

THE FEDERAL LOAN PROCESS

A Step-by-Step Guide to FAFSA®

Dates	What to do / What happens	Notes
<p>As early as possible after October 1 in your senior year of high school.</p> 	<p>Go to studentaid.ed.gov and fill out the FAFSA® form.</p>	<div>WARNING Be sure to list the colleges where you plan to apply.</div>
	<p>The Department of Education receives your form.</p>	<p>They review your FAFSA to decide how much money you qualify for in financial aid.</p>
	<p>The government then sends you information about how much they expect you to be able to pay. This is known as your expected family contribution (EFC).</p>	<p>They also send the same information to the colleges you listed on your FAFSA application.</p>
<div><p>While you wait...</p><p>Check your email to see if FAFSA needs more information.</p></div>		
<p>March – April of your senior year</p> 	<p>You receive notices from the colleges that accepted you. Congratulations!</p>	<div>Read these offers carefully. Some of the money will be scholarships or grants; but some will be loans you will have to pay back.</div>
	<p>They also send you a financial aid letter that tells you:</p> <ul style="list-style-type: none">• How much your tuition, room and meal plan will cost• How much money they are offering you*• How much you can borrow in loans from the Federal Government	
<p>During May of your senior year</p>  	<p>You tell the college of your choice that's where you've decided to go.</p> <ul style="list-style-type: none">• You also tell them you agree to take out loans to cover the costs of anything you can't pay directly.• In addition, to prove your commitment to go to this college, you send them a non-refundable deposit.	
	<p>Your selected college reviews the information you provided about how much you'll need in loans.</p> <ul style="list-style-type: none">• They then tell the government how much you'll be borrowing in Federal Student Loans for your first year.	<p><i>*A promissory note is an online contract that includes the details of your loan and your legally-binding promise to pay it back plus interest.</i></p>
	<p>The Department of Education updates your information on studentaid.ed.gov.</p> <p>In addition, they prepare the following for you:</p> <ul style="list-style-type: none">• A tutorial that explains what your student loan obligations are• A promissory note*	
<p>May/June of your senior year</p> 	<p>Go to the studentaid.ed.gov website, go through the tutorial and sign the promissory note.</p>	 <p>Even though your agreement is for a full year of Federal Student Loans, your college will take half those funds at the start of your first semester and the other half at the start of your second semester.</p> <p>That way, you don't pay interest on the entire amount for a school year.</p>
	<p>After receiving your signed promissory note, the Federal Government sends the funds to your college, in your name.</p>	
	<p>Your college takes out the funds from your loan that have been designated to help cover your costs. This includes your tuition, course fees and – unless you live off campus – your room and meal plan.</p> <ul style="list-style-type: none">• If you receive an unsubsidized loan, interest will start to be charged as soon it's used.• If you qualified for a low-income subsidized loan, the government will pay your interest during the time you're in college.	
<p>Once your college has taken its portion out of your loan</p> 	<p>You can use any remaining money to pay for other necessary expenses listed on your promissory note.</p> 	 <div>WARNING Don't forget to fill out your FAFSA® every year!</div>
<p>As early as possible after October 1 – every year that you're in college</p>	<p>Go to studentaid.ed.gov and fill out the FAFSA® form.</p>	