



FINANCIAL AID TERMINOLOGY

Federal Student Aid (FSA)

Financial aid from the U.S. Department of Education to help you pay for education expenses at an eligible college or career school. Grants and loans are types of [federal student aid](#). You must complete the [FAFSA form](#) to apply for this aid.

FSA ID

An FSA ID is a username and password that gives you access to FSA's online systems and can serve as your legal signature. Only create an FSA ID using your own personal information and for your own exclusive use. You are not authorized to create an FSA ID on behalf of someone else, including a family member. Create an FSA ID account at studentaid.gov.

FAFSA

To apply for federal student aid, such as Federal Pell grants and Federal Direct loans, the Free Application for Federal Student Aid (FAFSA) need to be completed. Completing and submitting the FAFSA is free and gives students access to pay for Polaris Career Center programs. The FAFSA information is used to determine your eligibility for federal student aid. Students can complete the FAFSA at studentaid.gov.

Federal Pell Grant

A federal [grant](#) for undergraduate students with [financial need](#). Grants and scholarships are often called "gift aid" because they are free money—financial aid that doesn't have to be repaid. This is aid that does not need to be repaid.

- The maximum Federal Pell grant award a student may receive based on an EFC=0:
 - *Some students may not qualify for a Pell grant and some may receive less than the maximum amount.
 - *Amounts are subject to change and are typically finalized in late May of 2021

\$6,495 for a 900 and 946 clock-hour program

\$5,521 for a 765 clock-hour program

\$5,052 for a 700 clock-hour program

\$4,330 for a 600 clock-hour program



Federal 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. The Federal Direct loan **must** be repaid to the Federal government. The U.S. Department of Education assigns a servicing agency to manage the student's loan repayments. The student will receive communication from this agency after the student's loan has been disbursed. The U.S. Department of Education will charge a small percentage to disburse the loan (**currently, 1.057% but subject to change**), therefore, the loan amount applied to the student's account at Polaris will be less than the actual amount borrowed by the student.

Federal 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.

Federal Direct Loan Limits

For a 900 clock hour program, a student may be eligible for a maximum of:

\$3,500 in subsidized Federal Direct Loans (dependent and independent students);

\$5,500 in unsubsidized Federal Direct Loans (dependent students);

\$9,500 in unsubsidized Federal Direct Loans (independent students)

Awards will be prorated accordingly for programs consisting of less than 900 hours.

For more information about Federal Pell grants and Federal Direct Loans, visit <https://studentaid.gov>.

Entrance Counseling

The Federal Government requires loan borrowers to complete entrance counseling (choose option for undergraduate subsidized and unsubsidized loans) to ensure that they understand the responsibilities and obligations they are assuming. This is completed online and typically takes 20-30 minutes to complete. It can be completed at www.studentaid.gov under "Complete Aid Process". You will need your FSA ID and password.

Master Promissory Note

The Master Promissory Note (MPN) is a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the U.S. Department of Education. It also explains the terms and conditions of your loan(s). It can be completed at www.studentaid.gov under "Complete Aid Process" (choose option for undergraduate subsidized and unsubsidized loans). You will need your FSA ID and password.

Verification

The U.S. Department of Education selects certain FAFSA's for a process called verification. Should you be selected, the financial aid counselor will ask you to supply copies of documentation, such as federal income tax returns, W-2 statements and 1099 forms, to verify the data that was submitted on the Free Application for Federal Student Aid (FAFSA). You will be notified via email approximately one week after completing your FAFSA if you are selected and what items we need to verify.

Polaris Payment Plan

Monthly payment plan through Polaris Career Center. This is a payment plan, not a loan. Once any financial aid has been applied (if utilizing financial aid), the remaining balance will be broken down into equal monthly payments, beginning with the month in which the student enrolls and ending a month before the last day of the class. There are no fees or interest associated with the monthly payment plan through Polaris Career Center.

Scholarships

Awards given by outside organizations, which each have their own separate applications. Generally, the organization sends the scholarship funds directly to the school, and we then credit your account with the funds. We feature some scholarships on our website. Many scholarships have deadlines of April or May for the Fall Term and October or November for the Spring Term. To search for scholarships, visit <https://www.polaris.edu/adult-education/scholarship-opportunities>.