

# Options

*for Financing Your Education*

**2009-2010**

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## **An Investment You Can Afford**

Even in difficult economic cycles, Mount Holyoke is an investment you can afford. We are pleased to offer several financing options, including a payment plan and loan options, to help you manage Mount Holyoke expenses. Inside, you'll also find an expense worksheet that helps calculate what you and your family will owe Mount Holyoke.

We are here to assist you. Please contact Student Financial Services at 413-538-2291.

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 THE COST OF A MOUNT HOLYOKE EDUCATION
 

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2009-2010 COSTS	
Tuition	\$38,940
Room and Board	11,450
SGA (Activities) Fee	186
<b>Total</b>	<b>\$50,576</b>

When planning how to finance your education, it is important to plan your expenses for four years. While the College makes every effort to keep costs down, you should expect increases from year to year.

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## FINANCING OPTIONS

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A college investment yields significant rewards over a lifetime, and increasingly families are choosing to pay for this investment over a period of years. The information below will help you decide what plan is best for you and your family. If you have questions about any of these financing options, please call Student Financial Services at 413-538-2291. We will be happy to assist you.

### Payment Plans

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#### **Nine- or Ten-Month Payment Plan 800-635-0120 [www.TuitionPayEnroll.com](http://www.TuitionPayEnroll.com)**

Administered by Sallie Mae, Tuition Pay is designed for families who want to spread their payments throughout the year and who prefer to plan their finances one year at a time. The expected family contribution is paid in nine or ten monthly installments, with the first payment due on June or July 1 and the last on March 1. An application fee of \$55 is required. There are no other financing charges. Penalty fees are charged for overdue payments.

#### **Tuition Prepayment Option 413-538-2291**

The Tuition Prepayment Option (TPO) allows families to prepay the entire college tuition expense based on the first-year tuition rate. This option enables families to avoid paying for any tuition increases that are established during a student's educational career. Participants will still be responsible for increases in room and board.

Please note that the TPO only covers tuition increases. This plan is not available to students receiving need-based or merit-based aid from the College.

## Parent Loans

### Federal Direct PLUS Loan

The Federal Direct PLUS Loan is a non-need-based, low-interest, federally guaranteed education loan for families of all income levels. Eligibility is limited to those families without an adverse credit history. Families may borrow up to the total cost of education less financial aid. Repayment begins 60 days after disbursement and can extend up to 30 years.

The interest rate is fixed at 7.90 percent. A net fee of 2.5 percent of the loan principal will be deducted proportionally from each loan disbursement.

Mount Holyoke is a direct lender, which means that Mount Holyoke administers the PLUS application process and the funds are provided by the federal government (versus a lending institution such as a bank). PLUS Loan application information is available at [www.mtholyoke.edu/go/plus](http://www.mtholyoke.edu/go/plus). Students must submit a FAFSA if a parent requests a PLUS Loan using the Direct PLUS option.

Borrowers may choose from three repayment plans:

#### **Standard Repayment Plan:**

This plan requires fixed monthly payments of at least \$50 over a fixed period of time, which is determined by the amount borrowed. The maximum repayment term is ten years. This plan can result in the lowest interest paid, because it has a shorter repayment period than other plans.

#### **Extended Repayment Plan:**

This plan also requires fixed monthly payments of at least \$50 and is appropriate for those requiring more than ten years to repay their loan.

Depending on the loan amount, the repayment period generally extends from 12 to 30 years. Though this plan may result in more manageable monthly payments, borrowers usually pay more interest over the long term, due to the longer repayment period.

#### **Graduated Repayment Plan:**

This plan starts out with low monthly payments that increase every two years. Payments must be at least half of the required payment under the Standard Repayment Plan. The payment plan generally extends from 12 to 30 years. Again, though the plan may result in more manageable monthly payments, borrowers usually pay more interest over the long term, due to the longer repayment period.

#### **Postponing Loan Repayment:**

Deferment of loan principal may be an option. Interest will be charged during periods of deferment. If the interest is not paid as it accrues, it will be capitalized (added to the outstanding principal balance).

**Disbursement:** Loan proceeds are disbursed in two equal installments, one per semester.

**MEFA Loan**  
**800-449-6332**  
**[www.mefa.org](http://www.mefa.org)**

Funded by the Massachusetts Educational Financing Authority (MEFA), it allows students and their families to borrow from a minimum of \$2,000 up to the full cost of education less financial aid at more than 70 participating Massachusetts colleges and universities. Residents of all states are eligible to apply.

