

# Paying for College

## Student Loan Application To-Do List

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The process of applying for student loans can seem bewildering for parents and college-bound students, but it all comes down to four manageable steps:

### **1. COMPLETE AND SUBMIT THE FAFSA (FREE APPLICATION FOR FEDERAL STUDENT AID)**

Completing the FAFSA is the first step, as it is the required application for almost all types of federal, state, and institutional aid. Students who are considering several schools may list up to six choices on the FAFSA application, allowing them to compare all financial aid offers in the decision making process.

It is important to note that the FAFSA cannot be filed before January 1 of the first year of the academic year (for example Jan. 1, 2004 for the 2004-2005 school year).

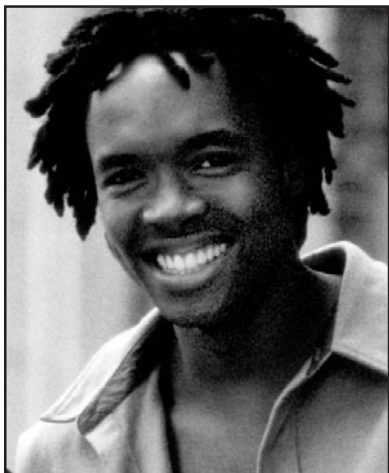
Instead of filling out a traditional paper FAFSA application, it is highly recommended that students file online at [www.fafsa.ed.gov](http://www.fafsa.ed.gov). Online filing greatly decreases processing time and the online edit checks eliminate most errors that occur in paper filings. PIN numbers are available from this site for students and parents to electronically sign the FAFSA, eliminating the need to mail in forms.

It's very important to meet schools' priority deadlines for FAFSA completion, since funding is often limited and there may be fewer available funds after the priority date. For traditional schools, most priority dates range from February 15—April 1.

Parents should have the prior year's tax returns completed before the FAFSA is submitted. (If you owe money to Uncle Sam, you don't have to pay until April 15, even if your tax return is completed by Feb. 15.)

### **2. SCHOOL SENDS FINANCIAL AID AWARD LETTER TO STUDENT**

Most schools start sending financial aid award letters to students on or before April 1 for those who have filled out the FAFSA. Award letters to those who file the FAFSA after April 1 are sent after the school receives the student's application. Schools generally have a deadline for students to accept or decline the award, so be sure to respond on time.



### **3. STUDENT SIGNS PROMISSORY NOTE (IF NEEDED FOR LOANS)**

If a student has accepted a student loan as part of their financial aid package, he or she will have to sign a promissory note for the loan. Schools will explain the process and notify students when they need to sign. Many schools use electronic signatures, allowing students to conveniently e-sign on a Web site. Other schools go the traditional route by mailing paperwork. This is a very important step in the process, as not having a signed promissory note will delay loan funds!

### **4. FUNDS ARE DISBURSED THROUGH THE SCHOOL**

Almost all federal, state and institutional grants, scholarships, and loans are disbursed through schools near the start of each term. Funds will be applied first to what you owe the school and any remaining funds are given to you for books, supplies, and other educational expenses. Some schools disburse funds as early as 10 days before the start of the academic term while others may release them a few days or weeks after the term starts. Be sure to check with your school to know what its policy is.

Additional information regarding loans and application processes may be found at [www.collegeplanning.nelnet.net](http://www.collegeplanning.nelnet.net) (Nelnet's Web site). With over 25 years of experience in student lending, Nelnet provides comprehensive educational finance services for students, parents, and schools.