



Boston University Financial Assistance

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2014 / 2015

Boston University Financial Assistance

FOUR STEPS
TO MANAGING THE COST
OF YOUR EDUCATION





HOW DO FAMILIES PAY FOR COLLEGE?

- Scholarships, Grants, Student Loans
- Tuition Payment Plan (Current Income)
- Savings (Past Income)
- Credit-Based Loans (Future Income)

Repaying loans taken for major purchases, such as education expenses, may extend over 10-20 years.

TWO CONCERNS ARISE WHEN FAMILIES CONSIDER TAKING A CREDIT-BASED LOAN TO PAY FOR COLLEGE.

1. How to get a loan that offers **affordable** monthly payments
2. How to **minimize** the amount they need to borrow and the total cost of borrowing

STEP 1: HOW MUCH WILL IT COST?

For students living in Boston University housing* or in off-campus apartments, total expenses are estimated at \$63,644.

2014/2015 Total Educational Expenses

Tuition and Fees**	Resident \$46,664
Other Expenses	
Room and Board (<i>most plans</i>)	14,030
Books and Supplies (<i>estimated</i>)	1,000
Incidentals (<i>estimated</i>)	1,950
Total Educational Expenses	<u>\$63,644</u>

*Freshmen are required to live in University housing.

**University tuition and fees are subject to change.

STEP 2: THE MONTHLY PAYMENT PLAN

Always consider the **Tuition Payment Plan** to budget all or part of your charged expenses monthly.

- Reduces the need for parents and students to borrow.
- Annual amount is divided equally in 10 monthly payments.
- No interest charges; the Tuition Payment Plan is not a loan.
- Manage your cash flow by making set monthly payments.
- Payments begin in May for enrollments starting in September.
- Contact Tuition Payment Plan for 2014/2015 fee information.

Learn more about the Tuition Payment Plan at bu.edu/studentaccountingservices/your-bill/payment-plans or call them at 888-844-4754.

STEP 3: HOW MUCH CREDIT-BASED LOAN WILL YOU AND YOUR FAMILY NEED?

From your Total Educational Expenses (Step 1) subtract your Enrollment Deposit (\$650) and amounts you expect to pay from:

- Scholarships, Grants, Student Loans (exclude Federal Work-Study)
- Student and Parent Savings
- The amount you expect to pay through the Tuition Payment Plan

Estimated Credit-Based Loan
Amount Needed to Cover Costs \$ _____



WHAT ABOUT USING A HOME EQUITY LOAN?

Many families utilize home equity loans to pay for college expenses.

- They often have attractive interest rates and repayment options.
- Carefully investigate any fees and risks that may be associated with using the equity in your home to secure a loan.

WHY CONSIDER A FEDERAL STAFFORD LOAN?

- Income-driven repayment options
- No interest payments while enrolled (subsidized borrowers)
- No credit check
- No co-borrower
- Loan forgiveness, in some cases

Learn more at studentaid.ed.gov/types/loans/federal-vs-private.

HAVE YOU FILED THE 2014/2015 FAFSA?

You must file the FAFSA (Free Application for Federal Student Aid) to get a

- Federal Stafford Loan
- Federal PLUS Loan

To complete your FAFSA, go to bu.edu/finaid/apply.

bu.edu/finaid

- Your primary resource for payment strategy information
- Use our calculators and interactive tools to evaluate your payment and borrowing options

STEP 4: SELECT A CREDIT-BASED LOAN THAT'S RIGHT FOR YOU

Only you and your family can decide which loan program is best for you. We urge you to base your selection on the factors listed below in the far left column. We've completed the "Federal PLUS Loan for Undergraduates" column and you can use the remaining columns to compare features of other loan programs you are considering. At bu.edu/financial/types-of-aid/loans/credit-based-loans/undergraduate we list detailed information on several loan programs, but that list is not exhaustive. You are welcome to select other credit-based loans not listed there. It is best to submit your loan application approximately 60 days prior to the semester payment deadline, which for the fall semester is early August. Also, be sure to utilize your Federal Stafford Loan eligibility before taking a credit-based loan.

