

# Federal Student Loans for College Are an Investment in Your Future!

Federal student loans are an investment in your future. You should not be afraid to take out federal student loans, but you should be smart about it. Student loans help students pay for college and may fill the financial gap by providing essential funds to cover your education expenses.

It is important to understand the application process, disbursement, and repayments associated with student loans so that you can make smart and informed decisions about how loans can assist you fund your education. To apply for a Federal student loan as an undergraduate or graduate/professional student, you must complete the Free Application for Federal student Aid (also known as the FAFSA). In addition to completing a FAFSA, below are three important questions to consider:

## What is a Federal student loan?

A Federal student loan is made through a loan program administered by the federal government. You can use loans to pay for tuition and fees and other school expenses.

## Will you need a loan to attend college?

If you need a loan to help cover the cost of your undergraduate degree or for your graduate/professional degree, think Federal student loans first. Both Federal and private student loans are borrowed funds that you must repay with interest, but Federal student loans usually offer lower interest rates and have more flexible repayment terms and options than private student loans.

## What are the benefits of taking out a Federal Student Loan?

- ✓ The interest rate on Federal student loans is fixed and usually lower than that of private loans—and much lower than that of a credit card!
- ✓ You don't need a credit check or cosigner to get most Federal student loans.
- ✓ You don't have to begin repaying Federal student loans until after graduation or if you drop below half-time, and they offer flexible repayments plans and options to postpone your loan payments if you're having trouble making your payments.
- ✓ If you work in certain jobs, you may be eligible to have a portion of your Federal student loans forgiven if you meet certain conditions.
- ✓ Federal student loans offer financial support for students who would otherwise be unable to attend college or graduate school.

For more information on Federal student loans, please visit Federal Student Aid at <https://studentaid.gov/understand-aid/types/loans>