FOUR STEPS TO MANAGING THE COST OF YOUR EDUCATION

Boston University Financial Assistance
STEP 1: HOW MUCH WILL IT COST?

For students living in Boston University housing* or in off-campus apartments, total academic year expenses are estimated at $75,002.

**2019/2020 Total Educational Expenses**

<table>
<thead>
<tr>
<th>Resident</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and Fees**</td>
<td>$55,892</td>
</tr>
<tr>
<td>Room and Meal Plan (most plans)</td>
<td>16,160</td>
</tr>
<tr>
<td>Books and Supplies (estimated)</td>
<td>1,000</td>
</tr>
<tr>
<td>Incidents (estimated)</td>
<td>1,950</td>
</tr>
<tr>
<td><strong>Total Educational Expenses</strong></td>
<td>$75,002</td>
</tr>
</tbody>
</table>

*Freshmen are required to live in University housing.

**University tuition and fees are subject to change.

For College of General Studies students, total expenses for the spring semester and summer term are similar. Learn more at bu.edu/finaid/apply/cgs-boston-london/incoming.

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 London plan details will be emailed to students.

Learn more about the monthly payment plan, including 2019/2020 fees, at bu.edu/studentaccountingservices/your-bill/payment-plans.

HOW DO FAMILIES PAY FOR COLLEGE?

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

WHY CONSIDER A FEDERAL STAFFORD LOAN?

- Income-driven repayment options
- No interest accrued 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 2019/2020 FAFSA?

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

- Federal Stafford Loan (student borrower)
- Federal PLUS Loan (parent borrower)

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

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 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 Costs $________

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 monthly payment plan to reduce my borrowing?
- Run the numbers. Go to bu.edu/finaid/forms-calculators/loan-calculators/payments.
STEP 4: 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. At bu.edu/finaid/types-of-aid/loans/credit-based-loans/undergraduate we list detailed information on several loan programs, but our list is not exhaustive. You are welcome to select other credit-based loans that are 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.

WHAT IS A “CREDIT-BASED” LOAN?
Generally, an educational loan described as “credit-based” requires that the borrower or the borrower with a credit-worthy coborrower, 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 loan products 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.
- 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.

CREDIT-BASED-LOAN TIMELINE

<table>
<thead>
<tr>
<th>ACTION STEP</th>
<th>WHEN SHOULD I ACT?</th>
<th>WHERE CAN I GET HELP?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Do I need to borrow? How much should I borrow?</td>
<td>Start researching your options 3–4 months before the semester payment deadline.*</td>
<td>Use our college cost planning calculator at bu.edu/finaid/aid-basics/plan/ calculator.</td>
</tr>
<tr>
<td>2. What am I looking for in a loan?</td>
<td>Start identifying the elements of a loan that are important to you 2–3 months before the semester payment deadline.*</td>
<td>Learn more about how to identify which loan is right for you on the next page.</td>
</tr>
<tr>
<td>3. How do I pick a lender?</td>
<td>Decide which loan product you will apply for 1–2 months before the semester payment deadline.*</td>
<td>Learn more about loan products at bu.edu/finaid/types-of-aid/loans/credit-based-loans/undergraduate.</td>
</tr>
<tr>
<td>4. How do I apply for a loan?</td>
<td>Be prepared to submit your application approximately 30–60 days before the semester payment deadline* to maximize the likelihood that the lender will approve your loan by the date the bill is due.</td>
<td>If you opt to:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Apply for a private loan listed by BU at bu.edu/finaid/types-of-aid/loans/credit-based-loans/undergraduate and select “Private Credit-Based Loans.”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Apply for a private loan not listed on the BU ELMSelect page, go to that lender’s website.</td>
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<tr>
<td></td>
<td></td>
<td>- Apply for a Federal PLUS Loan at BU, go to bu.edu/finaid/types-of-aid/loans/credit-based-loans/undergraduate/federal-direct-plus-loan.</td>
</tr>
</tbody>
</table>

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

Graduation Rate
Percentage of full-time students who graduate within 6 years

LOW MEDIUM HIGH

86.5%

Repayment Rate
Percentage of borrowers entering into repayment within 3 years of leaving school:

82.2%
46.2%

Boston University

Median Borrowing
Students who borrow at BU typically take out $25,625 in federal loans for their undergraduate study. The federal loan payment over 10 years for this amount is approximately $272 per month. Your borrowing may be different.

LOW MEDIUM HIGH

LOW MEDIUM HIGH

LOW MEDIUM HIGH

LOW MEDIUM HIGH
WHICH CREDIT-BASED LOAN IS BEST FOR YOU?
IT DEPENDS ON YOUR CIRCUMSTANCES AND ON YOUR PRIORITIES.

IF YOU...

- have strong credit
- need lowest monthly payments
- want lowest cost of borrowing
- want payments you can defer while in school
- have weaker credit
- want level monthly payments
- have a reluctant coborrower

YOU MAY WANT A LENDER OFFERING...

- tiered interest rates where the lender rewards your good credit with lower rates.
- longer repayment terms: 15–20 years.
- shorter repayment term (10 years) and no prepayment penalties.
- liberal in-school deferment options.
- fixed-rate loans.
- flexible coborrower release options and/or reasonable terms for students without a coborrower.

PLAN TO MINIMIZE YOUR DEBT

- Borrow only as much as you need; you’ll have less to repay later.
- Use our planning guide at bu.edu/finaid/aid-basics/plan for lots of helpful tips. Minimize your expenses and maximize your resources.
- Use our expense planning calculator at bu.edu/finaid/aid-basics/plan/calculator to help you estimate your expenses, resources, and net costs to you and your family.
- 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.
- Use the Loan Timeline chart at bu.edu/finaid/types-of-aid/loans/credit-based-loan-timeline as your step-by-step guide and be sure that you start researching credit-based loans early enough to secure funds before the bill is due.
- Keep in mind that the typical median student loan debt (federal, state, and private) upon graduation from BU is $31,500, only 12% of the total cost of education.
- 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 at bu.edu/seo. Borrow less by using money you earn to pay incidental expenses.
- Learn about your options for repayment of your federal student loans, 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.