Creating and Using the FSA ID

What's an FSA ID?

The FSA ID is a username and password combination you use to log in to U.S. Department of Education (ED) online systems. The FSA ID is your legal signature and shouldn't be created or used by anyone other than you—not even your parent, your child, a school official, or a loan company representative. You'll use your FSA ID every year you fill out a *Free Application for Federal Student Aid* (FAFSA®) form and for the lifetime of your federal student loans.

How do I get an FSA ID?

Visit **StudentAid.gov/fsa-id/create-account/launch** to create an FSA ID. You'll need your Social Security number, full name, and date of birth. You'll also need to create a memorable username and password, and complete challenge questions and answers so you can retrieve your account information if you forget it.

You'll be required to provide either your email address or your mobile phone number when you make your FSA ID. Providing a mobile phone number and/or email address that you have access to will make it easier to log in to ED online systems and allow additional account recovery options.

Important: A Social Security number, email address, and mobile phone number can only be associated with one FSA ID. If you share an email address with someone else, then only one of you will be able to use that email address to create an FSA ID.

FSA ID Tips

- If you need to provide information about your parents on the FAFSA® form, one of your parents will need an FSA ID to sign the form. Your parent can create an FSA ID and then sign the FAFSA form electronically using that FSA ID. Not sure whether you'll need to put your parents' information on the FAFSA form? Check out **StudentAid.gov/dependency**. **Remember**: You should create your own FSA ID, and your parent should create his or her own FSA ID. Also make sure to use the correct FSA ID when signing the FAFSA form electronically.
- When you first create your FSA ID, the use of your FSA ID will be restricted to completing, signing, and submitting an original (first-time) FAFSA form. You'll have to wait one to three days for your information to be confirmed by the Social Security Administration (SSA) before you can use your FSA ID for other actions, such as submitting a FAFSA Renewal or signing a *Master Promissory Note*. If you provided an email address, then you'll receive an email letting you know that your information was successfully matched with the SSA, and you can begin using your FSA ID.
- If you forget your FSA ID username or password, look for the "Forgot My Username" and "Forgot My Password" links on log-in pages. These links will direct you to web pages where you can request a secure code to be texted to your verified mobile phone number or emailed to your verified email address. The secure code will allow you to retrieve your username or reset your password. You can also retrieve your username or reset your password by successfully answering your challenge questions. **Remember**: If you verified your email address or mobile phone number during account creation, you can enter your email address or mobile phone number instead of your username to log in.

Learn more about how you can use your FSA ID at **StudentAid.gov/help-center/answers/article/how-can-i-use-my-fsa-id-username-and-password**. Find this fact sheet at **StudentAid.gov/resources**.

