

The College Cost Transparency Initiative

Principles & Standards

A higher education institution's commitment to the following principles, standards, and the attached glossary is a commitment that these principles, standards, and the glossary, will be used to create financial aid offers for their undergraduate student population. An institution may also use or find helpful the Principles, Standards, and Glossary in creating financial aid offers for other student groups.

Institutions are responsible for meeting all other state and federal laws and regulations regarding financial aid offers and consumer information disclosures.

Principles

The primary purpose of student financial aid offers is to provide clear, accurate, consumer-friendly information about college costs and financial aid eligibility.

Financial aid offers should be transparent, ensuring that costs are understandable for students and their families. Financial aid offers should include the most accurate estimate possible of a student's costs.

All types of aid offered should be described and explained using standardized, plain language.

Colleges and universities should strive to embrace the use of innovative technologies to create financial offers in formats that best serve the needs of their unique student populations, which may include dynamic and interactive components.

Standards

Colleges and universities must ensure that all financial aid offers are clear about the costs and the financial aid available. Standards ensure students and families can compare financial aid offers and costs from multiple institutions.

Critical components to be included and displayed prominently on every financial aid offer include:

- An estimate of a student's total Cost of Attendance, including a breakdown of the costs to be paid to the college or university and the costs paid to others.
- The type and source of all financial aid being offered, separated into
 - Grants and scholarships that do not need to be repaid.
 - Student loans or other financing that must be repaid.
 - Student employment or work
- An estimated net price for the student, derived by subtracting grants and scholarships from the total Cost of Attendance.
- Information, either on the financial aid offer or by an easily identified and accessible weblink, explaining whether the financial aid is being offered once or on an ongoing basis, and if the aid is renewable, any requirements that must be met for renewal.
- All loans should be unambiguously labeled as such- using the word "loan".
- Use commonly understood terms and definitions, using the College Cost Transparency Initiative's glossary of terms.

In addition, financial aid offers should include the following, either directly on the financial aid offer, as part of supplemental materials, or as easily accessible web links:

- If student employment is offered, information about employment requirements and information on job placement.
- If federal student loans are included, terms and conditions and information on how much such debt may cost over time.
- Actionable next steps for students to accept or decline their financial aid or update one of the data elements used to calculate their estimated costs, such as housing, as well as important dates and contact information for the financial aid office.

Note: If an institution chooses to reference Federal Direct Parent PLUS Loans in their financial aid offer communications, it should do so with a recognition that the U.S. Department of Education guidance states that most Federal Direct student loans are not subject to a credit check or other underwriting and come with important protections for students and families; the same is often not true of private, institutional, or Parent PLUS loans. Institutions should name these other options separately from federal student loans, without an associated dollar amount for each, noting that students need to separately research the terms and conditions of each.

Institutions may use their own judgment when deciding which aid types should be included on financial aid offers, e.g., institutions that do not package loans, or a line item for a Pell Grant when an individual is not eligible for the aid type, do not need to include that aid type on the financial aid offer.