



# *Terms of Princeton's 2025–26 Financial Aid*

This publication provides important information about Princeton's financial aid program. You should read this material carefully to understand the terms of your offer. If you have questions or concerns, we encourage you to get in touch with one of our financial aid counselors.

## ***General Financial Aid Policy***

The Office of Financial Aid communicates directly with applicants and students regarding their application, aid eligibility, and changes to the financial aid offer. Communications are sent electronically to the applicant's reported email address and then the student's Princeton email address. The office communicates directly with the student regarding their custodial parent(s) Princeton Financial Aid Application details and supporting documents. The office will not directly communicate with the student regarding the Non-custodial Parent Form details and supporting documents with the exception of displaying required documents in the student portal.

Tax documents are not accepted via email and must be uploaded through the student's portal. Non-custodial parents can upload documents through the secure Financial Aid Document Upload site — or fax them to the office. It is your responsibility to know and comply with timelines and deadlines for federal verification, document requests, or information requests from the Undergraduate Financial Aid Office. Failure to submit required documents may result in a delay to your application review. If you receive a tentative financial aid offer, failure to submit missing documents will result in your aid being cancelled or reduced until the documents are received. Once the academic year ends, or you are no longer enrolled in the academic year, missing documents required to determine eligibility for University aid for that year can no longer be accepted and University aid cannot be reinstated. Eligibility for reinstatement of federal aid is determined by Department of Education regulations.

Providing false, misleading, or incomplete information to the Financial Aid Office may result in disciplinary action, as well as the recalculation of your [Family Contribution](#), or the loss of financial aid eligibility for the current academic year and future academic years.

In general, the University grant awarded after considering all other sources, (i.e., grants, scholarships, and loans) cannot exceed the set [Cost of Attendance](#).

Your aid may be adjusted during the year if there are changes in your family's financial situation or your student budget. The most common reasons for revisions to the family contribution are differences in the information your parents

provided on the Princeton Financial Aid Application (PFAA) compared with the income on their tax return, or a sudden, substantial change in your family's circumstances, such as a loss of income as reflected on tax documents. If you encounter problems resulting in a shortfall of family resources or additional educational expenses, please contact the office.

Each year you must reapply for financial aid, and returning students will receive instructions from this office in March. While the offer you receive during your first year provides an indication of the amount and type of assistance you may receive in following years, aid will increase or decrease in individual cases depending on changes in your family's financial situation. If the total increase in the family contribution falls short of the increase in the student budget, the Princeton grant will rise to make up for the difference.

Princeton provides aid for all eligible full-time students making satisfactory progress toward a degree who continue to demonstrate financial need. (The "Academic Regulations" section of Princeton's Undergraduate Announcement contains a definition of satisfactory progress; see <https://ua.princeton.edu/contents/academic-regulations>.)

If you are required to repeat a semester for disciplinary reasons, however, you will not be eligible for a Princeton University grant for the repeated portion of the term. Student loans may be requested to cover your need in this situation.

For additional information on our policies and procedures, please visit <https://finaid.princeton.edu/policies-procedures>.

## ***Student Budget***

The student budget, also referred to as the Cost of Attendance, shown in your financial aid portal includes tuition, the standard undergraduate housing rate, the food rate based on a full University meal plan (first years and sophomores) or club meal allowance (juniors and seniors), and University fees. The personal allowance includes expenses you pay on your own, such as books, supplies, and recreation.

The cost of attendance used to determine your financial aid eligibility does not change based on the room you live in, the meal plan you choose, if you live off campus, or if you are in an eating club. For married students, it also cannot change to include spousal expenses. The budget includes only the student's expenses for tuition, housing, food, books, course materials, supplies, equipment, and personal expenses. In some cases, the expenses for eligible dependents of a

Princeton student may be included (e.g., the child's health insurance plan or dependent care grant for those who qualify).

If you live outside the Princeton area (Mercer County and Plainsboro), we have included an allowance to help defray the estimated cost of transportation for two round trips between your home and campus—one round trip at the beginning and end of the academic year, and one round trip for the winter break.

Students who are not covered under their family's medical insurance are required to enroll in the Student Health Plan. Additional aid for the medical plan is available for students who certify with University Health Services that they do not have comparable health insurance coverage.

## ***Family Resources***

Princeton makes its aid application available to U.S. citizens and permanent residents, and international applicants. Princeton's process of evaluating your family contribution is based on the information contained in the PFAA and required income documentation. If you are a U.S. citizen or permanent resident, your eligibility for federal student aid is determined through the Free Application for Federal Student Aid (FAFSA) using a separate need formula. In some cases, the federal calculation of need may limit the types of campus job or student loan (if you request one) Princeton can offer.

