



**Boston University** Financial Assistance

881 Commonwealth Avenue  
Boston, Massachusetts 02215

FIRST CLASS  
U.S. POSTAGE  
PAID  
BOSTON MA  
PERMIT NO. 1839



## Four Steps to Managing the Cost of Your Education

# 2009/2010

### **Best-Kept Secret**

The BU Financial Assistance website has a calculator to help you figure out how much you can afford using a combination of monthly payment plan and credit-based loan.

[www.bu.edu/finaid](http://www.bu.edu/finaid)

*Boston University's policies provide for equal opportunity and affirmative action in employment and admission to all programs of the University.*

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### **Payment Strategy Tips**

- Limit borrowing to the amount you can't cover from savings and current income.
- Use the TuitionPay monthly payment plan to manage cash flow payments from current income.
- As with other large purchases, educational loan repayments may extend over 10–20 years.
- Most families pay with a combination of current income, savings, and borrowing.
- Consider what's more important to you, low monthly payments or low total cost of financing.





**FOUR STEPS TO MANAGING THE COST OF YOUR EDUCATION**



2009/2010



## STEP 3: Always Consider the No-Interest Payment Plan for Part of the Cost

### TuitionPay Monthly Payment Plan

- Budget all **or part** of educational costs
- Annual amount is divided equally in 10 monthly payments
- No interest charges; TuitionPay is not a loan
- Payments begin in May
- Nonrefundable \$60 fee

*TuitionPay* is a product of Sallie Mae Business Office Solutions: [www.TuitionPay.com](http://www.TuitionPay.com) or 800-635-0120

## STEP 1: How Much Will It Cost?

### 2009/2010 Total Educational Expenses

For students living in Boston University housing\* or in off-campus apartments, total expenses are estimated at \$53,000. For students commuting from their parents' homes, expenses are estimated at \$44,900.

	Commuter	Resident
<b>Tuition and Fees**</b>	\$38,440	\$38,440
<b>Other Expenses</b>		
Room and Board ( <i>most plans</i> )	0	11,848
Books and Supplies ( <i>estimated</i> )	940	940
Incidentals ( <i>estimated</i> )	3,417	1,772
Meals at Home/On Campus ( <i>estimated</i> )	2,103	0
<b>Total Educational Expenses</b>	<b>\$44,900</b>	<b>\$53,000</b>

\*Freshmen are required to live in University housing.

\*\*University tuition and fees are subject to change without notice.

## STEP 2: How to Estimate the Bill

From your **Total Educational Expenses (Step 1 above)** subtract:

- Student Aid (excluding Federal Work-Study)
- Enrollment Deposit
- Estimated Contribution from Savings

