Glossary and Acronyms

Guaranty Agency or Guarantor – A guarantor is either a state agency or a nonprofit organization serving in a quasi-state role that is responsible for approving student loans and insuring them against default. Guaranty agencies also oversee the student loan process and enforce federal and state rules regarding student loans.

Guarantor Servicer – A guarantor servicer is an organization that performs administrative tasks associated with guaranteeing loans.

Lender – A lender is a bank, credit union, savings & loan association, or other financial institution that provides funds to the student or parent for an educational loan. Some schools participate in the Federal Direct Loan program and no longer use a private lender since loan funds are provided by the U.S. Department of Education.

Secondary Market – A secondary market is an organization that buys loans from lenders, thereby providing the lender with the capital to issue new loans. Selling loans is a common practice among lenders, so the bank to which the payments are made may change during the life of the loan. The terms and conditions of the loan do not change when it is sold to another holder.

Servicer – A servicer is an organization that collects payments on a loan and performs other administrative tasks associated with maintaining a loan portfolio. Loan servicers disburse loan funds, monitor loans while borrowers are in school, collect payments, process deferments and forbearances, respond to borrower inquiries and ensure that the loans are administered in compliance with federal regulations and guarantee agency requirements.

U.S. Department of Education – The Department of Education administers all Title IV federal student aid programs, including the Federal Pell Grant, Federal SEOG, the Federal Work-Study Program, the Federal Perkins, Stafford and PLUS Loan Programs, and the William D. Ford Federal Direct Loan Program. The U.S. Department of Education also acts as the lender and servicer for the Direct Loan Program. The terms for Direct Loans are the same as for the Stafford and PLUS Loans.

U.T.A.
(Understanding The Acronyms)

ACT American College Testing Program
AFDC Aid to Families with Dependent Children
AICUN Association of Independent Colleges & Universities of Nebraska
AP Advanced Placement
BIA Bureau of Indian Affairs
CCPE Coordinating Commission for Postsecondary Education
CLEP College-Level Examination Program
COA Cost of Attendance
CPS Central Processing System
CSS College Scholarship Service
CWS College Work-Study
DL Direct Lending
ED U.S. Department of Education
EFC Expected Family Contribution
EFS Wells Fargo Education Financial Services
EFT Electronic Funds Transfer
ELO Expanded Lending Option
ESAR Electronic Student Aid Report
ETS Educational Testing Service
FAA Financial Aid Administrator
FAF Financial Aid Form
FAFSA Free Application for Federal Student Aid
FAO Financial Aid Office
FAT Financial Aid Transcript
FDLSP Federal Direct Student Loan Program
FES Foundation for Educational Services
FFELP Federal Family Education Loan Program
FSEOG Federal Supplemental Educational Opportunity Grant
FM Federal Methodology
FWS Federal Work-Study
GPA Grade Point Average
GSL Guaranteed Student Loan
HEAL Health Education Assistance Loan