

credible

FAFSA Guide

An easy guide to understanding the FAFSA



KNOW BEFORE YOU OWE

If you're about to [start college](#), or plan to apply soon, this is one of the most important guides you'll read. Why? Because this guide discusses the federal government's Free Application for Federal Student Aid, more commonly known as the FAFSA.

Some people mistakenly think that only students who need help paying for college should fill out the FAFSA. But not filling out the FAFSA simply because you think you don't qualify for need-based financial aid would be a [big mistake](#). For colleges, the FAFSA is a way to determine whether you qualify for any sort of financial aid, including assistance that's not need-based. If you don't fill out the FAFSA, you may not qualify for any kind of aid from your school or the government.

Okay, so now that we've gotten that out of the way, we can move on to the important bit. The first thing you should know? [Don't be afraid!](#) The FAFSA can seem intimidating at first — especially because it requires you to be quite thorough in terms of the information you provide — but all it takes is a little bit of time, and a helpful step-by-step guide to walk you through the process (see what we did there?). Let's get started!

THE BASICS

What is the FAFSA?

The FAFSA is the Free Application for Federal Student Aid, and is used by students (or their parents) in order to receive government financial aid for college. The FAFSA helps colleges and the U.S. Department of Education evaluate your financial need situation, and determine how much financial support you require.

It looks pretty long. Why is the FAFSA important?

FAFSA = free money (sometimes)! Like we mentioned, the FAFSA is the primary tool colleges use to decide whether to give you financial aid, and what kind of aid you're eligible for. The FAFSA helps determine whether or not you're eligible for all kinds of federal student aid, including loans, grants, and work-study positions. The FAFSA is also a great portal to state funding or private [scholarships](#).

Okay, okay, I get it. I should fill out the FAFSA. How should I start?

You can fill out the FAFSA online, at www.fafsa.ed.gov. Be sure to go to the correct website – similar websites may make you pay to file your FAFSA form, but the government site is free.

Because the FAFSA requires you to provide a lot of information, here are some steps you can take in order to expedite the process for yourself.

1

Create a FSA ID: Each year the FAFSA form is updated. Anyone who fills out the form for 2016-17 is now required to first create a FSA ID. You should **register** for an FSA ID early, since you may need to wait up to 3 days to use it after registering. In some situations, your parent(s) may need to register for a separate FSA ID as well. This ID is equivalent to a signature, so you should not create an FSA ID for your parent, or vice versa.

2

Collect and organize all the information you'll need to fill out the form: The FAFSA form asks for some personal details about you, like who you live with, which colleges you're interested in, you and your parents' income etc. This information is used to calculate how much you and your family can contribute toward your college costs. This number is called the Expected Family Contribution (EFC). Colleges use your **EFC** to determine how much financial aid you are eligible for.

3

Arrange a time for you and your parents to sit down together to fill out the FAFSA form: if you're classified as a dependent for the FAFSA (you live with your parents and are financially dependent on them), you will likely need your parents' help to fill out the FAFSA, especially for the sections pertaining to their assets.

4

Know who to turn to for help if you run into any issues: we hope that this guide will provide you with enough detailed information that filling out the FAFSA will be a breeze for you. But just in case you have any questions, you can call the FAFSA hotline at 1-800-433-3243, to speak to someone who should be able to answer pretty much any question you have.

What are all the things I'll need to collect before beginning to fill out the FAFSA?

- **Your Social Security number**
- **Social Security numbers for one or both parents**
(if you cannot get access to the physical cards, be sure that the names and social security numbers match your parents' tax returns)
- **Your driver's license, if you have one**
- **Alien registration or permanent resident cards, if you or your parents are not U.S. citizens**
- **Your parents' tax records, if you are dependent on one or both of them**
(tax records include forms like the IRS 1040, 1040A, 1040EZ, and any documents used to fill out tax returns like W-2 forms, bank statements, or mortgage interest statements)
- **A copy of your parents' foreign tax return, if they live outside the United States or in Puerto Rico**
- **Your own tax records, if you filed a recent tax return**
- **Records of untaxed income in your family like Social Security, welfare benefits, or veterans benefits**
- **A record of your or your parents' assets**
- **A list of the school you're interested in**

What are some possible issues I could face while filling out the FAFSA?

