DO YOU NEED MONEY FOR COLLEGE?

This publication provides basic information on federal student aid to help you pay for college or career school.

What is federal student aid?

It’s money from the federal government—specifically, the U.S. Department of Education—that helps you pay for college or career school, or graduate school expenses. More than $150 billion in federal student aid is available through grants, work-study, and loans every year.

Who gets federal student aid?

Every student who meets certain eligibility requirements can get some type of federal student aid, regardless of age or family income. Some of the most basic eligibility requirements are that you must

- demonstrate financial need (for most programs);
- be a U.S. citizen or an eligible noncitizen;
- have a valid Social Security number;
- register (if you haven’t already) with Selective Service if you’re a male between the ages of 18 and 25;
- maintain satisfactory academic progress in college or career school; and
- show you’re qualified to obtain a college or career school education by
  - having a high school diploma or a General Educational Development (GED) certificate or a state-recognized equivalent; or
  - completing a high-school education in a home-school setting approved under state law; or
  - enrolling in an eligible career pathways program.

Find more details about eligibility requirements at StudentAid.gov/eligibility.
How do I apply for federal student aid?

You must create an FSA ID and complete the Free Application for Federal Student Aid (FAFSA®).

1. Create your FSA ID at StudentAid.gov/fsaid. Students and parents are required to use an FSA ID, made up of a username and password, to access and submit personal data at U.S. Department of Education websites. Your FSA ID is used to confirm your identity and electronically sign your federal student aid documents.

2. Complete the FAFSA at fafsa.gov.

Completing and submitting the FAFSA is free and quick, and it gives you access to the largest sources of financial aid to pay for college or career school—federal, state, and school sources. If you need a paper FAFSA, contact our ED Pubs Distribution Center at www.edpubs.gov or toll-free at 1-877-433-7827.

When do I complete the FAFSA?

If you plan to attend school in fall 2016, you should complete the FAFSA as soon as possible after Jan. 1, 2016 and before June 30, 2017. You should complete it as soon as you can.

Why should I apply as soon as possible?

Your FAFSA helps you apply for federal, state, and school financial aid. Schools and states often use FAFSA information to award nonfederal aid, and their deadlines are usually early in the year, so you should apply as soon as possible. You should check with the schools you’re interested in to find out about their deadlines. You can find state deadlines at fafsa.gov.

Do I need to apply for financial aid every year?

Yes, you must reapply for aid every year. Also, if you change schools, your aid doesn’t automatically transfer with you. Check with your new school to find out what you need to do to continue receiving financial aid.

If you’re not ready to apply for federal student aid but would like to estimate your aid, visit StudentAid.gov/fafsa/estimate to use FAFSA4caster, an early eligibility estimator.

What information do I report on the FAFSA?

The FAFSA asks for information about you (your name, Social Security number, date of birth, address, etc.) and about your financial situation. A series of questions will also determine whether you must provide information about your parents. The answer depends on whether you’re considered a “dependent” or an “independent” student.

Learn more about dependency status at StudentAid.gov/dependency.

Where does my FAFSA information go once I submit it?

Once you submit your FAFSA your information is shared with the colleges or career schools you included on your FAFSA, and in some cases with your state’s higher education agency.

- The financial aid office at a school to which you applied for admission uses your FAFSA information to determine how much federal student aid you may receive at that school.
- If the school has its own funds to use for financial aid, it might use your FAFSA information to determine your eligibility for that aid. (The school might also have other forms it wants you to fill out to apply for aid there, so check with the school’s financial aid office to be sure.)
- Your FAFSA information also goes to the higher education agencies in the states where your chosen schools are located. Many states have financial aid funds that they give out based on FAFSA information.
How do I apply for federal student aid?
You must create a FSA ID and complete the Free Application for Federal Student Aid (FAFSA®).
1. Create your FSA ID at StudentAid.gov/id. Students and parents are required to use an FSA ID, made up of a username and password, to access and submit personal data at U.S. Department of Education websites. Your FSA ID is used to confirm your identity and electronically sign your federal student aid documents.
2. Complete the FAFSA at fafsa.gov. Completing and submitting the FAFSA is free and quick, and it gives you access to the largest sources of financial aid for college or career school—federal, state, and school sources. If you need a paper FAFSA, contact your U.S. Dept. of Education Call Center at 1-800-433-3243 or visit www.ed.gov and click “Free FAFSA® websites.”

When do I need to apply for federal financial aid every year?
You must apply every year! Also, if you change schools, your aid automatically doesn’t transfer with you. Check with your new school to find out what you need to do to continue receiving financial aid.
If you’re not ready to apply for federal student aid but would like to estimate your aid, visit StudentAid.gov/calculators to use FASFAAid, a web-based early estimate calculator.

What information do I report on the FAFSA®?
The FAFSA asks for information about your family—Social Security number, dates of birth, address, etc. and about your financial resources. A variety of other questions will also determine whether you must provide information about your parents. The answer depends on whether you’re considered a “dependent” or an “independent” student. Learn more about dependency status at StudentAid.gov/dependency.