May 2021

How to Get an FSAID for Individuals Without a Social Security Number

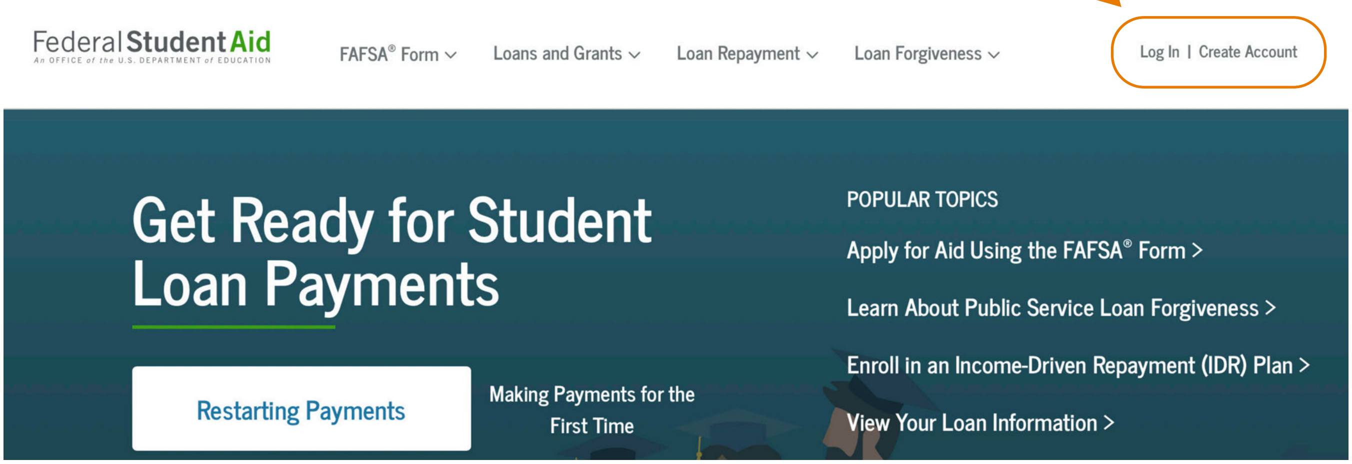
The FSA ID is required to complete the Free Application for Federal Student Aid (FAFSA) online as a student applicant or as a contributor (parent/stepparent or spouse of a student applicant.). While in the past, a Social Security Number (SSN) was required to obtain an FSA ID, ***students' spouses, parents, and stepparents who do not have an SSN can obtain an FSA ID beginning in late December, 2023***.

What you need before you apply for an FSA ID:

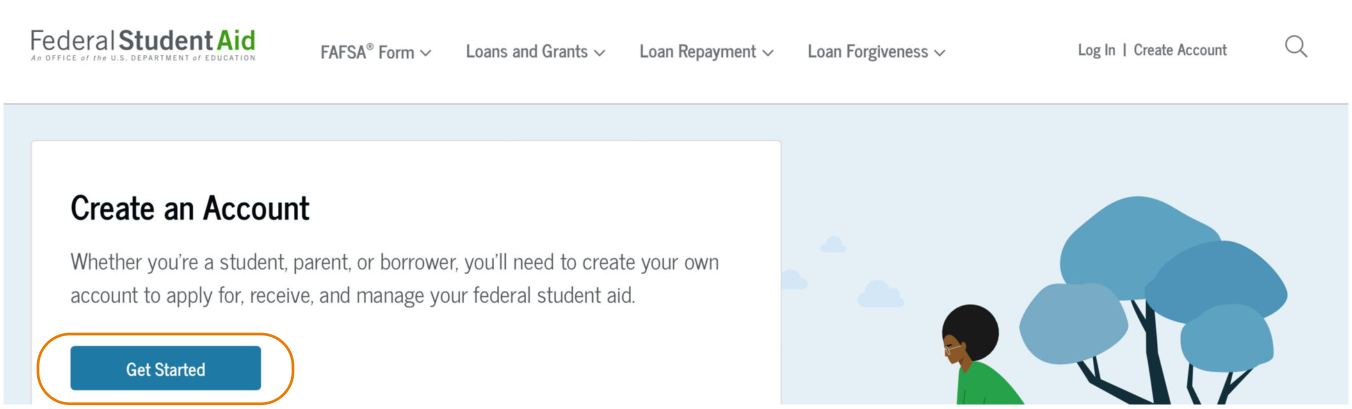
- Your own email address

Creating the FSA ID

Start at studentaid.gov and select "Create Account" from the top right corner of the page



Click "Get Started"



Enter Personal Information (Step 1 of 7)

- Check "I don't have a Social Security number" and click "Continue"
- A warning will appear; click "Continue Without SSN"

Account Information (Step 2 of 7)

- Follow instructions to create a username and password and click "Continue"
  - o *Note: Email address is required and the email address cannot be associated with another FSA ID account (for example, you cannot use the same email address for child and parent, or for both parents)*

Contact Information (Step 3 of 7)

- Enter address information and click "Continue"
  - o Note: mailing address is required for anyone without an SSN
  - o Foreign phone numbers are not accepted, so leave this field blank if you have a foreign phone number

