

GETTING A FEDERAL STUDENT LOAN



STUDENT



COLLEGE



U.S. DEPARTMENT OF EDUCATION



LOAN SERVICER



1

Student fills out a *Free Application for Federal Student Aid (FAFSA®)* at www.fafsa.gov

Once student is admitted to the college, the college reviews the SAR to determine the student's eligibility for financial aid and sends the student an aid offer.



3

U.S. Department of Education sends a **Student Aid Report (SAR)** to the student and student's selected colleges.

The SAR includes your FAFSA answers and basic eligibility information.



2



4

Student chooses a college and decides which financial aid to accept.



5

If student accepts a Direct Subsidized Loan, a Direct Unsubsidized Loan, or a Direct PLUS Loan, college notifies U.S. Department of Education and requires first-time borrowers to sign promissory note and complete **loan entrance counseling**.

Loan entrance counseling helps you understand your obligation to repay your loan.



6

Student must sign **promissory note** and complete loan entrance counseling.

A promissory note is a legal document in which you promise to repay your loan. It also explains the terms and conditions of your loan.



7

U.S. Department of Education provides loan funds to the college.



9

U.S. Department of Education assigns student's loan to a **loan servicer**.

A loan servicer is a company that collects payments on the loan, answers questions, and performs other administrative tasks associated with the loan.



8

College applies loan funds to the student's account and provides any remaining balance to the student.



10

When the student graduates, leaves school, or drops below half-time enrollment, student must complete **loan exit counseling**.

Loan exit counseling explains your loan repayment responsibilities and when repayment begins.



11

After a grace or a deferment period, student begins repaying the loan. If student has any questions or needs help with loan repayment, student contacts loan servicer.