

FOUR
STEPS

**TO MANAGING
THE COST
OF YOUR
EDUCATION.
2024/2025**



93%
OF BU STUDENTS HAVE FOUND EMPLOYMENT, ENROLLED IN GRAD SCHOOL, OR ARE ENGAGED IN OTHER POSTGRADUATE PURSUITS WITHIN 6-9 MONTHS OF GRADUATION.

BU.EDU/FINAID
YOUR PRIMARY RESOURCE FOR PAYMENT STRATEGY INFORMATION.
USE OUR CALCULATORS AND INTERACTIVE TOOLS TO EVALUATE YOUR PAYMENT AND BORROWING OPTIONS.

BOSTON UNIVERSITY. A SMART INVESTMENT.

● Most BU students graduate within four years and do not incur additional costs of prolonged enrollments.

● BU graduates are able to repay their student loans better than the national average. BU's federal student loan default rate for the cohort most recently in repayment is only 0.5%, which compares very favorably to the 2.3% national rate.

● Within 6-9 months of graduation, 93% report that they have secured employment, enrolled in graduate school, or are engaged in other postgraduation pursuits.

WHY CONSIDER A FEDERAL DIRECT LOAN?

- Income-driven repayment options including the SAVE Plan
- No interest accrued while enrolled (subsidized borrowers)
- No credit check
- No coborrower
- Loan forgiveness, in some cases

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

HAVE YOU FILED THE 2024/2025 FAFSA?

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

- Federal Direct Loan (student borrower)
- Federal PLUS Loan (parent borrower)
- To complete your FAFSA, go to bu.edu/finaid/apply.

PAYING FOR YOUR EDUCATION AND GRADUATING WITH AS LITTLE DEBT AS POSSIBLE REQUIRES CAREFUL PLANNING.

We hope you will use these four steps to help you develop a successful plan to manage the cost of your BU education.

HOW DO FAMILIES PAY FOR COLLEGE?

- Scholarships, grants
- Monthly payment plan (current income)
- Savings (past income)
- Federal Direct Loans (future student income)
- Credit-based loans (future parent or student income)

Massachusetts state law requires college students enrolled 75% or greater to be covered by a university-sponsored health insurance plan or an alternative plan with comparable coverage. If you will not have qualifying comparable coverage, be sure to include this expense in your planning. Basic coverage for the 2023/2024 BU-sponsored plan was \$3,280. Financial aid may be available to help with these costs if your family does not have a plan that qualifies.

STEP

1

KNOW HOW MUCH IT WILL COST.

For students living in BU housing* or in off-campus apartments, total academic year expenses are estimated at \$90,207.

COST OF ATTENDANCE.

Billed expenses for the 2024/2025 academic year**

Tuition	\$66,670
Housing (depending on type of accommodation)	\$12,180
Food (most dining plans)	\$6,840
Fees	\$1,432
Total estimated billed expenses	\$87,122

Other expenses (estimated)

Books and supplies	\$1,000
Personal expenses	\$1,455
Local transportation	\$630
Total other expenses	\$3,085

Total cost of attendance **\$90,207**

* First-year students are required to live in University housing.

**Tuition and fees are subject to change by action of the Board of Trustees.

For College of General Studies (CGS) students, total expenses for the spring semester and summer semester are similar. Learn more at bu.edu/financial-aid/applycg.

STEP

2

CONSIDER THE MONTHLY PAYMENT PLAN.

Always consider the monthly payment plan to budget all or part of your charged expenses.

- Reduces the need for parents and students to borrow.
- No interest charges; the monthly payment plan is not a loan.
- Manage your cash flow by making set monthly payments.
- Payments begin in May for enrollments starting in September.
- Payments begin in October for enrollments starting in January.
- Summer CGS plan details will be emailed to students.

Learn more about the monthly payment plan, including 2024/2025 fees, at bu.edu/financial-aid/payment-plans.

STEP

3

DETERMINE HOW MUCH CREDIT-BASED LOAN YOU AND YOUR FAMILY WILL NEED.

From your Total Cost of Attendance (Step 1), subtract your Enrollment Deposit (\$650) and amounts you expect to pay with:

- Your BU financial aid award (exclude Federal Work-Study)
- Scholarship from non-BU sources
- Student and parent savings
- Amount you expect to pay via the monthly payment plan

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

FIGURE OUT THE FINANCING. USE OUR EASY PLANNING CALCULATOR.

- How can I estimate what BU will bill me? Where can I estimate what I'll pay for non-billed expenses? How can I estimate how much I'll need to borrow?
- Run the numbers. Go to bu.edu/financial-aid-basics/plan-calculator.

WHAT IS A "CREDIT-BASED" LOAN?

