

Carleton

Financing Options 2020–2021

GO.CARLETON.EDU/FINANCING

The quality of a college education has never been more important than it is in today's economy. We know Carleton's cost is not insignificant to most families. If you do not qualify for much (or any) financial aid, the following financing options can help your family afford your Carleton education.

You'll want to start by estimating the resources your family has available for your college expenses. That will help you determine how much to borrow. Before undertaking loan debt, you and your family should always consider carefully whether it's the right choice for your situation, and the borrower should be aware of his or her responsibilities when repayment begins.

FINANCING WORKSHEET

1. Comprehensive fee	\$74,499
2. Other expenses (books, supplies, travel, and personal expenses)	+ \$ _____
3. Total cost of attendance	= \$ _____
4. How much will the student contribute? (include summer earnings and savings)	- \$ _____
5. How much will parents contribute? (from income and assets)	- \$ _____
6. Financial aid received (grants and scholarships, student employment, and need-based loans)	- \$ _____
7. Other resources (grandparents, other relatives, education savings plans, outside scholarships, etc.)	- \$ _____
8. Amount not covered and to be considered for alternative financing	= \$ _____

COMPREHENSIVE COSTS FOR 2020–2021

Tuition	\$58,968
Student Activity Fee	384
Room	7,995
Board/Meals	7,152
Total Comprehensive Fee*	\$74,499

* Comprehensive Fee does not include books, supplies, travel, and personal expenses.

FEDERAL DIRECT UNSUBSIDIZED STAFFORD LOAN

A Direct Unsubsidized Stafford loan is available to students (U.S. citizens and eligible non-citizens) who do not demonstrate financial need. Students with need-based aid may also qualify depending on their circumstances. To be eligible, you must complete the Free Application for Federal Student Aid (FAFSA). You are responsible for paying the interest that accrues from the time the loan is disbursed until it is paid in full. Or, you may allow the interest to accrue while enrolled and have the interest added to the principal amount of the loan (capitalized) at repayment.

ADVANTAGES OF A DIRECT UNSUBSIDIZED STAFFORD LOAN

- Fixed interest rate is established by the federal government in June each year; will be in effect for loans disbursed from July 1, 2020–June 30, 2021
- Visit studentaid.gov/understand-aid/types/loans/interest-rates for more information on current interest rates
- No interest payments required while in school
- Flexible repayment terms
- No credit check

ANNUAL LOAN LIMITS

- First-year \$5,500
- Sophomore \$6,500
- Junior \$7,500
- Senior \$7,500

Please visit our go.carleton.edu/loans to learn more about the Federal Direct Unsubsidized Stafford loan.

Find a useful calculator for monthly payments and the cost of your loan at www.finaid.org/calculators. When making these calculations, assume the following: 10-year standard repayment, 1.059 percent origination fee, 4.53 percent fixed interest rate.

FEDERAL DIRECT PLUS LOAN

A Direct Parent Loan for Undergraduate Students (PLUS) is a federally funded loan made available to parents (and stepparents) to assist with meeting their expected family contribution. A Direct PLUS loan is a low-interest rate loan that allows parents to fund up to the entire annual cost of their dependent, undergraduate student's education (less any scholarships or financial aid received). The educational expenses that can be

financed with a Direct PLUS loan include tuition, fees, room, board, books, supplies, travel, and personal expenses. Parents interested in applying for a Direct PLUS loan may apply online at go.carleton.edu/altloans.

ADVANTAGES OF A DIRECT PLUS LOAN

- Not based on income or assets
- Direct PLUS borrowers do not need collateral
- Fixed interest rate is established by the federal government in June each year; will be in effect for loans disbursed from July 1, 2020–June 30, 2021
- Visit studentaid.gov/understand-aid/types/loans/interest-rates for more information on current interest rates
- Interest may be tax deductible (depending on your family's status and income level)
- Parents may take up to 10 years to repay the loan
- There is no penalty for pre-payment
- A variety of repayment options make Direct PLUS loan even more affordable

REQUIREMENTS

- Must be a U.S. citizen or eligible non-citizen
- Must be a parent (or stepparent) of a full-time or half-time student
- Student must complete the Free Application for Federal Student Aid (FAFSA)
- No adverse credit

Find a useful calculator for monthly payments and the cost of your loan at www.finaid.org/calculators. When making these calculations, assume the following: 10-year standard repayment, 4.236 percent origination fee, 7.08 percent fixed interest rate.

PRIVATE ALTERNATIVE LOANS

A variety of lenders offer private alternative loans that could help you and your parents finance your Carleton education. As a service to our students, Carleton has evaluated a number of lenders and determined the lenders on the Carleton Alternative Lender List as offering good terms. These lenders include Minnesota Office of Higher Education (MOHE), Sallie Mae, and Wells Fargo. However, you may choose any private alternative lender or loan program.

Please note: Interest rates, terms, and programs for Federal Direct Unsubsidized Stafford Loan and Federal Direct PLUS loan are described as of October 1, 2019. It is possible that these rates and terms may change for the 2020–2021 year. For updates, please visit go.carleton.edu/financing.

COMMON PRIVATE ALTERNATIVE LOAN CHARACTERISTICS

- Loan is made in student's name or parent's name
- If in student's name, may require a co-signer
- Having a co-signer may result in a better interest rate
- A credit check is usually required of student and co-signer
- Interest rates typically are determined by results of credit check
- Interest rates are usually variable, adjusting monthly, quarterly, or annually, and are based on current LIBOR or Prime rates
- Interest begins to accrue once loan is disbursed
- Some require payments while student is in college

Please visit go.carleton.edu/altloans to learn more about private alternative loans. In addition, you will find a tool to compare lenders on Carleton's Alternative Lender List. Although Carleton has evaluated these lenders, the college does not endorse them. Please carefully research loans and loan debt when considering this option.

Find a useful calculator for monthly payments and the cost of your loan at www.finaid.org/calculators.

OTHER RESOURCES

You may also find some alternative funding through these websites. Please note that we do not endorse any of these sites, but they have proven helpful for some of our students and families.

- Fastweb Scholarship Search:
www.fastweb.com
- College Board Scholarship Search:
bigfuture.collegeboard.org/scholarship-search
- The Sallie Mae Fund Scholarships:
www.thesalliemafund.org
- The SmartStudent™ Guide to Financial Aid:
www.finaid.org
- NASFAA's Financial Aid Information for Parents and Students:
www.nasfaa.org/students/About_Financial_Aid.aspx
- College Savings Plans Network:
www.collegesavings.org

MONTHLY PAYMENT PLAN

Your family may choose to participate in Carleton's interest-free monthly payment plan. This plan allows you to pay the comprehensive fee via equal payments for a 12-month or 11-month period beginning June 1 or July 1, respectively. The plan may be used to cover all or a portion of annual tuition, fees, room, and board charges. There is a \$55 annual fee to enroll, and the enrollment deadline is August 15. The exact terms and conditions of the monthly payment plan are determined annually and may differ from what is described here. For more information, contact the Carleton Business Office at **507-222-4165**, **507-222-4179**, or businessoffice@carleton.edu.