results in a change of the system used to service a loan.

Treasury bill (T-bill) – A note or bill issued by the U.S. Treasury as legal tender for all debts. The T-bill is used to calculate variable interest rates for federal student loans made prior to July 1, 2006, and to determine special allowance rates.

Treasury Offset – The withholding of a borrower’s federal Treasury payments, such as federal tax refunds, veteran’s benefits, and social security benefits, to repay a defaulted student loan.

TRIO – Special federal programs for students from disadvantaged backgrounds.

U & V

UNCF – United Negro College Fund. May be found on the world wide web at www.uncf.org.

Unconsummated loan – Loan proceeds that the school returned to the lender prior to the borrower's having cashed the check or the school having applied the proceeds to the student's account.

Unsolicited response file – A CommonLine file containing "M records," or modification records sent in response to status updates and changes made by a source other than a school's CTSF.

Unsubsidized loan – A loan that is not based on need and is NOT eligible for federal interest benefits. The borrower is responsible for the interest that accrues on any unsubsidized loan, including unsubsidized Federal Stafford Loans, Federal PLUS Loans, and Graduate PLUS Loans.

USCIS – U.S. Citizenship and Immigration Services, a division of the Department of Homeland Security (DHS). On March 1, 2003, the DHS absorbed the former federal agency, Immigration and Naturalization Service (INS) and renamed it the USCIS.

U.S.D.E. – U.S. Department of Education, which may also be referred to as ED, DE, or simply the Department. May be found on the world wide web at www.ed.gov.

U.S. National – As defined by the Immigration and Nationality Act, a U.S. citizen or a noncitizen who owes permanent allegiance to the United States. This term includes all U.S. citizens as well as the citizens of American Samoa and Swain's Island.

VA – Veterans Administration, now the Department of Veterans Affairs (DVA).

Variable rate – An interest rate that varies over time and generally has a specified maximum (cap). Prior to July 1, 2006, interest rates on FFEL Program loans were variable with an 8.25% cap. (Beginning July 1, 2006, interest rates are now fixed rates, with the maximum established at 6.8% for Stafford Loans and 8.5% for FFEL Program PLUS Loans.)

Verification – A school's procedure for checking the accuracy of information reported by students on their FAFSAs.

Voluntary Flexible Agreement (VFA) – Individually negotiated contract between a FFEL Program guarantor and the U.S. Department of Education. On October 7, 1998, President Clinton signed the Higher Education Amendments of 1998 (P.L. 105-244), authorizing the Department of Education to enter into no more than 6 VFAs. A VFA may modify the guarantor provisions under sections 428 (b) and (c) of the Higher Education Act, such as the issuance of insurance on FFEL Program loans, defined default aversion activities, collection activities on defaulted loans, guarantor revenue and funding models, and other requirements. For more information on VFAs, see Volume 64, No. 144 of the Federal Register, published July 28, 1999.

VR – Vocational Rehabilitation. The Missouri Department of Elementary and Secondary Education (DESE) administers VR programs.

W through Z

Wage garnishment – The withholding of a portion of a borrower’s wages to repay a defaulted loan. (See also AWG.)

Web loan delivery product – An online system that allows schools, borrowers, and/or lenders to inquire on loans or borrowers, submit change transactions, manage files, and guarantee new loans via the internet. The MDHE’s product is called MODEL Direct.

Week of instruction – Any period of 7 consecutive days in which the school provides at least one day of regularly scheduled instruction or examinations.

WIA – Workforce Investment Act, a student financial aid program administered by the Missouri Department of Economic Development, formerly known as the Job Training and Partnership Act (JTPA).

Wire – A realtime method of transferring funds electronically.

Withdrawal date – The date the student withdraws, as determined by the school. May also be referred to as the last date of attendance (LDA) or the out of school date (OSD).

Write-off – A loan amount for which there has been a total cessation of collection activity.

XML – **EX**tensible **M**arkup **L**anguage. Common Record: CommonLine (CR:C) files are XML files.

Your Choice: Choosing the right lender & guarantor for your student loan – helpful tips on how to save money by selecting the right lender & guarantor for your individual needs. This publication and all publications published by the MDHE can be requested on the Publications Order Form: <http://www.dhe.mo.gov/publicationsorderform.shtml>.