



SWARTHMORE

## FINANCING OPTIONS

Students and parents who wish to defer all or part of their Swarthmore costs may be interested in the long-term, low-interest educational loans, monthly payment plan, or campus job opportunities described below. Here all families, whether receiving scholarship/ grant support from the College or meeting all College costs on their own, may use one or more of these programs. We have described the kinds of financing available. We hope that you and your parents will review these options carefully and call on us if you need help with your financial planning.

Before you assess these options, consider the total educational expenses you need to meet for the academic year. For 2019-20 the bill for tuition, student activity fee, room and board will total \$70,744. In addition to these actual expenses, we estimate that you will need to spend about \$1,400 for books and related academic supplies and up to \$1,380 for personal expenses. You should plan for at least two round-trip fares between your home and the College. Remember that campus activities such as movies, lectures, athletic events, and concerts are open to all students without additional charge.

### FEDERAL DIRECT LOAN—for students

*Up to \$5,500 available to first years*  
*Up to \$6,500 available to sophomores*  
*Up to \$7,500 available to juniors*  
*Up to \$7,500 available to seniors*

The **Federal Direct Loan** is a long-term, low-interest educational loan for students. Eligibility for a Direct Loan is determined by the College. Using federal guidelines, the College determines the maximum you may borrow and whether the interest on your loan will be federally-subsidized during your enrollment. See our website for more about this federal loan.

### How to apply for a Federal Direct Loan:

• If you have not already done so, complete a 2019-20 Federal FAFSA application on-line at [www.fafsa.gov](http://www.fafsa.gov).

• **Incoming students:** We will email you a Federal Direct Loan application packet late in May, and you will apply for that loan through our website.

• **Previous borrowers:** If you borrowed through this program in the past, we'll process your loan for the amount you requested on your CSS/PROFILE form. If you want to change that amount, please email [sloans@swarthmore.edu](mailto:sloans@swarthmore.edu)

• **Continuing students who have not previously borrowed:** Please follow the link and instructions found at: <https://www.swarthmore.edu/financial-aid>

You will receive confirmation from the Financial Aid Office soon after your loan is **approved**. That will be followed by more detailed information from the U.S. Department of Education.

If your federal eligibility allows, the interest on your loan will be paid by the U.S. Department of Education during your enrollment: a "**subsidized**" loan. If you are not eligible for the interest subsidy, your loan will be "**unsubsidized.**" That means that interest accrues during your enrollment and will be your responsibility to repay. You may pay the interest during your enrollment, however, to reduce the growth of your debt.

The **interest rate** on the Federal Direct Loan was 5.05% and the **federal administrative fee** was about 1% during the 2018-19 academic year but the U.S. Department of Education will announce the 2019-20 interest rate and fee in June. Check our website then for an update about the interest rate and fee.

### About Federal Direct Loan repayment:

Whether your loan is subsidized or unsubsidized, you will not need to begin repaying the loan until six months after you leave school (or after graduate school, if you arrange for the in-school deferment). Your repayment obligation will be about \$10 a month for every \$1,000 borrowed.

Student borrowers are required to complete (in person or online) a loan orientation program prior to the disbursement of the first loan. A debt management program, called an "exit interview" will be given prior to graduation. These programs describe in detail the student's repayment obligations, requirements, and opportunities. Other specific details about repayment of the federal Direct Loan are offered at [www.studentloans.gov](http://www.studentloans.gov).

### FEDERAL DIRECT PLUS LOAN—for parents up to \$70,744 available each year

The Federal Direct PLUS Loan offers parents long-term educational loans. Parents "who do not have an adverse credit history" will be welcome to make use of the Federal Direct PLUS Loan.

Federal Direct PLUS Loans can be used to cover your full Swarthmore bill (less any aid you are receiving). Repayment of a Federal Direct PLUS Loan may extend over a period of 10 years and must begin about a month after the loan is disbursed. At the 7.6 % interest rate, a borrower's repayment obligation will be about \$12 each month for every \$1,000 borrowed.

