What You Need to Know: Federal Student Loans (Part 2) - An ACCESS Special Report

This report is broken into four parts this being the second in our series. Part 1 reviewed options for financing college. Here, in part 2, we address questions about the applications process. Part 3 will address the cost of college and loan acceptance. Part 4 will address key considerations for college graduates and loan repayment options.

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What is the best time to apply for federal student loans?

Students and parent can begin the application process for federal student loans on January 1st for school that begins in the fall. This means students entering college in August or September of 2015 can begin the application process right now.

Since each university will receive a limited amount of money which can be awarded in student loans, it is advisable to submit your application early. Most colleges and universities make their awards on a first come, first served basis. This means that anyone who waits too long to submit their application could find that money is no longer available.

What if I donâ€™t know which school I will be attending at the time I apply?

This is not an uncommon situation for student loan applicants. You may have a list of several schools which you are applying to but have not received an acceptance letter from any of them yet. Or you may have already received an acceptance or two but are still waiting to hear from your preferred school.

FAFSA allows you to send your student loan information to schools whether or not you have received a notice of acceptance.

Applicants for federal student loans will be asked which universities should be notified of their FAFSA application. Applicants should include every school they have applied to. If your circumstances change at a later date, and you decide to apply to additional schools, you will have the option to modify your application and send your information to additional schools.

How do you apply for a federal student loan?

The application for federal student loans is known as FAFSA (Free Application for Federal Student Aid) and is available online at www.fafsa.gov. The site contains comprehensive instructions on the application process as well as the application itself.

To use the site, users need to provide a wide variety of personally identifiable information including: social security number, birth dates for applicants, current address and contact information. Both the registration and application processes can be somewhat confusing and time consuming. Applicants should consider setting uninterrupted time aside to complete the registration and application. First time users of the site are likely to require a couple of hours.

Prior to beginning the application, you should gather some information and have it available for reference while you fill out the application. Documents/information you will need include:

- Your last completed tax return
- Contact/address information for your employer
- Social security number of the student (and the parents if they are applying for parental loans)
- A list of the schools you/your child are applying to
- Employment information of all applicants
- A list of your current assets include bank accounts, brokerage accounts and any real estate that you own

The application allows you to save your work and to return to complete it at a later time. It is highly advisable to save your work frequently even if you intend to complete the application in one sitting.

Is there a cost associated with filling out the application?
No.

How long does it take for the application to be processed and approved or denied?

Once the application is submitted, approval or denial is almost instantaneous.

The third part of our four part series will discuss college costs and loan acceptance.
Links to Other Articles in this Series:

Part 1: Click Here

Part 3: Click Here

Part 4: Click Here
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