

THE FEDERAL LOAN PROCESS

A Step-by-Step Guide to FAFSA®

Dates	What to do / What happens	Notes
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WARNING
Be sure to list the colleges where you plan to apply.

As early as possible in your **senior year of high school.**


Go to studentaid.gov, get an FSA ID, and then fill out the FAFSA® form.


The Department of Education receives your form.

They review your FAFSA to decide how much money you qualify for in financial aid.

The government then sends you an estimate of how much financial aid you may be eligible for. This estimate is known as the Student Aid Index (SAI).

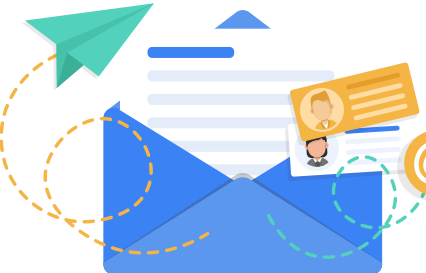
They also send the same information to the colleges you listed on your FAFSA application.






While you wait...

Check your email to see if FAFSA needs more information.



March – April of your senior year




You receive notices from the colleges that accepted you. Congratulations!

They also send you a financial aid letter that tells you:

- 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

Read these offers carefully. Some of the money will be scholarships or grants; but some will be loans you will have to pay back.

During **May** of your senior year



You tell the college of your choice that's where you've decided to go.

- 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.

Your selected college reviews the information you provided about how much you'll need in loans.


- They then tell the government how much you'll be borrowing in Federal Student Loans for your first year.

The Department of Education updates your information on studentaid.ed.gov.


In addition, they prepare the following for you:

- A tutorial that explains what your student loan obligations are
- A promissory note*

*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.



May/June of your senior year



Go to the studentaid.gov website, go through the tutorial and sign the promissory note.


After receiving your signed promissory note, the Federal Government sends the funds to your college, in your name.

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.

- 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.

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.

That way, you don't pay interest on the entire amount for a school year.



Once your college has taken its portion out of your loan



You can use any remaining money to pay for other necessary expenses listed on your promissory note.





As early as possible after **October 1** – every year that you're in college

Go to studentaid.gov and fill out the FAFSA® form.

WARNING
Don't forget to fill out your FAFSA® every year!

For more information, go to: collegemoneymatters.org

