Annotated Award Letter

Listed below are some key items to keep an eye out for as you review and compare your award letters.

1 Direct Cost
Charges that will come directly from the college. Things like paying for your classes are part of your **tuition and fees,** and paying for your dorm room and meal plan is considered your **room and board**.

2 Free Money
Scholarships, **grants**, and waivers are free money that never needs to be repaid. You will not see this money, as it will go straight to the college and be applied to your account.

3 Net Cost
The **net cost** represents the total amount you need to pay to attend this college. It takes into account how much you will pay now (the bill) and payback later (the loans). Not all award letters will provide this calculation, but you can do so subtracting the free money from the cost of attendance.

4 Borrowed money
Financial aid that will need to paid back with interest. The most common student loan you will see is the **Direct Stafford Loan**. When adding up the loans offered to you do NOT include the Parent PLUS Loan—it's not guaranteed.

5 Indirect Expenses
Additional costs, such as **books** and **transportation**, are things you will need to pay for throughout the year. The college will not buy these things for you; rather you will need to plan ahead and purchase them yourself.

6 Work-Study
Work-study jobs are a great way to earn extra cash throughout the year to help pay for your indirect expenses. This money does NOT go directly to your account to cover your bill. You will receive a paycheck, and it will be up to you as to how you use this money.

Sample Award Letter

	Estimated Cost of Attendance		$24,442 /yr	
1	Tuition and Fees	$10,284		
	Housing and meals (on campus resident)	9,018		
	Books and supplies	990		5
	Transportation	1,780		
	Other educational costs	2,370		
	Grants and Scholarships to pay for college			
	Total Grants and Scholarships ("Gift" Aid: no repayment needed)		$11,962 /yr	
2	Grants and Scholarships from your school	$0		
	Federal Pell Grant	5,815		
	Grants from your state	6,147		
	Other scholarships you can use	0		
	What you will pay for the 2016-17 aid year			
3	Net Costs (Cost of attendance minus total grants and scholarships)		$12,480 /yr	
	Work Options			
	Work-Study (Federal, state or institutional)		$2,030 /yr	6
	Loan Options *			
	Total Federal Loans (Must be repaid)		$5,500 /yr	
4	Federal Direct Subsidized Loan	3,500		
	Federal Direct Unsubsidized Loan	2,000		

* Recommended amounts shown here. You may be eligible for a different amount. Contact your financial aid office.