ELIGIBILITY

If you need money to help pay for college, you should fill out the FAFSA, because chances are that you are eligible for some kind of financial aid. While not everyone is eligible for federal aid — undocumented immigrant students for example — the FAFSA can still be used to access other types of aid, like grants or scholarships. Even if you think you may not receive aid because you cannot demonstrate financial need, you should still fill out the FAFSA, in order to get access to federal loans.

CITIZENSHIP

You do not need to be a U.S. citizen to fill out the FAFSA. As long as you (or your parents if you're a dependent) are here legally and hold some form of authorization — like a green card or F-1 visa — you can fill out the FAFSA.

BEING UNDOCUMENTED

There are two parts to this. If your parents are undocumented immigrants, but you are in the U.S. legally, you can still out the FAFSA. While filling out the FAFSA will not endanger your parents (by law, other federal agencies cannot see your FAFSA application), you should consult a financial aid professional before filling out the form. You can also call the FAFSA hotline at 1-800-433-3243 to ask them about any special steps you might be required to take if your parents are undocumented.

If however, you are undocumented, you cannot receive federal money in any form. But you may still be eligible to receive money in the form of private scholarships, and sometimes the FAFSA can help you apply to these private monies. Important — if you are undocumented, do not send a completed FAFSA form to the government! If you would like to use the FAFSA to be considered for private money, take a paper version of the FAFSA to the colleges of your choice and ask what options may be available to you.

When is the FAFSA due?

The important part here is that you fill out the FAFSA. The priority deadline for filing the 2016-2017 FAFSA is Feb. 15, 2016. But because a lot of financial aid is handed out on a first come, first served basis, students are encouraged to submit their forms as soon as possible after Jan. 1.

In the fall of 2016, students who fill out the 2017-18 FAFSA will see two significant changes:

- Submit the FAFSA earlier: if you plan to fill out the 2017-18 FAFSA, you'll be able to submit your application four months earlier than usual, as early as Oct. 1, 2016.
- Use earlier tax information: The FAFSA requires you to fill out a number of sections based on your or your parent's tax information. This can sometimes be a hassle, since the FAFSA is typically due before tax season begins. But beginning with the 2017-18 FAFSA, you can use your tax information from a year earlier than previously allowed. So, if you plan to fill out the 2017-18 FAFSA, you will be allowed to use your tax information from 2015, and will not be restricted to only using information from 2016.

The following table, from the [Department of Education](#), provides a handy summary of important dates you should keep in mind.

When a Student Is Attending College (School Year)	When a Student Can Submit a FAFSA	Which Year's Income Information Is Required
July 1, 2015 – June 30, 2016	Jan. 1, 2015 – June 30, 2016	2014
July 1, 2016 – June 30, 2017	Jan. 1, 2016 – June 30, 2017	2015
July 1, 2017 – June 30, 2018	Oct. 1, 2016 – June 30, 2018	2015
July 1, 2018 – June 30, 2019	Oct. 1, 2017 – June 30, 2019	2016



THE FAFSA AND FAMILY ISSUES

Who are your parents?

Okay, yeah, you probably know who your parents are (the ones you go to when you need money). But when it comes time to fill out the FAFSA, you need to consider this question more seriously — for the FAFSA, a parent is:

- Your birth mother or father
- A parent who adopted you
- A step-parent who's married to your birth or adoptive parent

Why is it so important to define who qualifies as a parent? Because the FAFSA requires you to determine whether you are dependent on a parent or not. Being dependent means that you are legally dependent on someone besides yourself — typically, high-school students are dependent on their parents. If you live with a parent (as defined above), or you live alone, or with grandparents/siblings/close friends but are still in contact with your parents, you are considered to be dependent.

However, you may be considered independent if:

- You are 24 years old or older
- You are married
- You are financially supporting children of your own
- You are orphaned, in foster care, in legal guardianship, or a ward of the court

What if I fall into a category not mentioned above? How do I know whether I'm dependent or independent?

Not to worry -- the FAFSA walks you through a series of questions in order to help you determine your dependency status. In some cases, some individuals may also qualify for a 'dependency override.'

A dependency override is when you may still be legally tied to your parents (for example, if you're underage), but have no contact with them (such as if you left home and they do not provide any support). In cases like this, you may qualify as an independent.

A dependency override sounds like something I might need. How do I get one?

In order to get an override, you need to prove to the people behind the FAFSA that, even though your parents may still be alive, you wish to be considered an independent. Before you get started, try to speak to a professional, like a financial aid officer, or someone at the FAFSA hotline.