The "Total Family Contribution" section of your offer letter includes your family's contribution from their resources and any educational benefits you receive. These family resources are compared with Princeton's costs to determine if you are eligible for need-based assistance. A family's unwillingness or failure to submit information and/or contribute to educational expenses cannot be considered in our evaluation of eligibility.

## **FAMILY STATUS**

It is Princeton's policy to review two parents' information to determine the family contribution. The family status is reported as of the time the PFAA is completed. "Parents" include biological, adoptive, custodial parent and stepparent, and legal guardians.

If your parents reside in the same household, regardless of marital status, they are considered one household. Parents that live separately due to work are also considered to be one household and should complete the PFAA jointly. If your custodial parent has remarried, this parent and your stepparent are considered the "family unit" for financial aid purposes, and their joint information must be reported on the PFAA. In this circumstance, a Non-custodial Parent Form is not required.

If your parents are separated, divorced, or were never married and reside in separate households, the parent with whom you resided more often over the past twelve months must complete the PFAA, and the other parent must fill out Princeton's Non-custodial Parent's Form. Both forms are evaluated to determine each parent's ability to contribute

toward your expenses, which are combined into one family contribution.

If you have one parent because your second parent is deceased (and your custodial parent is not currently married), you were adopted by a single parent, or your parent underwent medical reproductive donation, we will review your parent's information to determine the family contribution with appropriate documentation substantiating death, adoption, or medical donation.

In certain circumstances, students may be considered independent for the purposes of determining Princeton financial aid eligibility. If you are an independent student for Princeton financial aid purposes, your own household income and assets, including your spouse if applicable, are used to determine the family contribution.

To review whose information is required by the University on your aid application, including the criteria to be an independent student, please visit

**<https://finaid.princeton.edu/how-aid-works/family-household-status>**.

If the family status changes in subsequent years (separation, divorce, (re)marriage, etc.), the determination of financial need may change based on the new information required. Should you request a reconsideration of aid based on a mid-semester family status change, any adjustments to eligibility would be effective the following semester.

## **YOUR FAMILY'S CONTRIBUTION**

The family contribution is determined based on a review of family income, assets (including cash, investments, secondary real estate, business/farm equity, student assets, etc.), and the amount the family contributes toward sibling undergraduate college costs. The Financial Aid Office may ask for additional information to determine the family's resources when assessing the student's need.

If you receive a conditional aid decision due to missing information, your offer will be finalized once all documents are received and reviewed. Undergraduate Financial Aid may ask for additional documents beyond the initial requirements to determine financial aid eligibility or verify additional information. In addition, the information you provide about the undergraduate college enrollment status of your siblings will be verified once the academic year begins.

When reporting home information on the PFAA, the primary residence is where you and your family reside the majority of the time. If your parents reside separately due to work obligations, the home where the student resides the majority of the time is considered the primary home, and the second parent's home should be reported as Secondary Real Estate in the asset section if owned by the parents. Families residing in a rented property should report the home they rent as the primary home, and any owned property should be reported as Secondary Real Estate.

Student or parental assets liquidated for under market value can continue to be considered as assets in the future.

Princeton considers requests for reconsideration of aid eligibility in a limited number of circumstances as reflected on the Request for Reconsideration Form. Families

requesting a reevaluation must submit this form along with the required supporting documentation. Requests will not be considered until documentation is received.

## **Assigning Aid**

Once the family contribution is determined, aid is assigned based on your budget. We first consider funds you will receive from external sources such as Title IV federal aid grant programs and outside scholarships, followed by Princeton University grant funds. Your financial aid will be applied to your student account to cover billed expenses in semester installments. Federal, state, institutional, or private financial aid received during the offer year is to be used solely for expenses related to attendance in the year the funds are received.

### **EXTERNAL SOURCES**

**Federal Pell Grant and State Aid:** These need-based funds are not considered outside scholarships or third-party funding as defined below. If you appear to be eligible for a federal grant, an estimated amount is shown in your offer letter. Students apply for a Pell Grant by completing the FAFSA.

Residents of Alaska, New Jersey, or Vermont may be eligible to receive a state grant as part of their Princeton aid offer. The FAFSA is normally all that is required, although in some cases a supplemental application is necessary. Please visit <https://finaid.princeton.edu/how-aid-works/types-aid> for contact information for the appropriate state agency. If it is determined that you are eligible for a state grant, your Princeton grant will be reduced to ensure that your total grant aid does not exceed your need.