Generally, an educational loan described as "credit-based" requires that the borrower or the borrower with a creditworthy cosigner, or endorser meets certain credit criteria established by the lender. The lender may be a private bank, credit union or other financial institution, or a state or federal government entity. A wide variety of loans are available and terms vary with the lender.

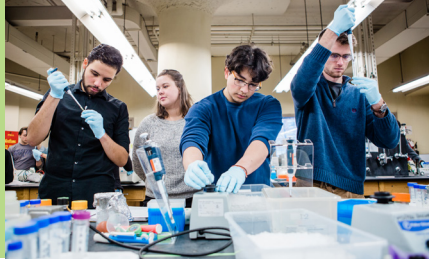
Repaying loans taken for major purchases, such as education expenses, may extend over 10–20 years.

WHAT ABOUT USING A HOME EQUITY LOAN?

Many families utilize home equity loans to pay for college expenses even though using funds for this purpose no longer qualifies for tax benefits.

- 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.





UNDERSTAND HOW TO SELECT A CREDIT-BASED LOAN.

When families consider taking a credit-based loan to pay for college, two concerns arise:

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.

Only you and your family can decide which loan program is best for you. We suggest using credible.com/bostonuniversity, a free online loan-selection tool that allows you to analyze prequalified rates, terms, and eligibility rules side-by-side in just a few minutes. You can filter your search to sort based on key factors most important to you. But their list is not exhaustive; you are welcome to select other credit-based loans that are not listed there.

CREDIT-BASED LOAN TIMELINE.

ACTION STEP	WHEN SHOULD I ACT?	WHERE CAN I GET HELP?
1. DO I NEED TO BORROW? HOW MUCH?	Evaluate your finances and determine if you need to borrow, and how much, 2-3 months before the semester payment deadline.*	Use our college cost planning calculator at bu.edu/finaid/planningcalc .
2. WHAT AM I LOOKING FOR IN A LOAN AND HOW DO I PICK A LENDER?	Start identifying the elements of a loan that are important to you and decide which loan you will apply for 1-2 months before the semester payment deadline.*	Learn more about which credit-based loan is right for you on the next page.
3. HOW DO I APPLY FOR A LOAN?	Decide which loan you will apply for 1-2 months before the semester payment deadline.*	Learn more about loans at bu.edu/finaid/privateloan
4. WHEN SHOULD I APPLY FOR A LOAN?	Be prepared to submit your application approximately 45 days before the semester payment deadline* to maximize the likelihood that the lender will approve your loan by the date the bill is due.	If you opt to: <ul style="list-style-type: none"> ● Apply for a Federal PLUS Loan at BU, go to bu.edu/finaid/federalplus. ● Apply for a private loan, apply via the lender's website.

*The payment deadline for the fall semester is in early August. The payment deadline for the spring semester is in mid-December.

WHICH CREDIT-BASED LOAN IS BEST FOR YOU?

It depends on your **circumstances** and on your **priorities**.

IF YOU...	YOU MAY WANT A LENDER OFFERING...
have strong credit	tiered interest rates where the lender rewards your good credit with lower rates.
have weaker credit	less stringent credit criteria to minimize your chances of being denied.
need lowest monthly payments	longer repayment terms: 15-20 years.
want level monthly payments	fixed-rate loans.
want lowest cost of borrowing	shorter repayment term (10 years) and no prepayment penalties.
have a reluctant coborrower	flexible coborrower release options and/or reasonable terms for students without a coborrower.
want payments you can defer while in school	liberal in-school deferment options.

PLAN TO MINIMIZE YOUR DEBT

- Borrow only as much as you need; you'll have less to repay later.
- Minimize your expenses and maximize your resources. For lots of helpful tips, use our planning guide at bu.edu/finaid/plan.
- To help you estimate your expenses, your resources, and the net costs to you and your family, use our expense planning calculator at bu.edu/finaid/planningcalc.
- Set annual borrowing limits for yourself based on how much you expect to need for the entire academic program of study. Limit your borrowing each year to no more than those budgeted amounts.
- Be sure that you start researching credit-based loans early enough to secure funds before the bill is due. Use the Credit-Based Loan Timeline chart as your step-by-step guide at bu.edu/finaid/loantimeline.
- Keep in mind that the typical median student loan debt (federal, state, and private) upon graduation from BU is \$26,262, approximately 8% of the total cost of attendance over four years.
- Learn how to reduce your expenses and borrow less through Smart Money at bu.edu/smartmoney.
- Borrow less by using money you earn to pay incidental expenses. Get a part-time job through BU Student Employment at bu.edu/seo.



Boston University Financial Assistance

881 Commonwealth Avenue
Boston, Massachusetts 02215

bu.edu/financial

**PLEASE USE
THIS STEP-BY-
STEP GUIDE**
TO HELP YOU MANAGE THE
COST OF YOUR COLLEGE
EDUCATION!

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