The MEFA Loan offers a 15-year repayment term and attractive payment options. There is no application fee, except with the home equity option, and no pre- or accelerated-payment penalty. A 4 percent origination fee, a prepaid finance charge, applies.

**Fixed Rate Option, immediate repayment:** This option offers fixed monthly payments over a 15-year repayment period. The interest rate is 7.75 percent (8.43 percent APR), subject to change. Monthly payments begin 45 days after full disbursement.

**Home Equity Option:** This unique program allows families to enjoy significant tax benefits by securing their MEFA Loan with the equity in their home. Interest may be fully deductible for tax purposes. A \$300 application fee will cover the cost of securing the MEFA Loan. The home equity option is available to residents of all states except Pennsylvania, Michigan, New Jersey, and Puerto Rico.

**Deferred Payment Option:** This flexible option was developed to provide families with a payment option that does not require payments while the student is in school. The interest rate is 8.89 percent (8.66–9.52 percent APR), subject to change.

For this option, payments begin six months after the student graduates or leaves their program. The fixed interest rate will be higher than the immediate repayment option. It is subject to fund availability and is awarded on a first-come, first-served basis.

<b>Parent PLUS Loan Comparison Summary</b>	
<b>FEDERAL DIRECT PLUS</b>	<b>FEDERAL FAMILY EDUCATION LOAN PROGRAM (FFELP) PLUS</b>
<p><i>Eligibility</i></p> <ul style="list-style-type: none"> <li>• Creditworthy parents of dependent students</li> <li>• Credit check performed, but no formal debt-to-income analysis required</li> </ul> <p><i>Loan Limits</i></p> <ul style="list-style-type: none"> <li>• Cost of attendance less financial assistance</li> </ul> <p><i>Aggregate Loan Limits</i></p> <ul style="list-style-type: none"> <li>• Cost of attendance less financial assistance</li> </ul> <p><i>Interest Rate</i></p> <ul style="list-style-type: none"> <li>• Fixed rate of 7.90 percent</li> </ul> <p><i>Benefits</i></p> <ul style="list-style-type: none"> <li>• Federally guaranteed</li> <li>• Apply through MHC</li> <li>• FAFSA required</li> <li>• Application process monitored and managed by MHC</li> <li>• Extended repayment</li> <li>• Choice of principal and interest payment or deferred principal payment</li> </ul> <p><i>Fees</i></p> <ul style="list-style-type: none"> <li>• 4 percent origination fee deducted from disbursement with a 1.5 percent up-front rebate (2.5 percent net origination fee)</li> <li>• Repayment to U.S. Department of Education Direct Loan Servicing Center</li> </ul>	<p><i>Eligibility</i></p> <ul style="list-style-type: none"> <li>• Creditworthy parents of dependent students</li> <li>• Credit check performed, but no formal debt-to-income analysis required</li> </ul> <p><i>Loan Limits</i></p> <ul style="list-style-type: none"> <li>• Cost of attendance less financial assistance</li> </ul> <p><i>Aggregate Loan Limits</i></p> <ul style="list-style-type: none"> <li>• Cost of attendance less financial assistance</li> </ul> <p><i>Interest Rate</i></p> <ul style="list-style-type: none"> <li>• Fixed rate of 8.50 percent</li> </ul> <p><i>Benefits</i></p> <ul style="list-style-type: none"> <li>• Federally guaranteed</li> <li>• Apply through private lender (state agency or bank)</li> <li>• FAFSA not required for PLUS only</li> <li>• Application process self-monitored by the family</li> <li>• Extended repayment</li> <li>• Choice of principal and interest payment or deferred principal payment</li> </ul> <p><i>Fees</i></p> <ul style="list-style-type: none"> <li>• Up to 4 percent origination fee deducted from disbursement</li> <li>• Repayment to private lender or assigned loan servicer</li> </ul>

## Student Loans

### Federal Direct Student Loan (FDSL)

The Federal Direct Student 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. Please note that Mount Holyoke is a direct lender of the Federal Direct Student Loan; students borrow from the federal government directly. The College administers all necessary paperwork for the government so no separate loan application from the student is necessary. The loan is credited to the student's account once she completes a master promissory note and entrance counseling. The College will contact students with more information on this process.

**Eligibility:** All students enrolled at least half-time in postsecondary education are eligible to borrow under this program. The federal government requires that you file a FAFSA to assess eligibility for the in-school interest subsidy.