Communication Preferences (Step 4 of 7)

- Follow instructions and click "Continue"

Challenge Questions (Step 5 of 7)

- Follow instructions to choose challenge questions you will be asked to answer if you forget your username or password and click "Continue"

Confirm & Verify (Step 6 of 7)

- Review information, edit incorrect information if necessary
- Check the box indicating you agree to FSA's Terms and Conditions, then click "Continue"

Enable Two Step Verification (Step 7 of 7)

- Follow instructions and click "Continue"

Identity Verification (Step 7 of 7, continued)

- Answer knowledge-based identity verification questions and click "Submit"
  - o You are ready to complete the FAFSA!!
    - *Note: if any identity verification questions are answered incorrectly (and only in this case), you will see an error message indicating your account was created but you still need to contact the Federal Student Aid Information Center (FSAIC) to verify your identity before you can use the FSA ID to complete the FAFSA as an applicant or contributor (parent or spouse)*
      - o *You will be asked by email to submit the following documentation to the email address provided:*
        - *Attestation form (link will be included in the email)*
          - o *ONE of the following:*
            - *U.S. Driver's license*
            - *U.S. State/city ID card*
            - *Foreign passport*
          - o *OR a utility bill (with name and address matching what was entered in the FSA ID request process) + one of the following:*
            - *Municipal ID card*
            - *Community ID*
            - *Consular ID card/Matricula Consular*
      - o *Identity verification will be confirmed within 1-3 days by email, after which the FSA ID will be created and you will be ready to complete the FAFSA as a student applicant or contributor.*

*****Note: this document is based on information provided by the Department of Education in a November 2, 2023 webinar and guidance issued on December 22, 2023 and is subject to change.***

Am I Dependent or Independent When I Fill Out the FAFSA® Form?

When I fill out the 2026–27 *Free Application for Federal Student Aid* (FAFSA®) form, will I have to provide information about my parent?

It depends. Answer these questions:

- Were you born before Jan. 1, 2003?
- As of today, are you married? (Also answer “Yes” if you are separated but not divorced.)
- At the beginning of the 2026–27 school year, will you be working on a master’s degree or doctorate degree (such as an M.A., MBA, M.D., J.D., Ph.D., Ed.D., graduate certificate, etc.)?
- Do you now have children who will receive more than half of their support from you between July 1, 2026 and June 30, 2027?
- Do you have dependents—other than your children or spouse—who live with you and who receive more than half of their support from you, now and through June 30, 2027?
- Are you currently serving on active duty in the U.S. armed forces for purposes other than training? (If you are a National Guard or Reserves enlistee, are you on active duty for other than state or training purposes?)
- Are you a veteran of the U.S. armed forces? *
- At any time since you turned age 13, were both your parents deceased, were you in foster care, or were you a dependent or ward of the court?
- Has it been decided by a court in your state of legal residence that you are an emancipated minor or that someone other than your parent or stepparent has legal guardianship of you? (You also should answer “Yes” if you are now an adult but were in legal guardianship or were an emancipated minor immediately before you reached the age of being an adult in your state. Answer “No” if the court papers say “custody” rather than “guardianship.”)
- At any time on or after July 1, 2025, were you determined to be an unaccompanied youth who was homeless or were self-supporting and at risk of being homeless, as determined by (a) your high school or district homeless liaison, (b) the director of an emergency shelter or transitional housing program funded by the U.S. Department of Housing and Urban Development, or (c) the director of a runaway or homeless youth basic center or transitional living program? **

* *Answer “No” (you are not a veteran) if you (1) have never engaged in active duty (including basic training) in the U.S. armed forces (Army, Navy, Air Force, Marines, or Coast Guard), (2) are currently a Reserve Officers’ Training Corps student or a cadet or midshipman at a service academy, (3) are a National Guard or Reserves enlistee activated only for state or training purposes, or (4) were engaged in active duty in the U.S. armed forces but released under dishonorable conditions. Also answer “No” if you’re currently serving in the U.S. armed forces and will continue to serve through June 30, 2027.*

* *Answer “Yes” (you are a veteran) if you (1) have engaged in active duty (including basic training) in the U.S. armed forces or are a National Guard or Reserves enlistee who was called to active duty for other than state*

or training purposes, or were a cadet or midshipman at one of the service academies and (2) were released under a condition other than dishonorable. Also answer "Yes" if you're not a veteran now but will be one by June 30, 2027.