### How to apply for a Federal Direct PLUS Loan:

If you have not already done so, complete a 2019-20 Federal FAFSA application online at [www.fafsa.gov](http://www.fafsa.gov). Parents can start the application process by following the link and the instructions found at <https://www.swarthmore.edu/financial-aid> (see the link at the right on our Financing Options page). Please keep in mind that the application process can take several weeks.

The **interest rate** on the Federal Direct PLUS Loan was 7.6% and the **federal administrative fee** was about 4% during the 2018-19 academic year but the U.S. Department of Education will announce the 2019-20 interest rate and fee in June. Check our website then for an update about the interest rate and fee.

The Federal Direct PLUS Loan—less the federal administrative fee—will be disbursed in halves at the beginning of each semester.

### What if parents apply for but are denied a Federal Direct PLUS Loan?

Additional but unsubsidized Federal Direct Loan funds are available to students whose parents apply for a Federal Direct PLUS Loan but who are formally denied that loan. If this is your situation, you may request an additional \$4,000 if you are a first-year student or a sophomore, and an additional \$5,000 if you are a junior or senior. (In accordance with federal regulation, this additional loan is available to you only if your parents are denied the Federal Direct PLUS Loan).

### SWARTHMORE COLLEGE MONTHLY PAYMENT PLAN

#### up to \$70,744 available each year

SWARTHMORE COLLEGE offers students and parents a flexible, interest-free monthly payment plan for paying tuition, room, board, and fees. Although no interest is charged, an enrollment fee of \$35 per semester is required for participating. The program enrollment takes place each semester with three separate plan duration options available. The first

installment payment (plus \$35 enrollment fee) is due at the time of enrollment. Please visit [swarthmore.edu/paymentplan](http://swarthmore.edu/paymentplan) for further information.

### CAMPUS WORK OPPORTUNITIES

Of our 1,500 students, about 1,200 work part-time on campus during the academic year (and only about half of those are students receiving financial aid). The Student Employment Office (SEO), under student direction, will provide a list of on-campus employment opportunities such as those in the library, dining hall, admissions office, and other administrative or departmental offices. You must arrange for your own job, but the SEO will help you with on-campus opportunities. Incoming first year students will be invited to information sessions and a job fair during orientation in the fall. Our SEO co-directors will help you to complete necessary paperwork in the fall. Throughout the year, unfilled jobs will be listed online.

### HOW SOME SWARTHMORE FAMILIES MET EXPENSES USING THE FINANCING OPTIONS DESCRIBED ABOVE

CHRIS's family did not want to borrow, but did want the comfort of a monthly payment plan. Chris received an external National Merit Scholarship of \$4,000 each year and his parents budgeted \$60,000 through the College's monthly payment plan. His parents paid \$6,000 each month for 10 months through our payment plan. Chris paid the remainder from his savings and met his own personal expenses with his summer earnings and by working about 7 or 8 hours weekly on campus.

Since JOAN and her parents needed our help, she received an award of financial aid from the College totaling \$47,560. Joan and her parents decided to share the burden of the remaining cost. Joan's earnings from her campus job were used to cover her book expenses and to pay for laundry soap and tooth-paste, etc., through the year. Her summer earnings as well as a portion of her savings were used toward the College bill. Joan sought \$5,500 through the Federal Direct Loan program, and her parents used \$15,000 of their income and \$2,000 of savings to meet the remaining cost.

DAVID's family wanted to borrow to cover all of David's Swarthmore expenses. The long-term Federal Direct PLUS Loan was most attractive to them. They borrowed \$60,000 and repaid \$720 a month over a 10 year period. David supplemented his parents' loan with his savings, his summer earnings, and a \$7,500 unsubsidized Federal Direct Loan.

