

Student Loans Glossary

FFELP and Direct Loans at Lund University

Term	Explanation
Borrower	You, the student, are the borrower of a loan. This is always the case for Stafford Loans.
BBAY	Borrower-based Academic Year. This is used if your programme of study does not follow the standard academic year at Lund University. Your loan will be arranged according to your own study timeframe. Usually students at Lund University follow the SAY (Scheduled Academic Year).
COA	Cost of Attendance. This is a calculation of the actual cost to study at Lund University. The calculation takes several factors into consideration, for example, tuition fees, cost of accommodation, books and supplies, transport and some personal expenses, etc. The COA may include two return trips to the USA but please note that you will not be able to receive any loan cheques before the beginning of the academic year. This means that you need to finance your first trip to Lund University on your own.
Co-payable	All loan cheques are co-payable. This means that the cheques need to be signed by both you and the university representative. Lund University acts as a trustee to the lender, which means that only the Student Finance Administrator at Lund University can sign your cheques. The Student Finance Administrator can be contacted through studielan@stu.lu.se
Default	Failure to repay a loan according to the terms agreed to when you signed a promissory note (MPN). For the FFEL and Direct Loan programmes, default is more specific – it occurs if you fail to make a payment for 270 days if you repay monthly (or 330 days if your payments are due less frequently). The consequences of default are severe, more information about what impact a default may have is available at http://studentaid.ed.gov/ .
Default fee	A fee that some lenders will charge to cover any charge incurred if you miss repayments once you have graduated.
Delivery	The actual handover of the loan cheque. The handover is between the university and the student. Please note that this is different from the 'disbursement' which is the handover of the cheque between the lender and the university (school).
Dependent student	A student who does not meet any of the criteria for an independent student. An independent student is one of the following: at least 24 years old, married, a graduate or professional student, a veteran, a member of the armed forces, an orphan, a ward of the court, or someone with legal dependents other than a spouse.
ED	US Department of Education
EFA	Expected Financial Aid. This is the amount of money (other than the EFC) that might be covered by other sources of funding (scholarships) that will help you pay the COA at Lund University.
EFC	Estimated Family Contribution. Your Expected Family Contribution (EFC) is the number that is used to determine your eligibility for federal student financial aid. This number results from the financial information you provided in your FAFSA application. Your EFC is reported to you on your Student Aid Report (SAR), which you receives once you have completed your FAFSA.

Entry and Exit Counselling	You must understand the responsibilities and all obligations that come with taking a loan to fund your studies. There is a requirement that you undertake entry and exit counselling to inform you about the US loan process; this counselling will most likely be held as an online course.
Direct Loan	William D. Ford Federal Direct Loan (Direct Loan) Program (http://studentaid.ed.gov/PORTALSWebApp/students/english/studentloans.jsp). Loans made through this programme are referred to as Direct Loans. Eligible students and parents borrow directly from the US Department of Education at participating universities. Direct Loans include subsidised and unsubsidised Direct Stafford Loans (also known as Direct Subsidised Loans and Direct Unsubsidised Loans), Direct PLUS Loans, and Direct Consolidation Loans. You repay these loans directly to the US Department of Education.
Disbursement	Payment of loan proceeds by the lender (the cheques are sent to the university/school).
FAO	Financial Aid Officer. The FAO at Lund University is known as the Student Finance Administrator, who can be contacted at studielan@stu.lu.se
FAFSA	Free Application For Federal Student Aid. This is the first step you need to undertake to apply for a federal student loan. More information is available at http://www.fafsa.ed.gov/
FFELP	Family Federal Education Loan Program
Fixed interest rate	A fixed interest rate ensures that you will have the same rate of interest during the total lifetime of the loan. Please note that both Stafford and PLUS loans are fixed-rate loans.
Grace period	After a borrower graduates, leaves university (school), or drops below half-time enrolment, loans that were made for that period of study have several months before payments are due. This period is called the "grace period." During the grace period, no interest accrues on subsidised loans. However, interest accrues on unsubsidised loans during grace periods and this interest is capitalised when borrowers' loans enter repayment.
Graduate PLUS loan	This is a top-up loan for postgraduate students when a normal loan does not cover the COA at Lund University.
HEA	Higher Education Act of 1965
HERA	Higher Education Reconciliation Act of 2005. A remake (change) of the HEA of 1965, it was effectuated on 1 July 2006.
Independent student	An independent student is one of the following: at least 24 years old, married, a graduate or professional student, a veteran, a member of the armed forces, an orphan, a ward of the court, or someone with legal dependents other than a spouse.
ISIR	Institutional Student Information Record. An online version of the Student Aid Report (SAR). Since universities abroad cannot access the ISIR, you will need to send the 8-page long SAR to us in order for us to be able to process your loan application.
LOA	Leave of Absence. A leave of absence is when a student needs to suspend their studies for a specified length of time, this might be because of medical/health or other personal reasons.

MPN	Master Promissary Note. A promissory note is a binding legal document you sign when you get a student loan. An MPN should list the conditions under which you are borrowing and all terms under which you agree to pay back the loan. Please note that it is very important to read and save this document.
Multiple Disbursements	Loans must be paid in equal 'disbursements', these 'disbursements' are made each semester. Please note that you will never get all the money at once, which means that you will need to make a budget and follow it so you can support yourself between the disbursements.
SAP	Satisfactory Academic Progress. During your loan period, Lund University will assess your academic progress to see that you are making satisfactory progress and therefore are eligible for federal loans. For new students at Lund University, you always fulfill the requirement of satisfactory academic progress (you would not have been admitted if you did not fulfill this prerequisite). Please note that we might contact your teacher/coordinator once or twice during the year to ensure that you are making Satisfactory Academic Progress.
SAR	Student Aid Report. Once you have completed your FAFSA your data will be processed and a Student Aid Report will be generated. Please note that as a foreign university, Lund University needs you to send the extended SAR (8 pages) to us since we cannot access the online versions of the SAR.
SAY	Scheduled Academic Year. The standard academic calendar for Lund University starts in August/September and ends in June.
School Certification	This is a form that needs to be filled in by the Financial Aid Officer at Lund University to confirm that the student is enrolled on a course or programme at Lund University within the dates given. Please note that this form can only be signed by an authorised member of staff, the Financial Aid Officer (also known as the Student Finance Administrator) (studielan@stu.lu.se).
Selective Service Registration	In order to be eligible for federal student aid you must register with the Selective Service if you are a male and over 18 years old, and you are currently not on active duty within the US Armed Forces. Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands or the Republic of Palau are exempt from registering.
SSN	Social Security Number
Stafford Loan	These loans can be either subsidised or unsubsidised and they are available for both undergraduates and postgraduate students at Lund University.
Subsidised loan	As long as a borrower is enrolled as a student on an eligible programme the US Government will pay the cost of interest for a subsidised loan.
Title IV Aid	Another term for US Federal Student Aid
Unsubsidised loan	An unsubsidised loan is a loan where the US Government does NOT pay the cost of interest.

Variable interest rate	A loan with a variable interest rate is a loan where the interest rate varies depending on new laws and regulations. A borrower who has a loan with a variable interest rate cannot be certain of the amount of interest that will be charged over the lifetime of the loan.
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