*** If you don't have a determination that you're homeless, but you believe you're an unaccompanied youth who is homeless or self-supporting and at risk of being homeless, answer "No" to the FAFSA questions concerning being homeless. Then contact your financial aid office to explain your situation. "Homeless" means lacking fixed or regular housing. You may be homeless if you're living in shelters, parks, motels, hotels, cars, or temporarily living with someone else because you have nowhere else to go.*

Did you answer "Yes" to any of the questions?

If so, then for federal student aid purposes, you're considered to be an independent student and don't have to provide information about your parents on the FAFSA form.

Did you answer "No" to all of the questions?

If so, then for federal student aid purposes, you're considered to be a dependent student, and you must provide information about your parents on the FAFSA form.

Not sure who counts as your parent? See the instructions on the FAFSA form or view the *Who's My Parent When I Fill Out My FAFSA® Form?* graphic at **StudentAid.gov/resources#fafsa**.

If you have no contact with your parents and don't know where they live, you should discuss your situation with the financial aid office at the college or career school you plan to attend. The financial aid administrator will help you figure out what to do next.

Apply for FREE and find more info: **fafsa.gov**.

March 2022

Federal Grant Programs

The federal government provides grant funds for students attending colleges, career schools, and universities. Grants, unlike loans, do not have to be repaid.* The major federal student grant programs are briefly described below.

Federal Grant Program	Program Details	Annual Award (subject to change)
Federal Pell Grant	• Awarded to undergraduate students who have exceptional financial need and who have not earned a bachelor's, graduate, or professional degree; in some cases, students enrolled in a postbaccalaureate teacher certification program may receive a Federal Pell Grant • A student who meets certain requirements might be eligible for a larger Pell Grant if his or her parent died as result of military service in Iraq or Afghanistan or in the line of duty as a public safety officer • Pell Grant lifetime eligibility is limited to 12 semesters or the equivalent	Up to $7,395 for the 2025–26 award year
Federal Supplemental Educational Opportunity Grant (FSEOG)	• Awarded to undergraduate students who have exceptional financial need and who have not earned a bachelor's or graduate degree • Federal Pell Grant recipients receive priority • Not all schools participate in this program • Funds depend on availability at the school; check for the school's deadline	Up to $4,000 a year
Teacher Education Assistance for College and Higher Education (TEACH) Grant	• For undergraduate, postbaccalaureate, or graduate students who are enrolled in programs designed to prepare them to teach in a high-need field at the elementary or secondary school level • Must agree to serve for a minimum of four years (within eight years of completing or ceasing enrollment in the program for which the student received the grant funds) as a full-time teacher in a high-need field in a school or educational service agency that serves low-income students • Must attend a participating school and meet certain academic achievement requirements • Failure to complete the teaching service commitment will result in the grant being converted to a Direct Unsubsidized Loan that must be repaid	Up to $3,772 for grants first disbursed on or after Oct. 1, 2025, and before Oct. 1, 2026
Iraq and Afghanistan Service Grant	• For students whose parent or guardian was a member of the U.S. armed forces and died as a result of performing military service in Iraq or Afghanistan after the events of 9/11 • Must be ineligible for a Pell Grant due to having less financial need than is required to receive Federal Pell Grant funds • Must have been younger than 24 years old or enrolled at least part-time at a college or career school at the time of the parent's or guardian's death	Up to $6,973.49 for grants first disbursed on or after Oct. 1, 2025, and before Oct. 1, 2026

**Occasionally a student may have to pay back part or all of a grant if, for example, he or she withdraws from school early or doesn't fulfill the requirements of the TEACH Grant service obligation.*

For more information on grants, visit **StudentAid.gov/grants**. If you are looking for additional sources of aid that don't need to repaid, consider scholarships. Try **StudentAid.gov/scholarships** for tips on where to look and for a link to a free scholarship search tool.