BASE YOUR SELECTION ON	FEDERAL PLUS LOAN FOR UNDERGRADUATES	OTHER CREDIT-BASED LOAN PROGRAM	OTHER CREDIT-BASED LOAN PROGRAM
Who Is the Borrower?	Parents of eligible dependent undergraduate students. The borrower and the student must be US citizens or permanent residents.		
Interest Rate	The interest rate for loans first disbursed after June 30, 2013 and prior to July 1, 2014 is 6.41%, fixed for the life of the loan.		
Credit Criteria	Must pass PLUS Loan credit check. Parents unable to meet the PLUS credit criteria may be able to borrow with a creditworthy "endorser." The endorser cannot be released from the repayment obligation before the loan is repaid in full.		
Fees	The net loan amount disbursed is less than the amount borrowed, because of a 4.288% origination fee.		
Minimum & Maximum Allowed	Loans are approved for \$100 up to the total annual cost of education minus any financial aid, including any Federal Stafford Student Loan.		
Repayment Terms	A 10-year standard monthly repayment of approximately \$11.80 per \$1,000 borrowed, with a \$50 monthly minimum payment. Extended and graduated repayment plans are available. Principal and interest payments begin 60 days after the loan has been fully disbursed. No prepayment penalty.		
Enrollment Status	Students must be enrolled in an undergraduate degree program for at least 6 credits each semester. Credits must be accepted toward the degree program.		
Deferment Options	Can defer payments until 6 months after the student ceases to be enrolled at least half time. During deferment period interest can be paid monthly, quarterly, or capitalized quarterly.		
Can Loan Be Sold?	The loan will be held by the US Department of Education for the life of the loan.		
Other Borrower Benefits	Eligible for loan consolidation under Federal Direct Consolidation Loan Program.		
How to Apply	Get more information: studentaid.ed.gov To apply, go to bu.edu/financial and file your FAFSA; then download and complete the Federal PLUS Loan Request Form. Mail or fax (617-353-8200) it to BU Financial Assistance. Contact BU Financial Assistance: financial@bu.edu or 617-353-2965.		

SMART INVESTMENT

Maximize your opportunities to enrich your life, secure rewarding employment, and repay your loans by choosing a **high-quality education**.



Graduation Rate

Percentage of full-time BU students who graduate within 6 years



83.9%

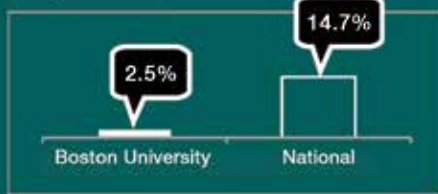
LOW

MEDIUM

HIGH

Loan Default Rate

Percentage of borrowers entering



Median Borrowing

Students at Boston University typically borrow \$25,000 in Federal loans for their undergraduate study. The Federal loan payment over 10 years for this amount is approximately \$287.70 per month. Your borrowing may be different.



CAREFUL BORROWING

Here's what you should know about student loan debt as a BU student.

- Plan how much you can afford to borrow over **all four years**.
- The median four-year debt for 2013 graduates who borrowed a Federal student loan was **less than 13% of the total cost of their education**.
- Borrow **only as much as you need** and you'll have less to repay later.
- Learn how to reduce your expenses and borrow less at **Smart Money 101** (bu.edu/smartmoney101).
- Get a part-time job through **BU Student Employment** and borrow less by using money you earn to pay expenses.
- Check out all your loan repayment options including **Income-Based Repayment** at bu.edu/finaid/types-of-aid/loans/loan-repayment. IBR allows you to make lower monthly payments on your Federal Stafford and Consolidation loans.

FIGURE OUT THE FINANCING

USE OUR EASY LOAN CALCULATORS.

- Queue up your questions.** How much do I need to borrow? What will my monthly payment be? How can I use the Tuition Payment Plan to reduce my borrowing?
- Run the numbers.** Go to bu.edu/finaid/forms-calculators/loan-calculators/payments.

- Most BU students graduate within four years and **do not incur additional costs of prolonged enrollments**.
- BU's Federal student loan cohort default rate is very low, which demonstrates that **BU graduates are able to repay their student loans**.
- The unemployment rate for bachelor's degree recipients is **about half** the rate ascribed to those with only a high school diploma.
- Students who borrow a private loan in addition to a Federal loan typically borrow an additional \$4,000 for their undergraduate study.

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HOW DO I FIT PAYMENTS INTO MY MONTHLY BUDGET?
Fit Monthly Loan & Tuition Payment Plan Payments into Your Budget

1. Total to be financed: [input field]

2. Select a loan type:

- PARENT LOANS
 - Federal PLUS
 - NEPA Loan for Undergraduate Education
 - Wells Fargo Student Loan for Parents
- STUDENT LOANS
 - Citizens Bank TuFTN Student Loan
 - Discover Undergraduate Loans
 - NEPA Undergraduate Student Deferred Loan
 - FINEB Student Loans for Undergraduates
 - Study Max Smart Option Student Loan
 - Wells Fargo College Loan

3. Enter maximum amount you expect to have available for educational expenses per month: [input field]

4. Click the Calculate button

Calculate

You must price the Calculate button each time you change the loan type or monthly payment amount.

	Tuition Payment Plan	- Loan	= Total
Total Financed	[input field]	[input field]	[input field]
Monthly Payment	[input field]	[input field]	[input field]