

**Consistent Data
Key Business Entity
Definitions (DRAFT)**



AID AWARD

Definition: Contains information related to financial aid (Direct Loan, Pell Grant, Perkins Loan, Work Study and FSEOG) awarded to either individuals or schools. Included in this entity is information about the award, eligibility information as well as the disbursement and any related adjustments.

COLLECTION AGENCY

Definition: A private company that has contracted with FSA to aid in the collection of defaulted financial aid repayments. This contains basic contact and address information about a collection agency.

DIRECT LOAN

Definition:

A Stafford or Plus loan that is paid to a borrower by a school which received funds from the Dept of Education.

DIRECT LOAN PAYMENT

Definition: Contains information related to a payment made by a borrower to a servicer (acting on behalf of FSA) under a loan repayment plan.

ENROLLMENT

Definition: Contains information about a student's enrollment intentions and status at a school.

FAFSA

Definition: A request submitted by a student aid applicant to receive federal assistance to finance higher education.

Background Information:

To be considered for FSA aid, a student must complete a Free Application for Federal Student Aid (FAFSA). On the FAFSA, the Department collects financial and other information used to calculate the Expected Family Contribution (EFC) and perform eligibility matches. There are several different types of FAFSA, both paper and electronic. In determining a student's eligibility, there are many factors that the school must consider, such as whether the student is a citizen, whether the student is making satisfactory academic progress, and whether the student has a defaulted FSA loan. Most aid applications are submitted on a FAFSA. However, a PLUS Borrower does not have to submit a FAFSA unless they are requesting financial aid beyond the PLUS loan.

FFEL LOAN

Definition:

Federal Stafford, Plus or Consolidation Loans that are long-term loans insured by state or private nonprofit guaranty agencies and are reimbursed by the federal government for all or part of the insurance claims paid to lenders. This guarantee replaces the collateral or security usually required with long-term consumer loans.

FISAP

Definition:

A computer-based, campus-based program report on prior-year fiscal operations and an application to participate in the upcoming award year. It must be submitted to ED by schools that participate in any or all campus-based programs. A school may submit the data using either a personal computer or a mainframe computer

FSEOG

Definition:

A campus-based grant given by the Department of Education to a school for disbursement to students pursuing an undergraduate program and have exceptional financial needs .

FUND

Definition:

The description, status and balance related to a fund type account in the FMS system.

GL ACCOUNT

Definition:

A payment or refund transaction posted by the FMS system

GUARANTY AGENCY

Definition:

A public or private agency that acts as the primary insurer under the Federal Family Education Loan (FFEL) Program.

Background Information:

Guaranty Agencies may be state-owned or private, non-profit institutions. They have a broad authority to establish policies and procedures for administering the FFEL programs in accordance with the enabling status and regulations. There are approximately 50 (see the SFA HANDBOOK: DIRECT LOAN AND FFEL PROGRAMS REFERENCE). Under the Federal Direct Loan program, the U.S. Department of Education (the Department) acts as both the lender and guarantor of loans. Schools make loans to students who then directly repay the Department. The FFEL program is administered similarly, but with lenders, insured by guaranty agencies, providing funds to borrowers. A student who is otherwise eligible for a subsidized Stafford Loan and, after not more than two rejections, has been unable to find a lender willing to make such a loan, contacts the guaranty agency in his or her state of residence or the guaranty agency in the state in which the student's school is located. The guaranty agency either must designate an eligible lender to serve as a lender of last resort (LLR) or must itself serve in that capacity.

HEAL LOAN

Definition:

A loan, provided under the Health Education Assistance Program, which is guaranteed by the federal government and made by a private bank, pension fund, credit union or other private and state lending institution to a health profession student.

Lender/Service

Service Definition: An ORGANIZATION that performs due diligence activities on a loan such as billing, skiptrace, or customer service support for all or a subset of borrowers associated with a FSA Program.

