

2021/2022



# FOUR STEPS

TO MANAGING THE COST OF YOUR EDUCATION.

**Boston University** Financial Assistance

**BOSTON**  
UNIVERSITY

**[bu.edu/finaid](https://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 cohort default rate is only 1.4%, which compares very favorably to the 9.7% national rate.
- Within 6–9 months of graduation, **only 6% of graduates** report that they are still seeking employment, graduate school enrollment, or other postgraduation pursuits.



**We know you and your family have many choices and decisions to make and we hope this guide helps make Boston University financially doable for you.**

**The following pages include four steps toward managing the cost of your education at BU, but first the answers to a few questions.**

#### **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)

#### **WHY CONSIDER A FEDERAL DIRECT LOAN?**

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

**Learn more at [studentaid.gov/understand-aid/types/loans/federal-vs-private](https://studentaid.gov/understand-aid/types/loans/federal-vs-private).**

#### **HAVE YOU FILED THE 2021/2022 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](https://bu.edu/finaid/apply).**

**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 2020/2021 BU-sponsored plan was \$2,789.



# 1

## STEP

### KNOW HOW MUCH IT WILL COST.

For students living in BU housing\* or in off-campus apartments, total academic year expenses are estimated at \$79,606.

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

## COST OF ATTENDANCE.

BILLED EXPENSES FOR THE 2021/2022 ACADEMIC YEAR\*\*

Tuition	\$58,560
Room and meal plan <i>(depending on type of accommodation)</i>	\$16,840
Fees	\$1,256
<b>TOTAL ESTIMATED BILLED EXPENSES</b>	<b>\$76,656</b>



### Other expenses (estimated)

Books and supplies	\$1,000
Personal expenses	\$1,320
Local transportation	\$630
<b>TOTAL OTHER EXPENSES</b>	<b>\$2,950</b>
<b>TOTAL COST OF ATTENDANCE</b>	<b>\$79,606</b>

\*\*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/finaid/applycgs](https://bu.edu/finaid/applycgs).

# 2

## STEP

### 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 2021/2022 fees, at [bu.edu/finaid/paymentplans](https://bu.edu/finaid/paymentplans).



# 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.**

- **Queue up your questions.** 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/finaid/aid-basics/plan/calculator](https://bu.edu/finaid/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.

# 4 STEP

## 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, 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 should I borrow?	Start researching your options 3-4 months before the semester payment deadline.*	Use our college cost planning calculator at <a href="https://bu.edu/finaid/planningcalc">bu.edu/finaid/planningcalc</a> .
2. What am I looking for in a loan?	Start identifying the elements of a loan that are important to you 2-3 months before the semester payment deadline.*	Learn more about how to identify which loan is right for you on the next page.
3. How do I pick a lender?	Decide which loan you will apply for 1-2 months before the semester payment deadline.*	Learn more about loans at <a href="https://bu.edu/finaid/privateloan">bu.edu/finaid/privateloan</a> .
4. How do 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.	<p><b>If you opt to:</b></p> <ul style="list-style-type: none"> <li>• Apply for a Federal PLUS Loan at BU, go to <a href="https://bu.edu/finaid/federalplus">bu.edu/finaid/federalplus</a>.</li> <li>• Apply for a private loan, apply via the lender's website.</li> </ul>

\*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](https://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](https://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](https://bu.edu/finaid/loantimeline).

Keep in mind that the typical median student loan debt (federal, state, and private) upon graduation from BU is \$29,500, only 10% of the total cost of education over four years.

Learn how to reduce your expenses and borrow less through **Smart Money 101** at [bu.edu/smartmoney101](https://bu.edu/smartmoney101).

Borrow less by using money you earn to pay incidental expenses. Get a part-time job through **BU Student Employment** at [bu.edu/seo](https://bu.edu/seo).



**Boston University** Financial Assistance

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



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