

Financial Aid 101: The Award Letter

Overwhelmed by college financial aid and how to cover college expenses? This **step-by-step** guide can help you navigate the process.



1 Complete The FAFSA®

The FAFSA typically opens October 1. You should file the FAFSA as soon as it's available, because some schools award aid on a first-come, first-served basis. If you haven't applied already, visit [StudentAid.gov](https://studentaid.gov) for more details. You may also need to complete the CSS Profile®, used by over 250 colleges and universities.

After filing the FAFSA, you will receive the FAFSA Submission Summary. Make sure you review your FAFSA Submission Summary to make sure the information you filed on the FAFSA is correct.

2 What's Next

After you've filed your FAFSA, you can check its status at [FAFSA.gov](https://fafsa.gov). If you need to send your FAFSA to additional schools, you can delete and add more after it's been processed. You'll then receive award letters for the schools where you've been accepted. Award letter templates vary, so carefully review each letter when comparing your financial aid packages.

Compare your award letters here:
CollegeCovered.com/Award-Letter-Tool

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Award Letter Breakdown

COA: This stands for Cost of Attendance. This number includes tuition and fees, food and housing, books and supplies, transportation, and other expenses for one year.

Grants and Scholarships: This is money that does not have to be paid back. It can come from federal and state governments, colleges, and private organizations. Grants are typically based on financial need, while scholarships may also be based on merit, or eligibility, as well as need.

Work-Study: Work-study is a part-time employment program funded by the government that allows qualified students to earn money to help pay for college.

Federal Loan Breakdown: Federal loans are made by the federal government and must be paid back. These loans can help cover the gap between cost of attendance and other financial aid. There are several different types of federal loans:

Direct Subsidized Loans: These are awarded to students who demonstrate financial need. The interest is paid by the government while the student is in school.

Direct Unsubsidized Loans: These are awarded to students regardless of financial need. Unlike subsidized loans, the student is responsible for paying the interest that accrues on the loan while in school.

Direct Plus Loans: These are available to parents and graduate students to cover up to the full cost of education, less any other financial aid. Borrowers must pass a credit check.

Private student loans may be an option to help cover remaining college expenses, but they are not part of the FAFSA and may not be listed as part of your award letter.