- When you start filling out the FAFSA, in the section that asks for information about your parents, check the box that says you are unable to provide any information.
- Talk to financial aid officers at the colleges you wish to attend — these are the people you must convince that you are eligible for an override, as they will contact FAFSA staff on your behalf
- The financial aid officers will let you know if they require proof, and in what form. Once they give you further details, strive to provide them with this information as soon as possible
- Continue the rest of your college application process as normal. Once you receive your college acceptances, you will need to pursue your case for an override with the schools of your choice.

As mentioned above, you might be asked to furnish some proof of your independent status. Documents that can be used as proof can be:

- A letter from your high school guidance counselor or social worker stating that you are independent
- A police report such as a restraining order against one or both parents
- A report confirming one or both parents are in jail or have been institutionalized
- A statement from your school district's homeless liaison officer if you are homeless

A dependency override sounds like something I might need. How do I get one?

Probably not. You might think the reason for asking these questions is that those who will not benefit from support from their parents (those who are independent) will get more financial aid. But this is not true. So try to answer the questions about your parents and the support you have as honestly as possible.



FINANCIAL INFORMATION AND THE FAFSA

The FAFSA asks for a lot of personal information — this can seem intimidating, especially when it comes to filling in details of your and your parents' sensitive financial information. But it's important that you fill this information out carefully and accurately, as this will determine how much aid you receive.

If your family files U.S. tax returns every year, you might want to make use of the IRS Data Retrieval Tool that's built into FAFSA. If you opt-in to this choice, the FAFSA form will try to automatically fill in your family's tax information using the information on record for you as filed with the IRS. This option will save you the hassle of having to manually enter your information and, because the information from the IRS is accurate and secure, there is a lesser chance you will be asked for further proof to backup your information.

There's just one small catch. While most people don't file their taxes until April, the FAFSA is due earlier in the year, by February at the latest. This is a problem because the FAFSA requires you to enter your most recent tax information, i.e. from the year that has just ended. So if your family doesn't have their tax papers ready that early, you can use alternate financial documents, as long as they are up-to-date — for example, W-2 income statements from your or your parents' jobs.

However, if you plan to fill out the 2017-18 FAFSA, this won't be a problem. As we mentioned above, new rules will allow you to use the previous year's tax information to fill out your form (so you could use 2015 tax information to fill out the 2017-18 FAFSA, if your tax information for 2016 is not available).

An important thing to remember: If you use alternate documents to fill out the FAFSA, you must go back and update this information as soon as your parents file their taxes! If you do not, your FAFSA will not be processed. So, if you know you plan to fill out the FAFSA ahead of time, it might be worthwhile to try and convince your parents to file their taxes early that year.

MAKE YOUR LIST, CHECK IT TWICE

Congratulations, you're done! Well... not quite. After you submit the FAFSA, don't go off on holiday just yet — there are a couple more things you must do.

- 1 After you complete the FAFSA, you should see a link to apply for state financial aid. Be sure to fill this out! We know you just spent time filling out the FAFSA, but it's best to get the state aid form done immediately so that you don't have to worry about it later.
- 2 Once your FAFSA has been submitted, you'll receive an important document called the Student Aid Report from the FAFSA website -- so be sure to regularly check your email. Why is this form so important? Because it is the record of all the information you submitted through the FAFSA. If any of the information on the Student Aid Report is incorrect, call the FAFSA hotline immediately to ask how to correct it. Incorrect or missing information could prevent you from getting aid you might deserve.

Be sure to read the "comments" section of the SAR to make sure that there are no additional issues to deal with. Your report should be available on the FAFSA website, so you can also check for it there. If you don't get a report or have any problems accessing it on the FAFSA website, call the FAFSA hotline at 1-800-433-3243.

- 3 Once colleges get your FAFSA information, they might get in touch with you to ask for more information, or to verify any information you already submitted. Don't panic! This is common -- colleges are responsible for making sure they're getting accurate information from students.

If any of your information requires verification, you will be contacted by the school's financial aid officer — typically, you will simply be asked to verify the financial information you filled in, so it might be a good idea to make sure you have a copy of your parents' tax returns handy. Other questions you might be asked are:

- how many people are in your family
- how many of your family members are currently in college
- whether your family receives income from any secondary sources, like welfare
- to provide proof that you graduated from high school

If you are asked to verify information for multiple colleges, ensure that you are responding to the specific questions they asked you about, and in a timely manner. Verification is not an indication

that you have been accepted to a college. However, delaying verification can delay the admission process, as colleges can only make a decision once they are sure that all your information is accurate and up-to-date.

