

Getting a Federal Student Loan



Student



U.S. Department of Education



School

1 The student fills out a **Free Application for Federal Student Aid (FAFSA®)** form at fafsa.gov.

2 The U.S. Department of Education (ED) sends a **FAFSA Submission Summary** to the student and sends the FAFSA information to the colleges, career schools, and trade schools that the student listed on their FAFSA form.



The FAFSA Submission Summary includes your FAFSA answers and basic eligibility information.

3 Once the student is accepted for admission, the school reviews the FAFSA information to determine the **student's eligibility for financial aid and sends them an aid offer**.

4 The student chooses which school to attend and which parts of the **financial aid offer** to accept.

5 If the student accepts a Direct Subsidized Loan or a Direct Unsubsidized Loan, the school notifies ED and **requires first-time borrowers to sign a promissory note and complete entrance counseling**.



Entrance counseling helps you understand your obligation to repay your loan.

6 The student **signs a promissory note and completes entrance counseling**.



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

7 ED provides **loan funds** to the school.

8 The school applies the loan funds to the student's account and **provides any remaining balance to the student**.

9 ED assigns the student's loan to a **loan servicer**.



A loan servicer is a company that answers questions about your loan, helps you understand or change your repayment plan, and collects your loan payments once you enter repayment.

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



Exit counseling explains your loan repayment responsibilities and when repayment begins.

11 After a grace or deferment period, the **student begins repaying the loan**.

The process for receiving some federal student loans, including Direct PLUS Loans for parents, is different. To learn about these and other federal student loans, visit StudentAid.gov/loans. For information on loan repayment, visit StudentAid.gov/repay101.

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