If the final Pell Grant or state scholarship you receive is different from the amount estimated in your offer letter, your Princeton University grant will be adjusted to compensate for the difference.

### **Federal Supplemental Educational Opportunity**

**Grant (FSEOG):** This Title IV federal grant is administered by Princeton. Preference in awarding FSEOG is given to students who are eligible for a Pell Grant and have the lowest family contribution.

### **Treatment of and Requirements to Disclose Outside Scholarships and Funds from Third Parties:**

Outside scholarship and funds received from third parties include, but are not limited to, private non-profit organizations, government agencies, civic organizations, organizations providing employee tuition grants, business entities, and non-employment stipends.

Outside scholarships and third-party funding offered to you by organizations outside the University are considered financial assistance for your cost of attendance. Under federal and institutional rules, such amounts are deemed to be used to meet your financial need, and you are required to report such financial assistance to Undergraduate Financial Aid so that your financial aid offer is properly calculated. Financial

assistance from outside scholarships and other third parties is included as part of your financial aid offer and does not decrease your expected family contribution amount. Such assistance does reduce any Princeton grant for which you may be eligible in order to accommodate the third-party scholarship in your offer. This treatment is consistent, even if the scholarship or other third-party funding is received for a period of non-enrollment (e.g., summer) or is used to cover expenses during a period of non-enrollment (e.g., summer). In these cases, aid will be reduced by the amount of funding received in the academic year following the summer period of non-enrollment or during the current academic year if applicable.

If your Princeton University Grant is reduced as the result of an outside scholarship or other third-party funding, you may recover reduced funds during the academic year the reduction occurred, towards the one-time purchase of educational technology. This policy applies to basic hardware products up to the amount of reduced funds or \$3,500, whichever is less.

The University offers federal and institutional need-based aid only after considering all financial assistance from outside scholarships or other third-party funding and the expected family contribution. Failure to disclose all outside funding sources to Undergraduate Financial Aid would result in the receipt of University aid for which, according to Princeton's policies, you would not otherwise be eligible. This failure to disclose funding sources may result in University disciplinary action and/or the loss of all or partial financial aid eligibility for the current academic year and future academic years.

Checks should be sent directly to the Financial Aid Office, whether they are payable to you or to Princeton University.

Some outside scholarships specify that they cannot replace institutional funding or that they only cover specific expenses (e.g., tuition, housing, food). If an outside scholarship cannot reduce institutional funds or if the cost of attendance items that the scholarship is meant to cover are covered by Princeton University Grant, the scholarship will be returned to the donor.

Additional details about Princeton's outside scholarship and third-party funding policy are available here:

<https://finaid.princeton.edu/policies-procedures/outside-scholarships>.

### **PRINCETON UNIVERSITY GRANT**

**Princeton University Grant:** All Princeton University grants are offered solely on the basis of financial need. Your Princeton grant may be composed of a variety of University funds including from donors who would like to hear from recipients. If you receive a grant from such a fund, you will be notified of the source of your grant in the fall and asked to write a letter of acknowledgment. It is not necessary for you to apply directly for a specific fund.

The specific fund(s) that make up your Princeton University Grant have no bearing on the amount of total financial aid you receive, and receipt of such funds is entirely determined by your financial need as calculated by the Undergraduate Financial Aid Office.



## *Tax on Grants and Scholarships*

### **U.S. Citizens and Permanent Residents:**

The Internal Revenue Service (IRS) tax rules consider grant and scholarship amounts you receive that are in excess of tuition and the cost of required books and supplies to be taxable income. It is your responsibility to file taxes if required by IRS rules.

**International Students:** The Internal Revenue Service (IRS) requires the University to withhold taxes on “nonqualified scholarship,” which represents any amount of grant aid you receive that exceeds the tuition and required fees each term. While grants above tuition and required fees are often to pay for housing and food costs, the IRS considers them to be taxable income. Therefore, if you receive nonqualified scholarship, Princeton will post a charge for the applicable taxes on your student account each semester to cover the payment Princeton remits to the IRS on your behalf. At the conclusion of each tax year, you will be required to file a U.S. Non-Resident Alien income tax return for any income received. Depending on your total income for the year, you may or may not be eligible for a tax refund at that time.

In some cases, students may be eligible for a tax treaty exemption. Please contact Global Financial Services via email: [globalfin@princeton.edu](mailto:globalfin@princeton.edu) if you have questions about your possible tax treaty eligibility.

