



FINANCE AND ADMINISTRATION CABINET  
KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

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### KHEAA Tip of the Month, April 2023

#### Financial aid terms students and families need to know

**FRANKFORT, Ky. (April 11, 2023)** — As students and families apply for financial aid for higher education, they may see unfamiliar terms. This short glossary from the [Kentucky Higher Education Assistance Authority](http://www.kheaa.com) (KHEAA) can help.

“Gov. Beshear and I will always put education first, which means we have to make the financial aid application process easier for Kentuckians to navigate,” Lt. Gov. Jacqueline Coleman said. “Any Kentucky student or family with questions can contact their KHEAA Outreach counselor, who will be glad to help. Whether it’s a four-year degree or a trade school certificate program, higher education can open so many doors for Kentuckians of any age.”

Terms parents and students should know include:

- **FAFSA:** The Free Application for Federal Student Aid must be submitted by students applying for federal and state aid. The best way to do so is at [StudentAid.gov](http://StudentAid.gov).
- **Expected family contribution (EFC):** This is an index number used to determine your eligibility for federal student financial aid, as well as some state and institutional aid. It is based on a formula set by Congress.
- **Financial need:** The difference between the cost of attendance and the EFC.
- **Cost of attendance (COA):** The total cost of one year of college or technical school, including tuition, fees, room, meals, supplies, transportation and personal items.

- **Institutional aid:** The scholarships, grants and other financial aid programs provided by the college or technical school.
- **Conversion scholarship/loan:** This type of scholarship requires students to provide certain services, such as completing a certain program or work requirement. If they don't provide the service, the scholarship becomes a loan.
- **Verification:** The process of making sure the information submitted on the FAFSA is correct. The federal government requires colleges to have certain students' FAFSA information verified.

To find the KHEAA Outreach counselor for your area, visit [kheaa.com](http://kheaa.com), hover over the Counselors button, and select KHEAA Outreach Services.

KHEAA is the state agency that administers KEES, need-based grants and other programs to help students pay their higher education expenses. Kentucky Lottery funds pay for many of those programs. For more information about Kentucky scholarships and grants, visit [kheaa.com](http://kheaa.com); write KHEAA at PO Box 798, Frankfort, KY 40602; or call 800-928-8926.

In addition, KHEAA administers the KY Saves 529 program, which allows families to save for college. For more information about KY Saves 529, visit [kysaves.com](http://kysaves.com).

KHEAA also disburses private Advantage Education Loans for its sister agency, the Kentucky Higher Education Student Loan Corporation, or KHESLC. For more information about Advantage Education Loans, visit [AdvantageEducationLoan.com](http://AdvantageEducationLoan.com).