Lender Definition: A private institution that provides loans to borrowers on behalf of an aid recipient who is enrolled at a Department of Education accredited institution of higher education. This may include credit unions, commercial banks, savings and loan associations, eligible schools, insurance companies, a single agency of the state, or pension funds.

Background Information: There are approximately 11,000 lender participants. Under the Federal Direct Loan program, the U.S. Department of Education (the Department) acts as both the lender and guarantor of loans. Schools make loans to students who then directly repay the Department. The FFEL program is administered similarly, but with lenders, insured by guaranty agencies, providing funds to borrowers.

Loan Consolidation Request

Definition:

Contains information submitted by a PERSON requesting that two or more LOANs be consolidated.

Background Information:

Eligibility requirements, interest rates, and the administration of Consolidation Loans are different for the Direct Loan and FFEL programs. For Direct loans borrowers must send a Direct Consolidation Loan application to the Department's Loan Origination Center. A single consolidation application is used, even if the borrower is consolidating more than one type of loan, such as subsidized student loans and unsubsidized student loans (see Direct Consolidation Loans: A Guide for the application process). There are two types of consolidation, "regular" and "in-school." Borrowers may consolidate loans any time after they are fully disbursed. Consolidation eligibility criteria vary somewhat depending on when borrowers consolidate and whether they are in default. For FFEL loans, a borrower submits a Consolidation Loan application to a lender holding at least one of the loans to be consolidated. Additionally for FFEL loans, if a borrower is unable to obtain a Consolidation Loan from a lender eligible to make such loans, the borrower may apply through the U.S. Department of Education for a Federal Direct Consolidation Loan under the Direct Loan Program.

PARTNER INVOICE

Definition: An invoice sent by a Guaranty Agency or Lender to FSA requesting payment on loan processing and account maintenance fees.

PARTNER PAYMENT

Definition:

A payment by a Financial Partner, as posted by FMS, as a GL Account Transaction.

PELL GRANT

Definition: A grant paid by a school (as an agent of the Department of Education) to a recipient to attend an undergraduate baccalaureate program or post-baccalaureate teacher certification program.

PERKINS LOAN

Definition:

A low interest student loan for an undergraduate or graduate student with financial need, given under the campus-based Federal Perkins Loan program.

PIN (Personal Identification Number)

Definition: The number used by an individual to verify access authenticity to FSA systems. Also contains security related information about an individual that has been given a PIN.

PERSON

Definition: An individual (Borrower, Student, Spouse, Parent) who is involved in any way in a FSA Title IV higher education program. The involvement may be as a recipient of aid, administrator of aid (either as an SFA employee or contractor, or an external administrator such as a financial aid administrator or LENDER point of contact), borrower, aid applicant or aid application reference.

Promissory Note (P-NOTE)

Definition: A legal document, which holds a BORROWER responsible for repayment of financial aid.

SCHOOL

Definition:

An organization whose purpose is to deliver post-secondary education to students and financial aid to students where applicable; an institution of higher education that has applied to participate in a Department of Education Title IV financial aid program.

Background Information:

A school may be one of three types: Institution of Higher Education; Proprietary Institution of Higher Education; or Postsecondary Vocational Institution. A school qualifies as an institution of higher education if (in addition to meeting all other eligibility requirements, including being a nonprofit school) it offers a program that leads to an associate, bachelor's, professional, or graduate degree.

SCHOOL FUNDING

Definition: (to be provided later)

SYSTEM USER

Definition:

The user id, and related information , for a member of either the FSA workforce, Financial Partner, School or contractor who has access to FSA systems.

WORK STUDY

Definition:

A campus-based aid program, which gives money to a school for the payment of wages earned by a student for work performed in a job under the Federal Work Study Program. These jobs are related to the student's field of study.

A federally funded employment program that provides paid jobs, on campus or off campus, for undergraduate or graduate students who need such earnings to meet a portion of their education expenses.