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Student Loans

Can You Get Student Loans Without the FAFSA?

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The Free Application for Federal Student Aid (FAFSA) is a crucial step in securing financial aid for higher education in the United States. By completing this application, students gain access to a variety of federal loans, known for benefits including lower, fixed interest rates and flexible repayment options.

However, some borrowers may choose to bypass the FAFSA due to various personal

circumstances or privacy concerns. Others miss the deadlines. If you're finding yourself in one of these situations, you may be able to get student loans without the FAFSA, but you won't qualify for federal loans and student aid.

This article will elaborate on the types of student loans you can obtain with and without a FAFSA, and alternative funding options.


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The importance of the FAFSA for student loans

The [FAFSA](#) is more than just a form—it's the cornerstone of the federal financial aid system. Filling it out affords you eligibility for a wide range of financial aid, including federal student loans, grants, and work-study programs. Grants and work-study programs in particular offer funding you don't need to repay.

 **Quote** *“The FAFSA completion has gotten easier and should not be missed. Even if you will not qualify for any financial aid, it is a requirement for merit aid and work-study jobs. Many of those jobs are easy and can afford some extra spending money while in college.” – Catherine Valega, CFP*

To complete the FAFSA, you and your parent/guardian must share several pieces of information:

- Social Security number or Alien Registration number
- Federal income tax returns and records of untaxed income, both of which you can

access by creating an [online account](#) with the IRS

- [Information on cash, savings, and investments](#)
- A list of schools you're interested in attending

The government uses the data from the FAFSA to calculate your expected family contribution (EFC), a measure of your family's financial strength. Your EFC, in turn, determines the types of aid you qualify for and [how much you can receive](#).

But not everyone wants to go this route. The detailed financial disclosure could deter some applicants. Others may have missed the [application window](#)—**federal applications for the FAFSA open on October 1 and close on June 30 each year**. Each state [has its own deadline](#).

Others opt for other paths due to personal situations, such as immigration status or privacy concerns.

Student loans requiring a FAFSA

Completing the FAFSA is a mandatory step if you're considering federal student loans. This application gives you access to a range of federal loan types, each tailored to meet different needs and financial situations.

Federal loans (FAFSA required):

- **Direct Subsidized Loans:** These loans are for undergraduate students demonstrating financial need. The government pays the interest while you're enrolled at least half-time in school.
- **Direct Unsubsidized Loans:** Open to undergraduate and graduate students, these loans accrue interest immediately, which you are responsible for covering.
- **Direct PLUS Loans:** Available to graduate students and parents of dependent undergraduate students, these loans have higher borrowing limits but come with higher interest rates.

Federal student loans are often the first choice for students because they come with distinct benefits compared to private student loans:

- **Lower interest rates:** Most federal loans offer interest rates lower than those of private loans.

- **Loan forgiveness programs:** Federal loans provide access to various loan forgiveness programs, including [Public Service Loan Forgiveness](#).
- **Income-driven repayment plans:** These repayment plans are flexible, allowing you to adjust payments based on your income, which can be useful in times of financial uncertainty.

Do you need to fill out the FAFSA to get private student loans?

Unlike federal loans, private student loans don't require you to complete the FAFSA. Why? Because private loans are offered by banks and financial institutions, not the government. These lenders have their own criteria for approval, primarily based on creditworthiness rather than financial need.

However, we recommend private student loans only to fill in any gaps after maxing out your federal loans and aid.

Ask the expert: What should students and parents know about combining federal and non-FAFSA loans to cover ▼

their education costs, and are there any downsides to this approach?

Private student loans (FAFSA not required):

- **Are offered by banks and financial institutions:** These organizations set their own terms and conditions, separate from government regulations.
- **Generally have credit-based approval:** For most lenders, your [credit score](#) and history are pivotal in determining your eligibility and interest rate for a private loan. Many college students have yet to develop a credit score, which may mean higher interest rates on any financing obtained by private lenders.

Private student loan lenders do not require you to fill out a FAFSA for approval, but consider the pros and cons:

✓ **Pros**

- **Higher borrowing limits:**

Unlike federal loans, private loans may offer [higher borrowing amounts](#), depending on the lender's

policies and your credit score.

- **Fast approval**

While federal loans can take weeks to months for approval and disbursement, private loans often offer quick approval and access to funds if you have strong credit.

- ✖ **Cons**

- **Higher interest rates**

Most private loans have higher interest rates than federal loans.

- **Fewer repayment**

income-driven repayment plans and loan forgiveness programs.

- **Credit score impact**

Failing to make on-time payments can [harm your credit score](#), making future borrowing more challenging. This is also true for federal loans, but they offer more

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repayment assistance
options than private loans.

Other alternatives for funding without filling out the FAFSA

If you're skipping the FAFSA or missed the deadline and have already considered private loans, other avenues exist, including institutional loans from colleges and personal loans from various lenders. Here's what you should know about each.

- **Institutional loans from colleges.** Some educational institutions provide their own loan packages, often with favorable terms similar to federal loans. These loans aren't as common as federal or private student loans, and they often come with specific eligibility criteria.
- **Personal loans.** Personal loans are an option, but they aren't tailored for educational expenses and often have higher interest rates. Unlike federal loans, personal loans don't offer benefits such as deferment options or income-driven repayment plans.

Our recommendation: Even when considering private student loans and these alternatives, remember that federal loans obtained through the FAFSA often provide the best terms. Lower interest rates and more flexible repayment options make federal loans a wise first choice for most borrowers.

Ask the expert: What do I do if I missed the FAFSA deadline? ^

Catherine Valega, CFP

I would recommend reaching out to your college of choice as soon as possible. If it cannot be flexible with you, or offer other financing options, then request an entry deferment, which maintains your acceptance to the college but delays your start date by one year.

That extra year can also be spent working and saving

Key considerations for non-FAFSA student loans

If you're opting for loans not tied to the FAFSA, it's crucial to make an informed choice.

Consider the following factors when evaluating lenders:

- **Compare interest rates:** Non-FAFSA loans often come with higher interest rates. However, rates can vary between lenders. Taking the time to compare these rates can result in substantial savings over the life of the loan.
- **Review repayment options:** Federal loans provide a range of [repayment options](#), but non-FAFSA loans may offer fewer choices. Look into whether the lender offers deferment or income-driven repayment plans. It's an important aspect that could affect your financial future.
- **Read the fine print:** Understanding loan terms is critical. Make sure to review all conditions, including late fees and prepayment penalties, to avoid surprises.
- **Pay attention to customer reviews:** Customer feedback can offer valuable insights into a lender's reputation and quality of service. A thorough review of these can inform your decision and save you from future issues.

Find out our highest-rated private student loan lenders and read more about how to choose the right one for you on our [best private student loans page](#).

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