

# Reading Your College Award Letter

College award letters can be confusing. Here's what you need to know.



Sample University · 7651 S. University Rd

## SAMPLE AWARD LETTER

Jane Doe  
123 Park Street  
Anytown, Texas 76767

Dear John,

Your offer of Financial Assistance for the 20xx-20xx academic year is based on your demonstrated financial need, as determined by the Free Application for Federal Student Aid (FAFSA). A detailed statement of your financial aid award is below.

Average Tuition:	\$30,000	1. Cost of Attendance
Average Room & Board:	\$10,000	
Average Cost of Books and Supplies:	<u>\$1,200</u>	
Average Total Cost of Attendance:	\$41,200	2. Expected Family Contribution
Expected Family Contribution:	<u>\$6,200</u>	
Need:	\$35,000	3. Financial Need
<u>Awarded Financial Assistance</u>		
College Scholarship (Institutional or State)	\$4,000	4. Free Money!
Pell Grant	\$3,000	
Work Study	\$ 0	5. Work Study
Federal Direct Subsidized Loan	\$1,500	6. Student Loans
Federal Direct Unsubsidized Loan	\$3,000	
Federal Direct Parent PLUS Loan	<u>\$23,500</u>	
Total Financial Award	\$35,000	

**Your billed (direct costs) are estimated to be \$40,000. In addition, you should anticipate books, supplies, transportation and personal expenses (indirect costs) of approximately \$1,200 annually.**

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## 1. Cost of Attendance

Your award letter will detail the total estimated costs of attending college for one year, and will include tuition and fees, books and supplies, room and board, and personal costs. This is the total **Cost of Attendance (COA)**.

## 2. Expected Family Contribution

The **Expected Family Contribution (EFC)** is a number calculated to determine how much financial aid you are eligible to receive. This is *not* the amount you or your family will have to pay for college. It is used to determine the amount of eligibility for grants and loans.

## 3. Financial Need

The financial need is determined by taking the total **Cost of Attendance (COA)** and subtracting the **Expected Family Contribution (EFC)**. This may not be the total amount of need your family has or actually pays.

## 4. Free Money!

Scholarships and grants that **do not have to be paid back**. Other private scholarships may not be listed if provided directly to student. Use these sources of financial aid first!

Note: You may still have to complete the application process for these forms of aid.

## 5. Work Study

**Award based on work!** This is a limited job opportunity offer from the school, normally paid directly to the student. The listed amount may or may not be realized based on the amount of work and time put into the program.

## 6. Student Loans

**These are loans and must be repaid!** The student loans listed are Federal Student Loans. The lender of these student loans is the Federal Government. The terms, like interest rate and repayment terms of these student loans are not listed on your Award Letter. You can find the terms of the student loans offered in your award letter at <https://studentaid.ed.gov/sa/types/loans>.

There are sources of loans other than Federal loans available that are **not** listed on your award letter. You do not have to accept Federal Student Loans and are free to research, compare, and choose the student loans that best fit your financial and family situation. Some features you should research to make an informed decision are interest rates, repayment terms, total cost, repayment plans and forgiveness options.