Have questions? Contact or visit the following:

- **StudentAid.gov**
- a school's financial aid office
- **customerservice@studentaid.gov**
- 1-800-4-FED-AID (1-800-433-3243)

June 2022

Federal Student Loan Programs

Will you need a loan to attend college?

If you need a loan to help cover the cost of a college or career school education, think federal student loans first. Both federal and private student loans are borrowed funds that you must repay with interest, but federal student loans usually offer lower interest rates and have more flexible repayment terms and options than private student loans.

1. What is a federal student loan?

A federal student loan is made through a loan program administered by the federal government.

2. What is a private student loan?

A private student loan is a nonfederal loan made by a private lender, such as a bank or credit union. The terms and conditions of private student loans are set by the lender, not the federal government. If you're not sure whether you're being offered a private loan or a federal loan, check with the financial aid office at your school.

3. Why are federal student loans usually a better option for paying for a college or career school education?

Federal student loans offer many benefits that don't typically accompany private loans. These include fixed interest rates, income-based repayment plans, loan cancellation for certain types of employment, deferment (postponement) options, and interest rate reduction based on repayment method. Also, private loans usually require a credit check, while most federal loans for students do not. For these reasons, students and parents should always exhaust federal student loan options first before considering a private loan.

4. How much should I borrow?

You can determine whether you need a loan and how much you need to borrow by adding up the total cost of your education (tuition, fees, room and board, etc.) and subtracting the amount of scholarships, grants, and savings you have to contribute to those costs. You should borrow only what you need, and consider the earning potential in your chosen profession to determine how easily you'll be able to repay your debt. You can find salary estimates for various occupations in the U.S. Department of Labor's Occupational Outlook Handbook at **https://www.bls.gov/ooh**. Your student loan payments should be only a small percentage of your salary after you graduate.

Have questions? Contact or visit the following:

- **StudentAid.gov**
- a school's financial aid office
- **studentaid@ed.gov**
- 1-800-4-FED-AID (1-800-433-3243)

What kinds of federal student loans are available?

The interest rates shown are fixed for the life of the loan.

Federal Loan Program	Program Details	Annual Award (subject to change)
Direct Subsidized Loans	• For undergraduate students with financial need • For loans first disbursed on or after July 1, 2025, and before July 1, 2026, the interest rate is 6.39% • **You're not usually charged interest on the loan during certain periods, such as when you're in school at least half-time** • The U.S. Department of Education (ED) is the lender; payment is owed to ED	Up to $5,500 depending on grade level and dependency status* For total lifetime limit, go to **StudentAid.gov/sub-unsub**

Direct Unsubsidized Loans	• For undergraduate, graduate, and professional degree students; financial need isn't required
	• For loans first disbursed on or after July 1, 2025, and before July 1, 2026, the interest rate is
	  ○ 6.39 % for loans made to undergraduate students, and
	  ○ 7.94 % for loans made to graduate and professional degree students
	• You're responsible for paying the interest during all periods
	• ED is the lender; payment is owed to ED
		Up to $20,500 (less any subsidized amounts received for same period) depending on grade level and dependency status*
		
		For total lifetime limit, go to **StudentAid.gov/sub-unsub**

Direct PLUS Loans	• For parents who are borrowing money to pay for their dependent undergraduate child's education, and for graduate or professional degree students;* financial need isn't required • For loans first disbursed on or after July 1, 2025, and before July 1, 2026, the interest rate is 8.84% • You must not have an adverse credit history (unless you meet certain additional eligibility requirements) ** • ED is the lender; payment is owed to ED	Maximum amount is the cost of attendance (determined by the school) minus any other financial aid the student receives

*Learn about dependency status at **StudentAid.gov/dependency**.
Learn about PLUS loans and adverse credit at **StudentAid.gov/plus.