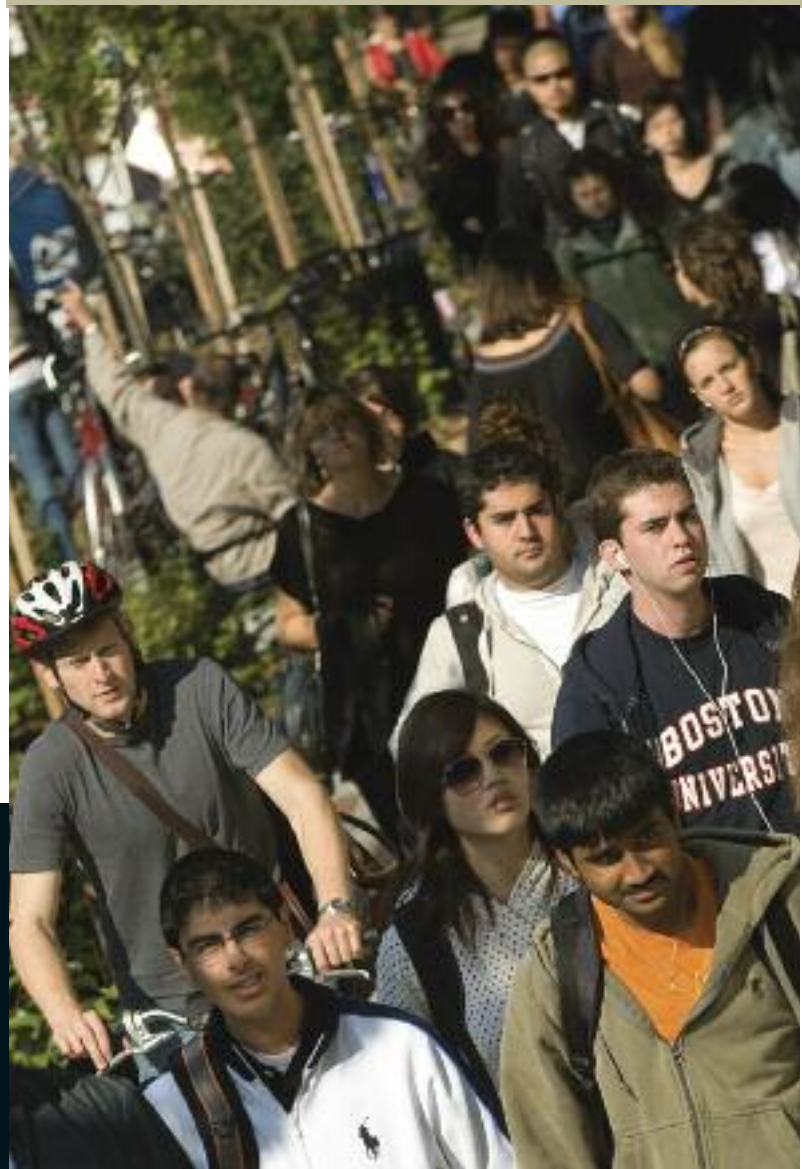
To calculate your **Expenses to be Financed**

**Most families have two major concerns when considering educational financing:**

1. How to get affordable monthly payments
2. How to minimize the cost of financing

## [www.bu.edu/finaid](http://www.bu.edu/finaid)

- Your primary resource for payment strategy information
- Use the calculators and interactive tools to evaluate financing options



## STEP 4: Select a Credit-Based Loan That's Right for You

No one can tell you 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 Direct PLUS Loan for Undergraduates column and suggest that you use the remaining columns to compare features of other loans you are considering. At [www.bu.edu/finaid/loans/credit](http://www.bu.edu/finaid/loans/credit) you will find information on other loan programs, but that list is not exhaustive. You are welcome to select other private loans not detailed there. Also, be sure to utilize the student's Federal Direct Stafford Loan eligibility before taking a credit-based loan.

Base Your Selection On	Federal Direct PLUS Loan for Undergraduates	Other Credit-Based Loan Program	Other Credit-Based Loan Program
<b>Credit Criteria</b>	Must pass PLUS Loan credit check and must not have adverse credit history.		
<b>Who Is the Borrower?</b>	Parent of an eligible dependent undergraduate. The borrower and the student must be U.S. citizens or permanent residents.		
<b>Interest Rate</b>	Fixed at 7.90%.		
<b>Repayment Terms</b>	A 10-year standard monthly repayment of \$12.08 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.		
<b>Co-Borrower or Endorser Release</b>	Parent 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.		
<b>Deferment Options</b>	Can defer payments while student is enrolled and until 6 months after he or she ceases to be enrolled at least half time. During deferment period interest can be paid monthly, quarterly, or capitalized quarterly.		
<b>Fees</b>	The 4% origination fee is offset by a 1.5% up-front rebate. Thus, the net loan amount disbursed is approximately 2.5% less than the amount borrowed.		
<b>Minimum &amp; Maximum Allowed</b>	Loans are approved from \$100 up to the total annual cost of education minus any financial aid, including any Federal Direct Stafford Student Loan.		
<b>Enrollment Status</b>	Students must be enrolled in an undergraduate degree program for at least 6 credits each semester.		
<b>Other Borrower Benefits</b>	Eligible for loan consolidation under Federal Direct Consolidation Loan Program.		
<b>How to Apply</b>	Contact BU Financial Assistance at <a href="http://www.bu.edu/finaid">www.bu.edu/finaid</a> or 617-353-2965.		