



Boston University Financial Assistance

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**BOSTON
UNIVERSITY**

2018 / 2019

FOUR STEPS

TO MANAGING THE COST OF YOUR EDUCATION

Boston University Financial Assistance

BU IS A SMART INVESTMENT

- 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 only 1.3%, which compares very favorably to the 11.5% national rate and 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.



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 2018/2019 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 1: HOW MUCH WILL IT COST?

For students living in Boston University housing* or in off-campus apartments, total expenses are estimated at \$72,618.

2018/2019 Total Educational Expenses

	Resident
Tuition and Fees**	\$53,948
Other Expenses	
Room and Meal Plan (most plans)	15,720
Books and Supplies (estimated)	1,000
Incidentals (estimated)	1,950
Total Educational Expenses	\$72,618

*Freshmen are required to live in University housing.

**University tuition and fees are subject to change.

STEP 2: CONSIDER THE MONTHLY PAYMENT PLAN

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

- Reduces the need for parents and students to borrow.
- Five monthly payments per semester.
- 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.

Learn more about the monthly payment plan, including 2018/2019 fees, at bu.edu/studentaccountingservices/your-bill/payment-plans.

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 \$_____

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 co-borrower, co-signer, or endorser meets certain credit criteria established by the lender. Showing calculated financial eligibility is typically not required. 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.



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.

Graduation Rate

Percentage of full-time students who graduate within 6 years

85.3%

Low	Medium	High
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Repayment Rate

Percentage of borrowers entering into repayment within 3 years of leaving school

82.4%

44.7%
National Average

Boston University

Median Borrowing

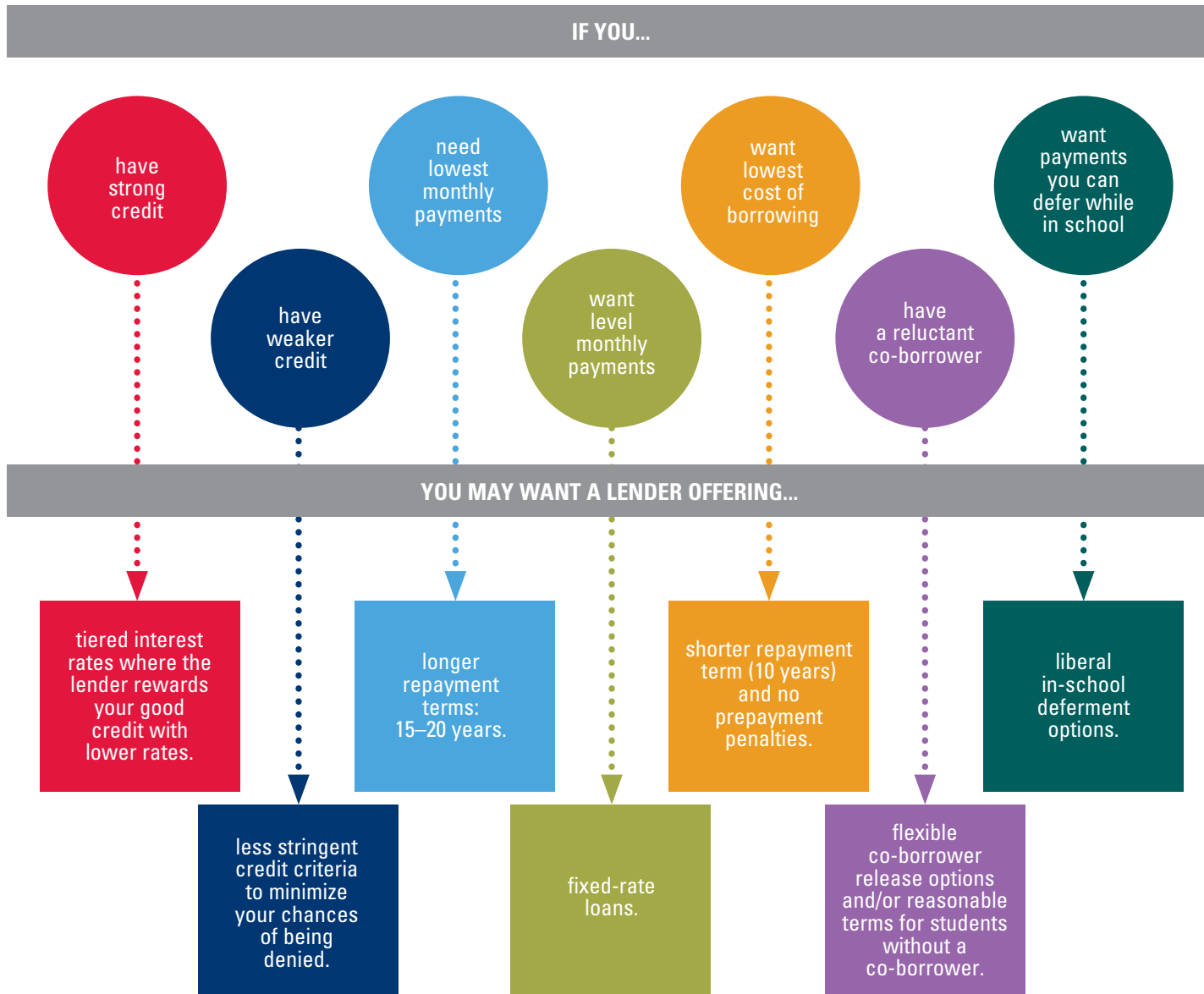
Students who borrow at BU typically take out \$27,000 in federal loans for their undergraduate study. The federal loan payment over 10 years for this amount is approximately \$279 per month. Your borrowing may be different.

\$



WHICH CREDIT-BASED LOAN IS BEST FOR YOU?

IT DEPENDS ON YOUR CIRCUMSTANCES AND ON YOUR PRIORITIES.



Boston University is an equal opportunity, affirmative action institution. 0318

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.
- 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.