Note: Find interest rates on loans disbursed before July 1, 2026, at **StudentAid.gov/interest**.

For more information on loans, visit **StudentAid.gov/loans**. Find this fact sheet at **StudentAid.gov/resources#loan-programs**.

June 2022

FEDERAL STUDENT LOANS

BASICS FOR STUDENTS

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

PROUD SPONSOR of the AMERICAN MIND®

Whether you're an adult returning to school or a recent high school graduate, there's a lot to consider when you're thinking about college or career school. One of those considerations should be how you plan to fund your education.

Chances are, you'll to need to rely on student loans (money that you borrow and pay back with **interest***) to help pay for at least part of your education.

Direct Loans (loans made by the federal government) are available to help you cover your education expenses. This brochure will help guide you through the basics of responsible borrowing.

BASICS OF STUDENT LOANS

With careful planning and an understanding of the basics of student loans, you can help ensure that you achieve your academic goals and graduate with a manageable amount of debt.

Know the Types of Direct Loans

The U.S. Department of Education (ED) offers Direct Loans through the William D. Ford Federal Direct Loan (Direct Loan) Program. There are three types of Direct Loans that can help students and parents pay for education after high school.

LOAN TYPE	AVAILABLE TO	DETAILS AND UPDATES
Direct **Subsidized Loans***	Undergraduate students who have financial need	**StudentAid.gov/sub-unsub**
Direct **Unsubsidized Loans***	Undergraduate, graduate, and professional degree students	**StudentAid.gov/sub-unsub**
Direct PLUS Loans	Graduate and professional degree students, and parents of dependent undergraduate students (you must not have an adverse credit history)	**StudentAid.gov/plus**

For information on current Direct Loan interest rates, visit **StudentAid.gov/interest**.

Consider Direct Loans First

Student loans can also come from private sources, such as banks or financial institutions. These are often called private student loans. Direct Loans have many benefits that private loans don't typically offer, such as

- low fixed interest rates;
- flexible repayment plans based on income;
- cancellation, discharge, and forgiveness of loans under certain circumstances (learn more at **StudentAid.gov/forgiveness**); and
- postponement options, including **deferment*** and **forbearance*** of loan payments if you return to school or experience an economic hardship.

To learn more about the differences between Direct Loans and private loans, visit **StudentAid.gov/federal-vs-private.**

***Please refer to the glossary on the back page**

STEPS TO RECEIVE DIRECT LOANS

Determine Your Eligibility

To qualify for a Direct Loan, you must be enrolled (or planning to enroll) at least half-time at a school that participates in the Direct Loan Program. You must also meet general eligibility requirements for the federal student aid programs. You can learn more about these requirements at **StudentAid.gov/eligibility**.

Fill Out the FAFSA® Form

To apply for Direct Loans, you need to complete the *Free Application for Federal Student Aid* (FAFSA®) form every year you're in school. Completing and submitting the FAFSA form is **free**, and the fastest and easiest way to do so is online at **fafsa.gov**.

Visit **StudentAid.gov/fillingout** for details about the application process.

Review Aid Offers

The schools that you identified on your FAFSA form (and that have offered you admission) will send you financial aid offers that include the types and amounts of financial aid you may receive. You'll be asked to indicate which financial aid you want to accept.

A good rule of thumb is to accept free money first (**scholarships*** and **grants***), then earned money (**work-study***), and then borrowed money (Direct Loans). You don't have to repay grants, scholarships or work-study earnings (as long as you complete the term for which you were paid). Once you have exhausted those options, then you should look to Direct Loans. **Remember, loans are borrowed money that must be repaid with interest, so you should borrow only what you need.**

Visit **StudentAid.gov/types** to learn more about the different types of aid.