**Interest Rate:** The interest rate for a subsidized FDSL is fixed at 5.6 percent for loans disbursed between July 1, 2009 and June 30, 2010. The unsubsidized FDSL interest rate is 6.8 percent. If a student qualifies (based on need) for the in-school subsidy, the federal government pays the interest

MAXIMUM ANNUAL AMOUNTS for undergraduate education	
first year	\$3,500
second year	4,500
third year	5,500
fourth year and above	5,500
<b>Maximum Cumulative Amount</b>	<b>\$23,000</b>

on the loan while the student is enrolled at least half-time in post-secondary education. Those who do not qualify for a subsidized loan have the option of accruing interest while enrolled or paying interest-only on a quarterly basis. In addition to the annual limits above, all students are eligible to borrow \$2,000 unsubsidized FDSL each year.

**Loan Fees:** Loans are paid to a student's account after an origination fee is deducted. The fee is 1.5 percent of the loan amount.

**Disbursement:** Loan proceeds are disbursed in two equal installments, one per semester. Students must sign a master promissory note and complete an entrance interview before a loan may be applied to their account.

**Repayment:** Repayment begins six months after a student graduates, withdraws, or drops below half-time enrollment.

## Alternative Student Loans

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Students also have the option of applying for an alternative student loan. Various commercial lenders offer these non-need-based loans, which have interest rates that are generally higher than the rates of need-based student loans and many parent loans; these loans are not subsidized, and if deferred, interest will be capitalized. Many alternative student loans charge an origination or disbursement fee. Repayment terms vary, often depending on the amount borrowed and the credit score of the student and/or co-signer. Alternative student loans may require a creditworthy cosigner. The maximum amount of loan the College will certify is the cost of education minus any financial aid. For more information visit Types of Financial Aid/Alternative Loan at [www.mtholyoke.edu/go/sfs](http://www.mtholyoke.edu/go/sfs). Because of the high cost involved, these loans should be considered only after lower-cost parent loan options have been exhausted.

## Campus Employment

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Job opportunities for students are available at Mount Holyoke. Mount Holyoke participates in the Federal Work-Study Program, a need-based program that funds student earnings for on-campus jobs as well as a number of off-campus positions with nonprofit agencies. The College also

funds student employment for on-campus jobs.

Student earnings are estimated at \$2,100 annually, representing eight to ten hours a week. Students are paid every two weeks and earnings from student jobs are not applied to the bill. The College expects students to use their earnings for books and personal expenses. You may decline your offer of work-study by notifying Student Financial Services in writing or via email.

In general, first-year students work in dining services. After their first year, students may work in a variety of areas, such as residence halls, administrative offices, academic departments, the library, and facilities management. The Career Development Center handles off-campus job placements in community service. Students receiving financial aid are given priority in hiring. Students who do not receive financial aid may apply for campus employment. However, they must wait until two weeks after the semester begins. While we make every effort to assist students in securing on-campus employment, this opportunity is not guaranteed even for students awarded work-study. Short-term jobs such as baby-sitting, yard work, and typing are also available. For more information about student employment, visit the Career Development Center's Web site at [www.mtholyoke.edu/go/cdc](http://www.mtholyoke.edu/go/cdc).

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**FEES AND PAYMENTS**


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**EXPENSE WORKSHEET**
**A. Total billed costs\***

To determine the total amount that Mount Holyoke will bill you, add together the following:

Tuition	\$ 38,940
Room and Board	11,450
SGA (Activities) Fee	186
Health Insurance **	_____
<b>Total costs</b>	<b>\$ _____ (A)</b>

\* 2009–2010 billed costs. Non-billed costs include books, personal expenses, and travel.

\*\* The health insurance fee may be waived by students who are covered under their parents' health insurance plans or have other comparable coverage.

**B. Payment options**

Please fill in amounts for all options that apply. The total due **(B)** should equal the total costs calculated above **(A)**.

Assets (cash/savings)	\$ _____
Parent Loan	_____
Student Loan	_____
Payment Plans	_____
Other (outside scholarships)	_____
<b>Total resources</b>	<b>\$ _____ (B)</b>

## Payment of Bill

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The student bill is an online bill, and all students will be notified monthly via Mount Holyoke College email that the bill is ready for viewing. Students are encouraged to enroll parents and other sponsors to receive the viewing notification. Students and enrolled parents/sponsors will be able to view and print the bill. In addition, students may see current account activity on the ISIS (Internet Student Information System) Web site. Student Financial Services sends the notification for the tuition, room, board, and mandatory fees in July for the fall semester and December for the spring semester.