Awesome — so now I can just sit back and wait for the money to roll in right?

Actually, yeah, pretty much. Once you submit your FAFSA, your job is just to keep an eye on your email, and wait for your college acceptances to start coming in. Usually, colleges will send details of your financial aid package either along with your acceptance letter, or very soon after. Remember: not all aid packages are created equally, so be sure to carefully read [each offer you receive](#).

What are the kinds of financial aid I can expect?

Each financial aid letter you receive should detail the costs you will incur while attending that particular college, along with the amount the college can offer you, and in what form. There are three primary ways that colleges can offer you money:

GRANTS & SCHOLARSHIPS

This is money that is simply given to you, that you are not required to repay, or work for. Ideally, you want as much money in the form of grants and scholarships as possible, because once you have it, you don't have to worry about it.

LOANS

Like any other loan, this is money that you must pay back. If you're considering an aid package that is mostly comprised of money in the form of a loan, be sure to consider the interest rate you're being offered, as well as other factors such as loan term, and when you must begin repaying your loan. For everything you need to know about student loans, such as how to figure out if a loan is good for you, you can turn to our student loan guide.

WORK STUDY

You can think of this as a part-time job offer. A work study is an on-campus job that will require you to work a certain number of hours per week, for which you will be paid, usually on an hourly basis.

DO

COMPLETE THE FAFSA

Yes, the FAFSA takes a little while to complete, and there is no guarantee that you will receive all the financial aid that you require. But by not filling out the FAFSA at all, you're giving up the opportunity to qualify for money that could help you pay for college.

GET AN FSA ID AHEAD OF TIME

It can take up to 3 days after you register before you can use your FSA ID, so plan ahead

READ ALL FAFSA DEFINITIONS CAREFULLY

As you read above with regard to who is a parent, the FAFSA has some definitions specific to it. This is why you should read each question very carefully, and be sure you understand it before answering. There are two sections that can be particularly misleading.

- The size of **your** or **your parents'** household: the FAFSA includes very specific instructions for how to determine the size of your household, or that of your parents. Read the question carefully.
- The status of your legal guardianship: **one question** in the FAFSA asks you whether you are in a legal guardianship. Note that the definition of legal guardianship here does not include your parents; you also cannot be your own legal guardian.

If you are unsure of what any question on the FAFSA means, seek the help of a financial aid officer, guidance counselor, or call the FAFSA hotline.

LIST MORE THAN ONE COLLEGE

There is no reason to not list as many schools as you are thinking of applying to. Colleges can't see the other schools you've listed on your FAFSA, so you should add all the colleges you are considering applying to, even if you think you might not end up applying there.

DON'T

MISS THE FILING DEADLINE

States, schools, and the federal government often have their own FAFSA deadlines. To be safe, make a list of all the deadline that apply to you, and make sure to have all your forms filled out by the earliest one.

USE ANY SITE BESIDES THE OFFICIAL .GOV WEBSITE TO COMPLETE THE FAFSA

States, schools, and the federal government often have their own FAFSA deadlines. To be safe, make a list of all the deadline that apply to you, and make sure to have all your forms filled out by the earliest one.

FORGET TO REPORT INFORMATION ABOUT YOUR PARENTS

States, schools, and the federal government often have their own FAFSA deadlines. To be safe, make a list of all the deadline that apply to you, and make sure to have all your forms filled out by the earliest one.

FORGET TO SIGN!

Before you submit your FAFSA, you must sign it with your FSA ID. If you (or your parents if they are filling out the FAFSA for you) do not sign the completed form with an FSA ID, your FAFSA is considered incomplete and will not be processed.



THANK YOU!

We'd love to hear from you!

Credible is here to help you with all your student loans needs. See how much you can save by refinancing your student loans with Credible at www.credible.com! If you have any questions about refinancing, or you just want to chat about what options are available to you, please contact us directly at **415.801.0482** or email us at support@credible.com.

We look forward to hearing from you!

—The Credible Team

About Credible

Credible's founding principle is to provide borrowers the level of transparency they deserve.

As a multi-lender marketplace that allows borrowers to receive competitive loan offers from its vetted lenders, Credible empowers consumers to take control of their student loans. Borrowers can fill out one form, then receive and compare personalized offers from numerous lenders and choose which best serves their individual needs.

Credible is fiercely independent, committed to delivering fair and unbiased solutions in student lending.

