

# Decoding your financial aid offers



## tips

**you should know before  
making the big decision**

### 1. The acronyms you need to know

**Cost of attendance (COA):** an estimate of what one full year of school will cost. It includes tuition, along with room, board, fees, books, and more. Check your school's website for a detailed COA.

**Expected Family Contribution (EFC):** an estimate that the school uses to determine how much financial aid you could get—the amount you actually pay may be different.

### 2. You might get a few types of financial aid

**Scholarships and grants:** free money that you won't have to pay back—seriously!

**Work-study:** money you earn by working a part-time job through your school.

**Loans:** money you can borrow that you will have to pay back with interest.

### 3. Remember this equation

$$\text{COA} - \text{financial aid} = \text{what's left to pay}$$

Do this equation for every school on your list. If you still owe money, you may need to use savings, private student loans, or other sources to cover the difference.

### 4. Hold on: don't just pick the biggest offer

A small financial aid offer with more free money may be better than a larger offer with more loans. Why? Because you'll have to pay back those loans with interest.

### 5. Read the fine print

Before you pick your offer, pay attention to the conditions. Some types of financial aid may be renewable, and some may be for one year only. Also, some scholarships might require you to maintain a certain GPA.

### 6. Choose what works for you

You don't have to accept all the aid listed in your financial aid offer. Pick the types and amounts of aid you need, and make sure to respond before the deadline.