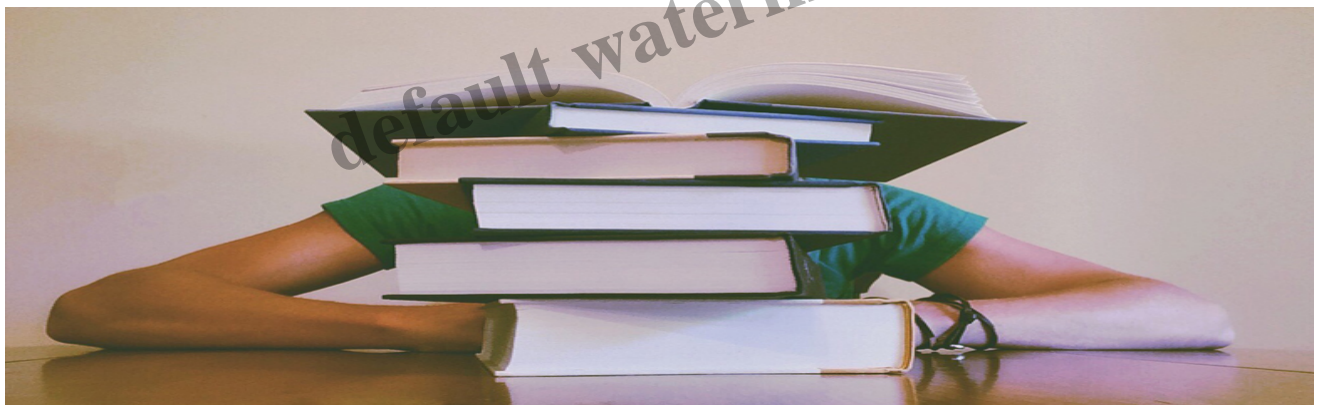




## How to Decide on a Student Financial Aid Source

### Description

Acquiring the financial resources to fund years of higher education can seem like an uphill battle. Fortunately, there are resources that can help you save money and cover all the expenses.



In this guide we'll introduce you to the complex world of student financial aid and whether you are qualified to get it. We'll show you the best time to apply before going to college and the key considerations you should remember before sending in an application. Financial aid is a major financial decision and can have serious repercussions for your life in the years to follow, so it's important that you fully understand what you're getting into.

## Considerations When Choosing a Financial Aid Resource

Do your best to keep these points in mind when scouring the financial aid resources:

- Can I limit my search to specific states or institutions?
- Does it require any type of financial background or history from my parents?
- Are there reviews or ratings from other students readily available?
- Is a membership required or can I use it free of charge?

# Student Financial Aid Common Questions

## How do I know if I qualify for financial aid?

There are a few basic requirements you should meet before you contemplate filing for financial aid from the federal government. You must first qualify for the ability to receive a higher level of education by having either achieved a high school diploma, a GED or completed a high school equivalent education through an approved homeschool setting.

After this, you must either enroll or be accepted for enrollment in an eligible program or school. You need to have a valid social security number and if you are between the ages of 18 and 25, you need to be registered with Selective Service. You will also need to certify a need for financial assistance.

In addition to all of this, you must either prove that you are a US Citizen or a US National. If you are not, then you must have a valid green card, or an arrival-departure record, have battered immigrant status or a T-Visa.

If you meet these criteria and think you may need some additional financial support for your education, you should go ahead and fill out the FAFSA form and apply for federal financial aid.

According to the Institute for College Access and Success 47% of eligible students did not take out the federal financial aid that they would have qualified for, so it is important that even if you do not think you may qualify for financial aid, but you fit the criteria above that you go through the process anyway. The financial aid application process is a timely and cumbersome one; however, federal student loans offer much more flexibility as far as repayment options after you graduate than private student loans.

If you feel for any reason that you may have a need for additional financial support when it comes to achieving your higher education goals, you should consider federal aid first and then private student loans as a last resort option.

## When should I apply for financial aid?

There are a number of types of financial aid available for college students. There are programs available under the federal government for both parents and students. In addition, there are state run financial aid packages as well as financial aid packages that are offered through individual colleges and universities. Because of these varied forms of financial aid, there is not one specific deadline for everyone.

The Federal Student Aid site, or FAFSA, provides an easy to use tool to give you an idea of the deadlines that you will have depending on where you live and when you plan to attend school.

No matter when your deadline, though, you should begin the process of preparing for financial aid almost immediately after you complete your process of applying for schools. There will be a number of pieces of information you and your family have to provide, and the sooner you can start the process, the better prepared you will be when you are ready to submit your application.

Amongst the information, you will need to provide on your FAFSA form is income and tax information

for the student as well as income and tax information for the parents. Because of this, it would be a good idea to prepare your taxes early for the years you are applying for financial aid. You do not need your full tax return to complete the form; however, you should have a good estimate of these numbers before you apply.

The FAFSA has about four pages of notes alone to help you fill out the information properly. Please make sure that you read and understand everything that you complete before you submit the form as any errors could lead to a delay in your financial aid package, which will complicate your admittance to your school of choice.



## **What is the difference between a federal loan and a private loan?**

Student loan funding is split between federal and private loans. Federal loans are those that are regulated and supported by the US Government through its various agencies. Most federal loans have limitations as to how much a student or the student's parents can borrow; however, they also have the most flexible repayment options after graduation.

Private loans are provided directly from lending companies like banks. These typically offer higher borrowing limits based on a cosigner's financials; however, they have much more stringent repayment terms once you graduate.

## **What is the difference between a subsidized loan and an unsubsidized loan?**

You will see these terms when you come across federal loans and the difference is when the interest

rate clock starts running. With a subsidized loan, the federal government pays the interest for you while you are still in school, so all of the loans that you borrowed while in school were not accruing interest over that period of time.

If you have an unsubsidized loan, then the interest that you will be charged on your borrowings starts to accrue the day you borrow the money. You do not have to pay this interest while you are in school; however, when you graduate, you will see that the number of loans that you borrowed will be higher than you thought and the difference is the accrued interest on the unsubsidized loans.

## Student Financial Aid Recap

By now you should have a clearer understanding of the resources and sites available to you as a student. When you explore your options and make proper use of all discounts, plans, and deals available, earning that degree doesn't seem like such a major undertaking.

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1. Education

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