

## TIPS

- Submit the FAFSA at [www.fafsa.gov](http://www.fafsa.gov) to apply for Federal Grants and Loans before applying for private loans.
- Use Hope's Budget Payment Plan and/or other personal funds before resorting to loans.
- Federal student loans lose their federal benefits if consolidated with private loans.
- Use the **Expense Planner** to help determine the loan amount to request. Only borrow the amount you absolutely need.
- Obtain information on individual private loans from each lender's website.
- Private Educational Loans usually are based on **LIBOR** (The London Interbank Offered Rate) or **Prime** interest rates. See these rates at [www.finaid.org/loans/prime\\_libor.phtml](http://www.finaid.org/loans/prime_libor.phtml) under Current Index Rates.
- Loan approvals are subject to credit scoring ([www.annualcreditreport.com](http://www.annualcreditreport.com)).
- The private loan promissory note and disclosure statements provide your specific loan terms.
- Applying for private loans with a cosigner allows the greatest chance for approval and optimal loan terms.
- **Apply for the full academic year**, fall and spring semesters (unless the student will attend only one semester). A full year loan is paid to the account in two disbursements, one for each semester and interest does not accrue until the funds are disbursed.
- **A list of private loan programs that Hope students have used** is available on the Office of Financial Aid website. We do not, however, in any way recommend or rank them. Lender choice is your decision.
- **Get more details about paying your bill inside this brochure.**

## EXPENSE PLANNER

Use this worksheet as a guide to determine the amount of loan that you or your parent may want to borrow for the year.

Select your Hope College Costs:

Tuition and Fees	\$ 26,510
Estimated Room & Board	\$ 8,110
Estimated Books	\$ 820
Estimated Other Expenses	\$ 1,520

A. Your Estimated Costs: \_\_\_\_\_

Enter the amount of gift aid on your award letter:

Scholarships	_____
Grants	_____
Outside Scholarships	_____

B. Your total Gift Aid \_\_\_\_\_

Subtract B from A

C. Remaining Costs \_\_\_\_\_

Enter the amount you/your parents plan to pay toward your bill including Payment Plan amount (exclude loans)

D. \_\_\_\_\_

Subtract D from C

E. Remaining balance \_\_\_\_\_

Student Loans from your award letter you have decided to borrow:

Federal Perkins Loan \_\_\_\_\_

Federal Direct Loan \_\_\_\_\_

Federal Direct Unsub Loan \_\_\_\_\_

F. Total Loans \_\_\_\_\_

Subtract F from E:

**Your Remaining Costs** \_\_\_\_\_

To cover the remaining costs, you may wish to consider the loan options described in this brochure.

# Financing Your Hope College Education



## Office of Financial Aid

616-395-7765

888-439-8907

finaid@hope.edu

[www.hope.edu/admin/finaid](http://www.hope.edu/admin/finaid)

Hope College is committed to assisting students and families in making a Hope education affordable. Deciding how to pay for college is easier when you understand your choices. We offer the following options for you to consider.

### THE HOPE COLLEGE BUDGET PLAN

This plan enables families to spread the cost of each semester over a five-month period and is an excellent way to budget on a monthly basis. You may use the electronic payment option or mail a check. A \$50 yearly charge applies to use this plan which you enroll in with your first bill in July. Contact Business Services at 616-395-7810 with questions.

### FEDERAL DIRECT PLUS LOAN FOR PARENTS

A parent or stepparent may borrow this loan from the US Department of Education for students enrolled at least half-time in a degree program. The interest rate is fixed at 7.9% and payment may be deferred (interest accrues if not paid) while the student is enrolled at least half time.

Even though the PLUS loan is credit based, many parents are approved because the simple credit check looks only for delinquencies. There are no income limitations or debt ratios, nor does it require employment history.

If the PLUS is denied, the student may be eligible for additional Direct Unsubsidized Loan.

#### HOW TO APPLY

Parents file the Free Application for Federal Student Aid (FAFSA) and complete a PLUS application to undergo a credit check. **The application link is available on the Hope College Office of Financial Aid website.**

The parent borrower also completes an electronic promissory note. See the Master Promissory Note brochure or the Office of Financial Aid website for more information.

### PRIVATE EDUCATIONAL LOANS FOR STUDENTS

The student is the borrower of a private educational loan of which there are many options with varying features. In general, however, private loans require a credit approval process, have variable interest rates, and have interest accruing while the student is enrolled (if not paid). For these reasons, *students should use their full federal loan eligibility before considering private loans.*

The maximum you may borrow each year is the cost of attendance minus all financial aid you are receiving.

It is to your benefit to review the various loan features before making a decision about borrowing a private loan. ***We recommend that you investigate the following points to ensure that the selected loan terms meet your needs.*** This information is available on lender websites or by calling the lender directly.

- **What is the interest rate?**  
Private loans have tiered interest rates. The rate you will be offered can fall anywhere along the rate scale.
- **How often does the interest rate adjust?**  
Most private loan interest rates adjust monthly or quarterly with financial market conditions. Many private loans do not have a maximum interest rate cap.
- **Are there loan fees and how much are they?**  
Some lenders have no fees and others have a tiered scale for fees depending on credit ratings.
- **Is a co-signer required for a better rate?**  
Most students need a co-signer to be approved for a loan but can also get better terms with a cosigner than if they qualify on their own.
- **When does the loan go into repayment?**  
Most lenders do not require full repayment until you leave school (some require half time attendance) and most offer a grace period.
- **Can payments be postponed?**  
Some loans require interest payments while enrolled; others offer deferment of both principle and interest.
- **What is capitalization of interest?**  
When interest is not paid while in school, the accumulated interest is added to the loan balance or capitalized. Ask how often interest is capitalized.
- **Can this loan be consolidated with other loans?**

If you borrow from different private lenders you may wish to combine them into a new loan with one lender. Never add your federal loans to a private loan consolidation because you lose the federal benefits of those student loans.

- **What other benefits are available?**  
Typical repayment benefits are interest rate reductions for electronic payments. Some lenders provide benefits for having graduated or for using their other financial services.
- **Does the lender require school certification?**  
Certified loans generally have better terms than direct-to-consumer loans for education.

A list of private educational loans that Hope students have used over the past several years is available on the Office of Financial Aid's website, but there are other lenders as well. Hope does not recommend or rank the lenders. You are free to select any lender and should choose whatever loan program you find to be the best fit.

To find out your individual loan terms you need to apply and be evaluated with your cosigner. **Submit your loan application to only one lender at a time.** You may decline a loan by notifying the lender.

#### HOW TO APPLY

Private educational loan applications go directly through the lender. Apply electronically on the lender's website to receive the loan offer information quickly. You and your cosigner will be presented with several disclosures during the process so be sure to check your email and/or regular mail for these documents.

During the application process you also will complete and submit a Private Education Loan Applicant Self Certification form your lender provides. The Cost of Attendance and Estimated Financial Assistance information you will need can be found on the Financial Aid section of KnowHope Plus. Once your and your cosigner's portions of the application are complete, the lender will electronically forward it to Hope for certification.

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**When applying for loans use the full academic year dates of 8/31/2010—5/6/2011 as the loan period, unless you are attending only one semester. You can use the Expense Planner in this brochure to calculate the amount you may need to borrow.**