

## Bates College Financing Options 2009-2010 Academic Year

Regardless of a family's income level, paying for college is a significant investment, and there are several options available to help families manage the cost of a Bates education: payment plans, federal student loans, federal parent loans, and private/alternative education loans. Information about these options is provided in this guide. We encourage you to review this information and hope that you will contact Student Financial Services should you have questions about any of these programs.

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### **COST OF ATTENDANCE**

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Bates charges a single comprehensive fee, which includes tuition, room, board, and fees. Our comprehensive fee for 2009-2010 is \$51,300. Please note that Bates makes every effort to keep costs down, but your family should anticipate increases in the comprehensive fee from one year to the next. As you plan for your expenses, be sure to factor in costs for four years.

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### **TEN-MONTH PAYMENT PLAN**

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Bates offers a ten-month payment plan for families through Tuition Management Systems (TMS). With this plan, families can budget any amount up to the entire comprehensive fee. Payments are made in monthly installments starting in July and ending in April. There is a \$65 enrollment

fee for the plan. Additional information about payment plans offered by TMS can be obtained by calling or visiting:

#### **Tuition Management Systems (TMS)**

1-800-722-4867

[www.afford.com/bates](http://www.afford.com/bates)

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### **FEDERAL PLUS LOAN**

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#### **Eligibility**

The PLUS Loan is a non-need-based, low-interest, federally guaranteed education loan for parents of all income levels. Eligibility is limited to those parents without an adverse credit history, as determined by the lender. Parents may borrow up to the total cost of education minus financial aid.

#### **Interest Rate/Loan Fees**

The interest rate is fixed at 8.5 percent. An origination fee of up to 4 percent of the loan principal will be deducted proportionally from each loan disbursement.

#### **PLUS Application Process**

Bates participates in the Federal Family Education Loan Program (FFELP), which means that parents borrow from a FFELP-participating lending institution. The lender performs the required credit check and borrowers sign a promissory note with their

chosen lender. In addition, parents must complete a *Bates PLUS Loan Request Form*, specifying the amount and lender from which they wish to borrow.

For 2009-2010, parents will be able to complete a *Bates PLUS Loan Request Form* online through the Student Financial Services web site. Complete instructions and a list of Bates-recommended lenders will be available at [www.bates.edu/sfs](http://www.bates.edu/sfs) in early June. Parents typically apply for PLUS loans during the summer.

### Disbursement

Loan proceeds are disbursed in two equal installments, once each semester.

### PLUS Loan Repayment

Repayment of PLUS Loans begins 60 days after the funds are fully disbursed, and the repayment term is up to ten years (there is a minimum payment of \$50 per month). Parents have the option of deferring payments on the PLUS Loan while the undergraduate student on whose behalf the loan was borrowed is enrolled, and during the six-month grace period after the student graduates or ceases to be a student. Interest continues to accrue during this deferment period, however. Alternate repayment terms such as extended repayment, graduated repayment, and income-contingent repayment are also available. Extending repayment can make monthly payments more manageable, but may result in more interest paid over time.

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## FEDERAL STAFFORD LOAN

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### Eligibility

The Federal Stafford Loan is a low-interest loan designed to help meet the costs of postsecondary education. All students who have filed a Free Application for Federal Student Aid (FAFSA) are eligible, including those who do not qualify for need-based aid. Students who do not qualify for need-based aid are ineligible for the interest subsidy from the federal government. Borrowers of unsubsidized Stafford Loans can either pay the interest quarterly or choose to have the interest accrue while they are enrolled in college.

### Stafford Loan Limits

The maximum annual amount that a student may borrow for undergraduate education (subsidized + unsubsidized) is based on the student's grade level; limits are shown below:

Student Grade Level	Subsidized Stafford	Additional Unsubsidized Stafford
1 <sup>st</sup> year	\$3,500	\$2,000
2 <sup>nd</sup> year	\$4,500	\$2,000
3 <sup>rd</sup> year	\$5,500	\$2,000
4 <sup>th</sup> year	\$5,500	\$2,000

### Interest Rate/Loan Fees

The interest rate for subsidized Stafford loans is fixed at 5.6 percent for loans disbursed between July 1, 2009, and June 30, 2010. If a student qualifies for the in-school subsidy, the federal government pays the interest on the loan while the student is enrolled. The interest rate on unsubsidized Stafford Loans is 6.8 percent,

with the borrower responsible for paying any accrued interest. An origination fee of 1.5 percent of the principal loan amount is deducted by the lender prior to disbursement.

### **Stafford Application Process**

Bates participates in the Federal Family Education Loan Program (FFELP), which means that students borrow from a FFELP participating lending institution. Borrowers sign a promissory note with their chosen lender. There is no credit check for Stafford loans. Student borrowers must complete a *Bates Stafford Loan Authorization Form*, specifying the amount and lender from which they wish to borrow.

For 2009-2010, students will be able to complete a *Bates Stafford Loan Authorization Form* online through the Student Financial Services web site. Complete instructions and a list of Bates-recommended lenders will be available at [www.bates.edu/sfs](http://www.bates.edu/sfs) in early June. Students typically apply for Stafford loans during the summer.

### **Disbursement**

Loan proceeds are disbursed in two equal installments, once each semester. First-time Stafford Loan borrowers are required to attend a loan entrance counseling session before loan proceeds may be disbursed.

### **Stafford Loan Repayment**

Repayment of Stafford Loans begins six months after the student graduates or otherwise ceases enrollment. The standard repayment term is ten years. Alternate

repayment terms such as extended repayment, graduated repayment, and income-contingent repayment are also available.

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### **ALTERNATIVE STUDENT LOANS**

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In addition to Stafford and PLUS Loans offered through FFELP, many lenders also offer non-federal education loans called “private” or “alternative” loans. Alternative loans generally require a credit-worthy co-signer, and repayment options may vary according to the amount borrowed and the credit score of the student and/or co-signer. Families are advised to consider federal loans first, as private loans typically have higher interest rates, and the interest that accrues may be capitalized if payments are deferred during in-school periods.

*Students, especially, should exhaust federal loan options before taking out any private education loan.*

More information about private education loans can be found at <http://www.finaid.org/loans/privatestudentloans.phtml>.

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### **FOR MORE INFORMATION**

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[www.bates.edu/sfs](http://www.bates.edu/sfs)