

STUDENT LOAN TERMS: A-Z



As you begin to think about your future and life after high school, you will hear lots of new terms. Please refer to this list as you come across new phrases. The following definitions will give you more than what you might learn from a Google search. Specific meanings or considerations in Virginia are included. Becoming familiar with the words and phrases and their meanings will give you a better understanding of the different options and resources that are available to you. So please refer to the following list as you learn and think more seriously about your own definition of success in the future.

TERM	DEFINITION
Direct Subsidized Loans	These loans are awarded to financially needy students based on their Expected Family Contribution (EFC) and the cost of attendance of a particular school. The federal government pays the interest on subsidized Direct Loans while the student is in school, in the grace period and during deferment periods. The interest is not charged until the student graduates or drops below at least half-time enrollment.
Direct Unsubsidized Loans	Student borrowers with no calculated financial need are eligible for unsubsidized Direct Loans. Interest on these loans is not paid by the federal government and is the responsibility of the student at all times. Borrowers can either pay the interest while they are enrolled in school or have it added to the loan principal when they begin repayment.
Direct PLUS for parents	This loan is a good option for parents, but only after subsidized and unsubsidized Direct Loans are maxed out. The interest rate is higher than those loans. Repayment begins 60 days after the funds are disbursed, but repayment may be deferred until after the student graduates or drops below at least half-time enrollment. The PLUS program is open to any parent regardless of assets or income, but a low credit score may affect eligibility.
Direct PLUS for graduate and professional students	Graduate and professional students can also borrow Direct PLUS Loans to help pay for education expenses not covered by other financial aid.
Direct Consolidation Loans	A Direct Consolidation Loan allows a borrower to consolidate several types of federal education loans with various repayment schedules into one loan. This simplifies the repayment process because there is only one payment per month. Loans being consolidated must be federal, not private, loans. And keep in mind that the interest rate and payments on the new consolidation loan may be lower, but the extended repayment period likely increases the total interest charges over the life of the loan. The benefits and drawbacks of a consolidation loan should be carefully considered.

Private (or Alternative) Loans	These loans are from private lenders, banks, colleges, universities and other lenders that do not rely on the federal government as a guarantor (meaning they, not the government, are generally responsible for any losses if the student defaults). If you have borrowed the maximum amount available through federal loans and still need more, a private loan can help cover the cost of attendance. Just because you're eligible for a certain loan amount does not mean that you have to borrow the entire amount.
BA (Bachelor of Arts) or BS (Bachelor of Science) Degree	A four-year college credential.
Credit	A way of referring to the number of credits which are earned in a course. In high school it may refer to a standard or a verified credit. In college it is also known as semester hours, quarter hours or units. Approximately 64 credit are needed for an AA degree, and 124 for a BA or BS degree for schools on a semester calendar. For example, if a class meets three hours per week, it is usually a three credit course. A full-time college student usually attends five classes and earns 15 credits per semester or attends four classes and earns 12 credits per quarter. Students may also attend part-time, earning less than 12 credits a semester.
Fee Waiver	A form available to students having a family income that meets the U.S. Department of Labor's definition of low income used to dismiss payment requirements for college admission applications or tests. A Fee Waiver form is submitted instead of money when applying or testing. Ask you counselor or advisor about waivers to see if you are eligible
Financial Aid	Money from a variety of sources (grants, loans, scholarships, work study) that helps pay for college costs. The package of funds is determined by family financial need and or student merit. Financial aid comes from many different sources, but most require completion of the Free Application for Federal Student Aid (FAFSA). Additional forms for aid may be required by an institution. Contact their financial aid office for guidance.
GPA (Grade Point Average)	A measure of average grade in all high school credit-bearing courses taken by a student during a certain term or semester, or accumulated for several terms or semesters; obtained by dividing grade points by number of courses taken. If computed on a four-point scale. An A counts as 4; a B is 3; a C is 2; a D is 1; and an F is 0. Each student has a GPA for the semester and a cumulative GPA that includes previous semesters. Honors and AP courses earn one additional point (weighted) when passed with a C or better. Individual colleges and universities may recalculate a student's GPA based on their own criteria.

MA (Masters of Arts) & MS (Masters of Science)	A graduate-college credential usually requiring one or two years of work beyond the BA or BS.
Post Secondary Education	Education and training beyond high school (secondary education).
Private College or University	A school which is not supported by state taxes. Private colleges may be either for-profit or non-profit organizations. Click here to see a complete list of colleges operating in Virginia
PSAT/ MNSQT	A shortened version of the SAT offered in October for high school sophomore and juniors. The scores are helpful in predicting a student's score on the actual SAT, in college admissions planning and/or qualifying for the National Merit and other scholarships. Students taking the test in the fall of their junior year may become eligible for the National Merit Scholarship. To learn more about the test and to access practice tests click here.
SAT (Scholastic Aptitude Test)	A college admissions exam measuring verbal and mathematics reasoning. Additionally, students may take a writing exam. Check with your college(s) of interest to determine what tests and average scores are required for admittance. To learn more about the SAT and to practice test taking, click here.
Scholarships	Gifts of money awarded to students for achievement, skill, talents and/or financial need. Most scholarships are awarded to high school seniors in their spring semester and usually range from hundreds to several thousand dollars. Scholarships do not have to be paid back. There are many sources of scholarships, nationwide and locally. Ask your counselor for guidance and begin an electronic search here.
Secondary School Transcript	An official list of secondary courses taken by a student, showing the final grade received for each course, with definitions of the various grades given.
Verified Credit	Credits earned by passing a course in the subject area and the associated end-of-course assessment. To learn more about verified credits and the number required for your graduation click here.
Weighted GPA	High school advanced-level courses are given an extra point when computing their grade point average. An A counts as 5; a B as 4; a C as 3. D and F grades in honors courses are not given extra points. Only certain classes are given the honors point for the U.C. and CSU system. U.C. and CSU grade point averages are calculated with the college counselor during 1st semester of the student's senior year.