

# ANATOMY of an Award Letter

This guide is designed to help you understand what each part of your financial aid award letter means so that you can make confident, informed decisions. Visit [apply.com/letter](https://apply.com/letter) for a glossary of terms, pro tips, and helpful questions to ask financial aid officers.

**1** Financial Aid Offer 2026–2027  
Jane Doe  
1234 Main Street, Washington, DC 20037

**2** **Cost of Attendance (Estimated)**

Direct Billable Costs	Fall	Spring	Total
Tuition/Fees	\$25,000	\$25,000	\$50,000
Room/Housing	\$4,000	\$4,000	\$8,000
Meals/Meal Plan	\$1,500	\$1,500	\$3,000
<b>Indirect Costs</b>			
Books/Supplies	\$550	\$550	\$1,100
Transportation	\$225	\$225	\$500
Other Educational Costs	\$175	\$175	\$350

**3** **Financial Aid**

Grants and Scholarships	Fall	Spring	Total
Faculty Scholarship	\$5,000	\$5,000	\$10,000
Federal Pell Grant	\$4,000	\$4,000	\$8,000
Federal Supplemental Education Opportunity Grants	\$1,500	\$1,500	\$3,000
Opportunity Grants	\$0	\$0	\$0

**4** **Loans**

Federal Direct Subsidized Loan	\$1,000	\$1,000	\$2,000
Federal Direct Unsubsidized Loan	\$1,000	\$1,000	\$2,000

**5** **Work-Study**

Work-Study	\$1,000	\$1,000	\$2,000
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**6** **Expected Family Contribution**

	Fall	Spring	Total
Parent Contribution	\$5,000	\$5,000	\$10,000
Student Contribution	\$1,000	\$1,000	\$2,000

**7** **Net Cost**

	Fall	Spring	Total
Remaining Balance Needed	\$19,950	\$19,950	\$39,900

**8** Please visit our website to accept your financial aid award.  
▶ If you have any questions or concerns related to the award letter, please contact the financial aid office.

## 1 Student and School Information

### What is it?

Basic details such as your name, school, and academic year.

## 2 Cost of Attendance (COA)

### What is it?

The total yearly cost a college estimates. It will include an estimate of housing and meals even if you don't live on campus. It is not a bill.

Includes:

- Tuition and Fees
- Housing and Meals
- Books and Supplies
- Transportation
- Health Care
- Personal Expenses

## 3 Grants and Scholarships (Free Money!)

### What is it?

Aid that **does not** need to be repaid.

Common types include:

- Merit Awards
- Institutional Scholarships
- Federal Pell Grants
- State Grants
- Need-Based Grants

## 4 Loans

### What is it?

Money that **must** be repaid with interest.

- **Direct Subsidized Loan:** Interest does not accrue while you're enrolled at least half-time.
- **Direct Unsubsidized Loan:** Interest starts accruing immediately.
- **Parent PLUS Loan:** Borrowed by parents and requires a credit check.
- **Private Loans:** Offered by banks/lenders with varying interest rates and repayment terms.

## 5 Work-Study

### What is it?

A part-time job, often on campus, that allows students to earn money to pay for their college expenses.

Key Notes:

- Funds must be earned through working.
- Students often need to apply or interview for individual work-study jobs.
- Work-study funds are generally paid directly to the student as the dollars are earned.

## 6 Student Aid Index (SAI)

### What is it?

The amount the federal formula suggests a family can contribute toward the cost of college. This will appear only if you submit the FAFSA, and not all colleges include it on the award letter.

## 7 Net Price or Remaining Cost

### What is it?

COA minus all grants and scholarships. This reflects the actual cost your family will need to cover with savings, income, loans, payment plans, etc.

Colleges may label it as:

- Net Price
- Out-of-Pocket Cost
- Amount Due
- Remaining Balance

## 8 Special Notes and Conditions

### What is it?

Award letters may also include:

- Renewal Requirements
- Instructions for Accepting or Declining Awards
- Deadlines
- Housing Estimates
- Enrollment Expectations