The payment deadline is the end of the month. Students and parents may use the College's ePayment options or send payment directly to the College. Students cannot move into a residence hall or attend or register for classes until all semester fees have been paid (or until provisions for payment plans or loans have been approved).

Campus charges for books, health services, parking, equestrian center, library, and course materials will be included on the bill as they occur. Payment is due at the end of each month.

## Late Payments

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A late fee is assessed on a delinquent balance if payment is not received by the payment due date. Students must pay all bills in full to be eligible to add or drop classes, participate in the housing lottery, participate in independent study abroad, or receive a degree, diploma, or transcript.

## Student Health Plan

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Massachusetts state law requires that all full-time and part-time students be covered by a health insurance plan. All Mount Holyoke College students are automatically enrolled in the Student Health Plan and the entire amount of the health insurance fee is included in the first-semester fees. This fee may be waived if the family insurance meets the Massachusetts state requirements. In addition, an optional on-campus Health Services Plan is available to supplement existing private coverage. Information about insurance coverage and the waiver process will be mailed to you in July or you may visit the Student Financial Services Web site at [www.mtholyoke.edu/go/healthinsurance](http://www.mtholyoke.edu/go/healthinsurance).

<b>COMPREHENSIVE 2009-2010 FEES AND DUE DATES</b>		
<b>ITEM</b>	<b>2009-2010 FEE</b>	<b>DUE DATE</b>
Room Reservation and General Deposit (first-year)	\$300 *	May 1, 2009
First-Semester Fees	\$25,288**	July 31, 2009
Second-Semester Fees	\$25,288	December 31, 2009

\*Amount subject to change.

\*\*Does not include mandatory health insurance which will be fully billed in the first semester.

## Outside Scholarships

Scholarships received from sources outside the College appear as credits when the funds have been received. If you need to endorse a check or if an agency needs to be billed, please stop by Student Financial Services for assistance.

## Address Changes

If you change your permanent address, you should promptly update your Student Profile in ISIS to ensure that you receive mailings from Student Financial Services, transcripts, housing, and other important information from the College.

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## TIPS FOR FINANCIAL HEALTH WHILE AT COLLEGE

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1. Maximize federal eligibility before turning to other, more expensive financing. All domestic students are eligible for federal loans and should submit FAFSAs to determine eligibility. FAFSAs are also required when parents are requesting PLUS loans.
2. Remember to waive the health insurance if you have comparable health insurance through others. The fall deadline for waiving health insurance online is before the start of classes.
3. Make sure you set up parents and sponsors as authorized users for eBill and ePayment. Students are responsible for making sure that parents and other sponsors can view the eBill and have access to the ePayment options.
4. Pay bills on time to avoid late charges and fees on past-due balances.
5. Make sure communications from *sfs@mtholyoke.edu* are accepted by your email account. All communications regarding registration or housing lottery holds, eBill notifications, financial aid award revisions, etc., are addressed to your MHC email account.
6. Plan ahead. Consult with Student Financial Services staff and apply for financing well in advance of payment deadlines.
7. Borrow wisely. Educational loans can be an important investment in your education and your future. Consider loans as part of your long-term financial plan.
8. Build a healthy credit profile. Use credit cards wisely and pay balances in full each month.
9. Establish a monthly budget. Start with fixed expenses, then figure in variable expenses. Record all your expenses and income, including student loans.
10. Beware of scams. Students are subject to increasingly sophisticated attempts to collect financial and personal information, which then can be used in identity theft and other fraud. If you have any questions about the legitimacy of a request for personal and financial information, contact SFS.

If you have any questions about financing options, payment plans, or a student account, please contact Student Financial Services at *sfs@mtholyoke.edu* or call 413-538-2291.

Mount Holyoke College admits qualified students with any disability and of any age, religion, sexual orientation, race, color, national origin, or Vietnam-era veteran status to all the rights, privileges, programs, and activities generally accorded or made available to students and does not discriminate on the basis of these factors in the administration of its educational policies and programs.

# MOUNT HOLYOKE

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Student Financial Services  
50 College Street  
South Hadley, Massachusetts 01075-1446  
413-538-2291

*[sfs@mtholyoke.edu](mailto:sfs@mtholyoke.edu)*

*[www.mtholyoke.edu/go/sfs](http://www.mtholyoke.edu/go/sfs)*