Where does my FAFSA® information go once I submit it?
Once you submit your FAFSA® information, it is absorbed into the databases of allTitle IV schools you’re considering for undergraduate study. It is in some cases with your state’s higher education agency.
- The financial aid officer at your school will get an “award letter” that tells you what financial aid is available and how much you receive at that school. The award letter will tell you about federal aid and any other forms of aid that you qualify for.
- If the school has its own funds to use for financial aid, it might use your FAFSA® information to determine your eligibility for that aid.

Why should I apply as soon as possible?
Your FAFSA® helps you apply for federal, state, and school financial aid. Schools and states often use FAFSA® information to award nonfederal financial aid. Federal student aid is awarded on the basis of need, so the earlier you apply, the more aid you might receive. You should apply as soon as possible. You should check with the schools you’re interested in to find out their deadlines. Your FAFSA® might be processed as early as January 1. You should complete it as soon as you can. You can apply for federal student aid online at FAFSA.gov.

Federal Student Aid
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I completed the FAFSA... now what?

After you submit your FAFSA, you’ll receive a Student Aid Report (SAR), which is a summary of the FAFSA data you submitted.

• You’ll get your SAR within three days (if you complete your FAFSA online) to three weeks (if you mail your paper FAFSA) after you submit your FAFSA.

• Be sure to look over your SAR to make sure you didn’t make any mistakes on your FAFSA.

• The SAR won’t tell you how much financial aid you’ll get; it’s a summary of the information being sent to the schools you listed on your FAFSA.

• If you don’t need to make any changes to the information listed on your SAR, just keep it for your records.

• To find out how to correct mistakes, or update your tax return or other information in your FAFSA, visit StudentAid.gov/fafsa/next-steps/accept-aid or contact the school you are applying to for instructions.

• Next, expect to receive an award letter from the schools at which you were accepted for admission.

What’s an award letter?

If you applied for admission to a college or career school and have been accepted (although not all schools require students to be accepted before telling them of their eligibility for aid), and you listed that school on your FAFSA, the school will calculate your aid and send you an electronic or paper “award letter” telling you how much aid you’re eligible to receive at that school.

The timing of the award letter varies from school to school and could be as early as springtime ( awarding for the fall) or as late as immediately before you start school. It depends on when you apply and how the school prefers to schedule awarding of aid.

How much will I get?

When a school’s financial aid office sends you an award letter, the letter will list the types of aid and amounts (from all sources) the school will offer you.

How much aid you receive depends on a number of factors, including

• cost of attendance (for each school);

• Expected Family Contribution (EFC)—(EFC does not represent a dollar amount but rather it is a number used to calculate how much financial aid you’re eligible to receive based on the information in your FAFSA);

• year in school; and

• enrollment status (that is, full-time, half-time, etc.).

You can compare aid offers from the schools to which you applied and see which school is the most affordable once financial aid is taken into account. Keep in mind that the financial aid office at the school will determine how much financial aid you’re eligible to receive. Contact the school’s financial aid office if you have any questions about your award letter or the aid being offered to you.

For more information on how aid is calculated, visit StudentAid.gov/how-calculated.

Should I accept all the aid I’m offered?

You don’t have to. When your school’s financial aid office sends you an award letter, they’ll ask you to indicate the financial aid you want to accept. Look carefully at your options and make sure you accept only what you need. A good approach is to

• first, accept free money (scholarships and grants), i.e., funds you don’t have to pay back;

• then, accept earned money (work-study), i.e., funds you earn through a job; and

• finally, accept borrowed money (student loans), i.e., money you have to pay back with interest.

Look carefully at your options, especially when it comes to loans that you’ll have to pay back.

For more details on accepting aid, visit StudentAid.gov/fafsa/next-steps/accept-aid.
How will I receive my aid?
Your college or career school—not the U.S. Department of Education—will distribute your aid and, in most cases, your federal student aid will be applied directly to your school account. The financial aid staff at your school will explain exactly how and when your aid will be disbursed (paid out).

If you’re getting federal student loans for the first time, you must complete entrance counseling and sign a master promissory note before you receive your loan money.

Do I have to repay my loans?
Yes. Student loans, unlike grants and work-study, are borrowed money that must be repaid, with interest, just like car loans and home mortgages. You cannot have these loans canceled because you didn’t like the education you received, didn’t get a job in your field of study, or are having financial difficulty. So think about the amount you’ll have to repay before you take out a loan. Student loans aren’t easily written off in bankruptcy.

• While you don’t have to repay your Direct Loan while you’re enrolled in an eligible school, you don’t have to wait until you graduate to start repaying your loans. For detailed information on repayment, visit StudentAid.gov/repay.

• You can use our repayment estimator to estimate your federal student loan payments under each repayment plan. Visit StudentAid.gov/repayment-estimator to use the tool.

What else do I need to remember when applying for financial aid?

• Free help is available any time during the application process. Online help is available while you complete your application at fasfa.gov, and you can get free information and help from your school counselor, the financial aid office at the school you plan to attend, or the U.S. Department of Education at StudentAid.gov or 1-800-4-FED-AID (1-800-433-3243). You should never have to pay for help!

• Your Student Aid Report (SAR) has to be correct to ensure that you receive your aid. The U.S. Department of Education will send you your SAR. Review it and, if necessary, make changes or corrections following the instructions in the SAR.

• Be sure to always respond to any correspondence your school sends you.

• Review award letters, compare the types and amounts of aid you are offered from each school, and contact the school’s financial aid office if you have any questions about the aid being offered.