Complete a Master Promissory Note and Entrance Counseling

Before you can receive a Direct Loan, you'll have to sign a loan agreement called a ***Master Promissory Note* (MPN).*** If you're borrowing for the first time, you'll also need to receive **entrance counseling**.* Both requirements can be completed on **StudentAid.gov**, but you should check with your school's financial aid office to find out how they expect you to complete them.

***Please refer to the glossary on the back page**

THINGS TO CONSIDER BEFORE RECEIVING A LOAN

Direct Loans can help you pay your education expenses, but you need to borrow responsibly. It's important that you do the following before you borrow.

Determine How Much You Should Borrow

Figure out how much money you will need to borrow to cover your education expenses for each year you're in school. Any school that participates in the federal student aid programs is required to provide information on its cost of attendance and to offer a **net price*** calculator on its website.

The following factors will also affect how much you need to borrow:

- Where you plan to attend school (the cost of living is different depending on the city your school is in)
- The price of the school you plan to attend (the more expensive the school, the more likely it is you will have to borrow)
- The amount of financial aid your school can offer from its funds (some schools offer significant scholarships and grants to make the net price affordable even if the cost of attendance is high)
- Your expected graduation date and your future borrowing needs to get you through to graduation (you can get a rough estimate of your total borrowing needs by multiplying the amount you're borrowing for one year by the length of your program)

For suggestions on reducing your college costs, visit **StudentAid.gov/collegecost**.

Estimate What You Might Earn After Graduation

Check with the career center at your school for starting salaries of recent graduates in your prospective field(s) of study to get an idea of how much you might earn after you graduate. Different programs will have different expected employment outcomes that will influence your earning potential.

Add up your estimated total net income (your monthly salary minus taxes) and any other sources of income you expect to have.

Understand What Repayment Might Look Like

Once you have a realistic idea of your potential income after you graduate, and the amount you need to borrow to meet your education expenses, you'll want to determine your estimated monthly loan payment amount and the amount you'll pay in total for your loan. To get an idea of what your monthly student loan payment will be under available repayment plans, use the *Repayment Estimator* at **StudentAid.gov/repayment-estimator**.

You'll need to repeat this process each time you receive a student loan to ensure that you are calculating your payments based on your accumulated total loan debt.

You'll want to make sure that you are able to live comfortably after meeting your monthly student loan payment. You should try to keep your monthly payments to 8% of your monthly pay.

After you leave school or drop below half-time enrollment, your **loan servicer*** will contact you and provide you with loan repayment information. Generally, you will be expected to start making payments six months after you leave school or drop below half-time enrollment. Learn more at **StudentAid.gov/repay**.

***Please refer to the glossary on the back page**

TIPS FOR MANAGING YOUR LOANS

Don’t wait until you leave school to review your student loan debt. If you wait, you may find you have borrowed more than you can afford to repay.

Track Your Borrowing

You can view your federal student aid history at **StudentAid.gov/login**. **If you have private loans, they will not be listed there.**

Pay Interest as It Accumulates

Whenever possible, pay interest on your Direct Loans while you’re in school, and during **grace,*** deferment, and forbearance periods. This will allow you to avoid **capitalization*** of any unpaid interest.

Stay in Touch With Your Loan Servicer

At any time after you receive a Direct Loan, you must notify your loan servicer if you

- change your address or telephone number;
- change your name (for example, maiden name to married name); or
- have any change in status that would affect your loan (for example, if you received a deferment, but you no longer meet the eligibility requirements for the deferment).

***Please refer to the glossary on the back page**

CONTACT US

U.S. Department of Education

Federal Student Aid Information Center (FSAIC)

P.O. Box 84

Washington, DC 20044-0084

1-800-4-FED-AID (1-800-433-3243)

TTY users can call 1-800-730-8913.

Callers in locations without access to 1-800 numbers may call 1-334-523-2691 (this is not a toll-free number).

