# Choosing your student loan

## Step 1. Fill out the FAFSA

You must complete this form to be eligible for any federal student loans or grants. Submit the FAFSA as early as possible. Go to fafsa.ed.gov/deadlines.htm to see the deadlines.

If you are having trouble filling out the form, contact the Department of Education: studentaid.ed.gov/contact.

### Things to try

- Fill out the FAFSA even if you're not sure you'll get the federal aid—schools often use it to award scholarships and other grant aid.

### How often do student loan rates change?

Once you agree to a federal student loan, your interest rate remains the same. Interest rates on private student loans are set by the lender and depend on the lender's evaluation of your creditworthiness.

## Step 2. Explore your loan options

If you need to borrow to pay for school, federal student loans almost always cost less than private student loans and have more protections when it's time for repayment. Take subsidized loans first, if you are eligible.

### Things to try

- If you are choosing between schools, compare each school's aid offer.

### What's the difference between subsidized and unsubsidized student loans?

The government pays the interest on subsidized loans while you are in school. You pay the interest on unsubsidized loans. Subsidized loans are awarded to students based on financial need.

## Step 3. Shop around

If your aid package doesn't cover the full cost of college, talk to your school's financial aid office about scholarships or alternative loan options.

### Things to try

- Shop for lower interest rates and flexible repayment options. Remember, your creditworthiness could affect the advertised interest rate.

### Should I use a credit card to cover my education costs?

Credit cards can be a more expensive way to finance your education and they do not provide the flexible repayment terms or borrower protections offered by federal student loans.

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