## ANSWERS TO SOME QUESTIONS YOU MIGHT ASK ABOUT FINANCING OPTIONS

AVAILABLE OPTIONS	FEDERAL DIRECT LOAN (SUBSIDIZED OR UNSUBSIDIZED)	FEDERAL DIRECT PLUS LOAN (PARENT LOAN FOR UNDERGRADUATE STUDENTS)	SWARTHMORE MONTHLY PAYMENT PLAN
<b>WHO OFFERS THIS PROGRAM?</b>	U. S. Department of Education	U. S. Department of Education	Swarthmore College
<b>TO WHOM IS IT AVAILABLE?</b>	students	parents	parents
<b>ON WHAT BASIS IS IT AVAILABLE?</b>	Available to all students who are eligible for federal student aid	Available to parents who do not have an "adverse credit history"	available to anyone
<b>WHO DETERMINES ELIGIBILITY FOR PARTICIPATION?</b>	Swarthmore College using federal guidelines	U.S. Department of Education	no eligibility requirements
<b>HOW MUCH IS AVAILABLE?</b>	<ul style="list-style-type: none"> <li>• up to \$5,500 for first years</li> <li>• up to \$6,500 for sophomores</li> <li>• up to \$7,500 for juniors</li> <li>• up to \$7,500 for seniors</li> </ul>	up to \$70,744 each year	\$68,062 can be budgeted each year
<b>WHAT IS THE INTEREST RATE?</b>	The interest rate for the 2018-19 academic year was 5.05% but the U.S. Department of Education will announce the 2019-20 rate in June. Check our website then.	The interest rate for the 2018-19 academic year was 7.6% but the U.S. Department of Education will announce the 2019-20 rate in June. Check our website then.	No interest is charged but there is a \$35 per semester enrollment fee
<b>WHAT FEES WILL BE RETAINED BY U.S. DEPARTMENT OF EDUCATION?</b>	The current fee is 1.062%. This fee will change for new loans after Sept. 30, 2019.	The current fee is 4.248%. That fee will change for new loans after Sept. 30, 2019.	none
<b>WHEN DOES REPAYMENT BEGIN?</b>	For all borrowers repayment is deferred until the borrower leaves school	Repayment begins soon after the loan is disbursed	Payments begin at the time of enrollment
<b>HOW LONG MAY BORROWER TAKE TO REPAY?</b>	up to 10 years (excluding deferment periods)	up to 10 years	There are three separate plan duration options available
<b>HOW MUCH IS THE MONTHLY REPAYMENT?</b>	Six months after borrower leaves school, monthly payment will be about \$10 per month for every \$1,000 borrowed	Monthly payment will be about \$12 per month for every \$1,000 borrowed	Determined by the payment plan option
<b>WHEN SHOULD APPLICATION BE STARTED?</b>	Submit an application in May or June if new borrower	Submit an application in May or June	Participants may enroll beginning June 1, 2019 for the fall semester and Nov. 1, 2019 for the spring semester
<b>WHO WILL PROVIDE AN APPLICATION?</b>	<p><b>Incoming students:</b></p> <ul style="list-style-type: none"> <li>• We will email you Federal Direct Loan instructions in May.</li> </ul> <p><b>Previous Direct Loan borrowers:</b></p> <ul style="list-style-type: none"> <li>• We will process your loan based on the request you entered on your CSS/PROFILE form.</li> </ul> <p><b>Upperclass students who have not previously borrowed:</b></p> <ul style="list-style-type: none"> <li>• Please follow the link and instructions found on the Financial Aid Website.</li> </ul>	<p><b>New</b> and <i>previous</i> Federal Direct PLUS Loan borrowers should follow the link and instructions found at: <a href="https://www.swarthmore.edu/financial-aid">https://www.swarthmore.edu/financial-aid</a></p>	Call our Student Accounts Office at 1-610-328-8394, if you have questions or read about the program on that website.