Stay Connected

Access your federal student loan information at **StudentAid.gov/login**

Information for U.S. armed forces **StudentAid.gov/military**

/FederalStudentAid

/FAFSA

/FederalStudentAid

The information in this guide was updated in fall 2019. For changes to federal student aid programs since then, visit **StudentAid.gov**.

GLOSSARY

Terminology	What does it mean?
Capitalization	The addition of unpaid interest to the principal balance of a loan. When the interest on your federal student loan is not paid as it accrues (accumulates), ED will capitalize the interest under certain circumstances. This increases the outstanding **principal*** amount due on the loan and may cause your monthly payment amount to increase. Interest is then charged on that higher principal balance, increasing the overall cost of the loan.
Deferment	A postponement of payment on a loan. Deferment is allowed under certain conditions. During deferment, interest does not generally accrue (accumulate) on Direct Subsidized Loans. All other Direct Loans that are deferred will continue to accrue interest. Any unpaid interest that accrued during the deferment period may be capitalized (added to the principal balance of the loans).
Direct Subsidized Loan	A loan based on financial need for which the federal government generally pays the interest that accrues while the borrower is in an in-school, grace, or deferment status. A borrower is eligible to receive subsidized loans for up to 150% of his or her program length.
Direct Unsubsidized Loan	A loan for which the borrower is fully responsible for paying the interest regardless of the loan status. Interest on unsubsidized loans accrues from the date of disbursement and continues throughout the life of the loan. This type of loan is not based on financial need.
Entrance Counseling	A mandatory information session, which takes place before you receive your first federal student loan; entrance counseling explains your responsibilities and rights as a student borrower.
Forbearance	A period during which your monthly loan payments are temporarily suspended or reduced. ED may grant you forbearance if you are willing but unable to make loan payments due to certain types of financial hardships. During forbearance, principal payments are postponed but interest continues to accrue (accumulate). Unpaid interest that accrues during the forbearance will be capitalized (added to the principal balance of your loans), increasing the total amount you owe.
Grace Period	A period of time (generally six months) after you graduate, leave school, or drop below half-time enrollment during which you are not required to make payments on certain Direct Loans. Some Direct Loans will accrue interest during the grace period, and if the interest is unpaid, it will be added to the principal balance of the loan when the repayment period begins.
Grant	Financial aid, often based on financial need, that does not have to be repaid (unless, for example, you withdraw from school and owe a refund).
Interest	A loan expense charged for the use of borrowed money. Interest is paid by the borrower to ED. The expense is calculated as a percentage of the unpaid principal amount of the loan.
Loan Servicer	A company that collects payments, responds to customer service inquiries, and performs other administrative tasks associated with maintaining a federal student loan on behalf of ED. If you're unsure of who your federal student loan servicer is, you can look it up in "My Federal Student Aid" at **StudentAid.gov/login**.
***Master Promissory Note* (MPN)**	A binding legal document that you must sign when you get a federal student loan. The MPN can be used to make one or more loans for one or more academic years (up to 10 years) at one or more schools. It lists the terms and conditions under which you agree to repay the loan and explains your rights and responsibilities as a borrower. It's important to read and save your MPN because you'll need to refer to it later when you begin repaying your loan or at other times when you need information about loan provisions, such as deferments or forbearances.
Net Price	An estimate of the actual cost that a student and his or her family need to pay in a given year to cover education expenses for the student to attend a particular school. Net price is determined by taking the institution's cost of attendance and subtracting any grants and scholarships for which the student may be eligible.
Principal	Loan principal can refer either to the original amount borrowed (original principal), or to the remaining amount of principal to be repaid (current principal). The current principal balance may include interest that has been capitalized (for example, interest that was capitalized at the end of a period of deferment or forbearance).
Scholarship	Money awarded to a student based on academic or other achievements to help pay for education expenses. Scholarships generally do not have to be repaid.
Work-study	A federal student aid program that provides part-time employment while a student is enrolled in school. Work-study earnings help pay the student's education expenses.