



FINANCE AND ADMINISTRATION CABINET
KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

Matthew G. Bevin
Governor

P.O. Box 798
Frankfort, Kentucky 40602-0798
Phone: 1.800.928.8926
Fax: 502.696.7373
www.kheaa.com

William M. Landrum III
Secretary

Carl P. Rollins
Executive Director

Contact: Tim Ballard
Phone: 502-696-7372
E-mail: tballard@kheaa.com

Financial Aid Tip for Students, October 2017

Financial aid words students need to know

High school seniors headed to college next fall need to become familiar with some financial aid terms that they will probably hear. This list from the Kentucky Higher Education Assistance Authority (KHEAA) may help.

- **Accrue.** This term, which means to increase or accumulate, is often used to refer to interest on loans. It means that the interest is added to your loan until the loan is fully paid.
- **Bursar.** On many campuses, the bursar is the official in charge of funds. You will make tuition payments to that office and will receive financial aid funds from that office.
- **Capitalize.** This means the interest on your student loan will be added to the principal if you don't pay the interest while in school.
- **Disburse.** This means "to pay out." You may see it as a verb telling you that your financial aid will be disbursed by a certain date. Or you may see it as a noun, disbursement.
- **Grace period.** After you finish college or drop below half-time status, you have a certain length of time before you have to make payments on your federal loans. That time is the grace period.
- **Master Promissory Note (MPN).** This is the form you must sign before you can receive federal loans. It is a legally binding promise that you will repay the loans.

KHEAA is the state agency that administers the Kentucky Educational Excellence Scholarship (KEES), need-based grants and other programs to help students pay their higher education expenses.

For more information about Kentucky scholarships and grants, visit www.kheaa.com; write KHEAA, P.O. Box 798, Frankfort, KY 40602; or call 800-928-8926, ext. 6-7214.

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