

# Choosing a loan that's right for you

We're here to help you navigate the noise

## ACTION GUIDE

### 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](https://fafsa.ed.gov/deadlines.htm) to see the deadlines.

#### 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.
- If you are having trouble filling out the form, contact the Department of Education: [studentaid.ed.gov/contact](https://studentaid.ed.gov/contact).

#### How often do student loan rates change?

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

### 2 Explore all your federal loan options first

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.

#### THINGS TO TRY

- If you are choosing between schools, compare each school's aid offer.
- Take subsidized loans first, if you are eligible.

#### 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.

### 3 Shop around if your aid package doesn't cover the full cost of college

Talk to your school's financial aid office about alternative scholarships or loan options.

#### THINGS TO TRY

- Make sure you have exhausted all other options - additional scholarships, cutting costs, a part-time job - before taking out a private loan.
- Shop for lower interest rates and loans that offer flexibility if you have trouble making payments. Remember that whatever the advertised interest rate is, yours could be much higher depending on your creditworthiness.

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

Don't replace student loan debt with credit card debt - it can be a much more expensive way to finance your education. Credit cards do not provide the flexible repayment terms or borrower protections offered by federal student loans.