## *Payment Options*

For an idea of the amount your family will owe the University, you may use the “Princeton Bill Estimator,” an online calculator available in mid-April at <https://princeton.edu/billestimator>. Enter Total Offer amount shown in your financial aid portal to see the anticipated annual bill as well as the projected semester and monthly payments.

There are two payments toward University charges, with the first due in August and the second in January. You will also receive a monthly bill for any miscellaneous charges you incur. You may also choose to enroll in the monthly payment plan, which divides the annual bill into ten monthly payments due at the end of each month from August through May. You will receive detailed information about these payment options in the summer.

Billing due dates and policies are determined by the Student Accounts Office.

## STUDENT LOANS

Your initial financial aid offer does not include a student loan because your full demonstrated need has been covered

by grants. However, student loans from federal, University, or alternative sources may be available to students on request. If eligible, you may ask for a loan to replace all or a portion of the family contribution or to cover expenses not included in the standard budget, for example, a personal computer. A brief description of student loans available to eligible Princeton students follows.

**Federal Loans:** The Federal Direct student loan is available to U.S. citizens and eligible non-citizens if you qualify under program rules. Depending on your eligibility, the government may subsidize the loan by paying the loan interest until repayment begins after you are no longer enrolled. In other cases, the loan is unsubsidized, meaning the student pays the yearly interest.

**University Loans:** The University offers an unsubsidized student loan to aid-eligible students who do not qualify for federal student loans to apply toward the family contribution.

Subsidized loans may also be available for expenses such as computers, or to pay the IRS tax on scholarship.

**Alternative Loans:** Alternative loans are available from a variety of lenders outside the University. These loans are usually credit-based and are often used as a last resort after other financing options have been considered.

For more information on student loan programs, including current interest rates, and alternative loans please visit <https://finaid.princeton.edu/financing-options/student-loans>.

## PARENT LOANS

**The Princeton Parent Loan (PPL) program** offers families the opportunity to finance their share of Princeton’s costs. The PPL is available to families based on credit history and ability to repay. There is no fee to apply, and a single application can be used to request four years of borrowing. Parents have up to 14 years to repay.

Further information about the PPL may be obtained by writing to the Parent Loan Office at [puloans@princeton.edu](mailto:puloans@princeton.edu) or by calling 609-258-6401. Materials are also available on the web at <https://princeton.edu/parentloans>.

Another borrowing option for parents is the **Direct PLUS Loan**, a federally supported parent loan program. Your parents may borrow up to the cost of attendance less financial aid. Parents may visit <https://studentaid.gov> or contact the Financial Aid Office for information about how to initiate a PLUS application.

More information on parent loans may also be found on our website <https://finaid.princeton.edu/financing-options/student-loans>.

If the required loan documents, such as the promissory note, are not completed for any of the above student or

parent loans, the loan will be cancelled. This may result in a balance owed to the University.

## CAMPUS EMPLOYMENT

Students have the opportunity to work an on-campus job during the academic year but are not required to. Students who work are paid directly by the University. You will receive more information about how to apply for campus jobs during the summer.

Some students are eligible for employment under the Federal Work-Study (FWS) Program. Your aid offer will include a special notice if you are eligible for FWS. Princeton encourages students interested in employment who are FWS-eligible to find employment in community service areas, such as social services, transportation, public safety, crime prevention, recreation, youth service, and other activities specified in the Community Service Act. More information about these job opportunities can be found on the Student Employment Website at

<https://princeton.edu/se>.

## *Federal Aid Requirements*

If you are a U.S. citizen or eligible non-citizen, you must:

- complete the FAFSA, listing Princeton's code number 002627. False or misleading information is a criminal offense and is subject to fines, imprisonment, or both;
- comply with the program requirements and affirm that the funds will be used for educational expenses and that you will not receive aid in excess of your demonstrated need;
- complete the *Offer Acknowledgment and Grant of Authority* on the My Financial Aid portal;
- if requested, provide verification of the information shown on your FAFSA.

Students must be enrolled in a Princeton program taught by Princeton professors to receive their Title IV federal financial aid eligibility. Students who are studying abroad in non-Princeton-taught programs cannot receive federal aid. Any federal grant eligibility will be replaced with Princeton University Grant.

**Return of Title IV:** Title IV funds include Federal Pell Grant, FSEOG, and Federal student and parent loans.

These funds are offered under the assumption that you will attend school for the entire period for which the assistance is offered. If you withdraw after beginning attendance, we will perform a calculation to determine the amount of Title IV assistance you earned and are eligible to keep.

## **Undergraduate Financial Aid**

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