



### ***A Message to Students and Parents About Financing a Clarkson Education***

We understand that financial aid can be confusing for parents and students. Inside this packet, you will find information to help you choose which financial aid options will best suit your needs to finance your Clarkson education. This packet contains information and instructions relating to several financing options.

Enclosed you will find information about Clarkson University's Payment Plan, the William D. Ford Federal Direct Student Loan Program (Federal Direct), the William D. Ford Federal Direct Parent Loan for Undergraduate Students (Federal Direct PLUS), and alternative student loans.

The best way to limit your debt is to consider the interest-free monthly payment option offered by the Clarkson University Payment Plan. If the difference between your annual educational costs and available financial aid is greater than what you are able to pay on a monthly basis, there are several loan options that can be used to make up the difference. Financing all or some of your educational costs using the Clarkson University Payment Plan can result in limiting the amount borrowed, including interest charges, and maximizing the interest-free payment you make each month.

We ask that you read the enclosed information concerning each program, consider the amount of money that you can pay toward your educational costs and, if you believe that additional financing is required, follow the instructions and complete the application(s) that best meet(s) your needs. For your convenience, we have included instructions for finalizing a Federal Direct Student Loan, instructions for obtaining a Federal Direct Parent PLUS loan, and a University Payment Plan Application.

Information contained is accurate as of November 2017. Each year, as Congress finalizes the FY2018 budget, including sequestration, any information pertaining to Federal Student Aid is subject to change. We hope the information contained in this packet is helpful to you and your family. Please contact our office if you have any questions regarding financing options or if we may be of further assistance.

Clarkson University has partnered with the nonprofit organization American Student Assistance (ASA) to provide students with access to Salt, a free membership program that helps them plan, pay for and repay the cost of their degrees while preparing them for successful financial futures. With a combination of money management advice, information on student loans and straightforward budgeting tools, Salt provides resources to help students achieve their educational goals. New students will be invited to enroll during the fall term. **[saltmoney.org](http://saltmoney.org)**

**Clarkson University, Potsdam, NY 13699**

New Students: 800-527-6577/315-268-6480 ♦ Fax: 315-268-7647 ♦ Email: [admissions@clarkson.edu](mailto:admissions@clarkson.edu)

Continuing Students: 315-268-6451 ♦ Fax: 315-268-6452 ♦ Email: [sas@clarkson.edu](mailto:sas@clarkson.edu)

**[clarkson.edu](http://clarkson.edu)**

# A Strategy for Financing Your Educational Expenses

There are many resources available to assist you in financing your Clarkson education. This packet will help you choose the options that best suit your needs.

Overall, if the Federal Direct Student Loan is included as part of your financial aid package, it offers the best repayment terms, deferment options and borrower benefits.

The balance left after this financial aid award is the amount that you will need for your educational expenses at Clarkson. You may pay the balance in full to Clarkson when you receive your actual invoice, or you may consider the Clarkson University Payment Plan.

## Attractive Loans Complement Your Payment Strategy

There are also a variety of loans available from the federal government and other lenders that may assist you in strategically paying the cost of a Clarkson education. Using the best combination of these resources with current income and savings can help establish or maintain a good credit rating and minimize costs. We hope you find the strategies and information provided to be helpful in determining what works best for you.

## Paying Interest-Free Limits Debt

The Clarkson University Payment Plan allows you to spread your balance out up to six months for each term for a small fee. There is no interest charged on the plan. With this option, you have the freedom to use your money to earn your own interest or investment income, while you pay in installments over the course of the year. For only \$60 per year, spreading the balance out interest free up to 12 months is an option that pays for itself.

## Highlights to the Clarkson University Payment Plan

- Interest-free repayment
- Participation in the payment plan is extended to anyone with a U.S. address. This includes international students, provided they have a U.S. address.
- A minimum balance of \$1,000 is required to participate in the Payment Plan, but the amount can be as much as the total direct costs minus financial aid. Direct costs include tuition, fees, housing and meals.

## What is the best way to finance your education?

The Clarkson University Payment Plan is recommended to help budget payment of your educational expenses and limit your debt.

Use the Expense Planner on the following page to determine the difference between your costs and financial aid.



If you find that these payments are too high, consider combining the interest-free payments that fit your monthly budget requirements with a low interest Federal Direct Student Loan, Federal Direct Parent PLUS Loan and/or an alternative student loan.

If borrowing becomes necessary, we have provided information on certain loan programs that may meet the needs of your family. The following pages detail the loan terms, eligibility requirements and application procedures for these options.

We hope that you seriously consider the advantages to paying off some or all of your balances interest free as you go. This strategy is the most effective means to limit your debt.



## Your Expense Planner

### 1. Enter your estimated expenses.

Tuition	\$ _____
Required Fees	+ \$ _____
Housing	+ \$ _____
Meals	+ \$ _____
**Knight Card	+ \$ _____
<b>Total Estimated Expenses</b>	<b>= \$ _____</b>

### 2. Enter your financial assistance. Use amounts provided from your award notice and do not include work-study eligibility.

Federal Grants (Pell & SEOG)	+ \$ _____
NYS TAP or other state awards	+ \$ _____
Clarkson Scholarships/Grants	+ \$ _____
Outside Scholarships/Grants	+ \$ _____
Federal Direct Student Loan	+ \$ _____
Federal Direct PLUS Loan	+ \$ _____
Other Loans	+ \$ _____
<b>Total Financial Assistance</b>	<b>= \$ _____</b>

### 3. Subtract your Total Financial Assistance (do not include work study) from your Total Estimated Expenses to arrive at your Annual Amount. Enter this amount below.

Your Annual Amount	= \$ _____
Number of monthly payments (May-April) ÷ 12	
<b>Your Monthly Payment</b>	<b>= \$ _____</b>

Please remember that in addition to the charges listed above, students will also need to purchase books and supplies and meet other expenses, such as travel costs, throughout the year. These expenses are not eligible to be included in the Clarkson University Payment Plan.

\*\*A \$500 charge will be added to your account each semester for the Knight Card. The Knight Card is a prepaid declining balance account that can be used to make purchases on- and off-campus. If you are not interested in the Knight Card, you may opt out.

# How to Join the Clarkson University Payment Plan (PP)

- Complete the Payment Plan Application by July 6, 2018, to participate for the fall term.
- Send the \$60 nonrefundable application fee with your completed application.

Once we have received the completed application, you will be sent a summary that will include your estimated charges, financial aid, number of payments, and the monthly amount along with coupons for the Fall 2018 term based on your calculations on the application. Spring 2019 term coupons will be sent prior to the November due date.

Monthly invoices will be mailed to the student's home address. They will reflect any miscellaneous charges (i.e. parking fines, ID replacement, dorm damage), not calculated in the Payment Plan. **These additional charges must be paid in full by the due date on the invoice in addition to your normal Payment Plan payment**, which is due on the 1st of each month or the next business day.

## General Information

Participation in the Payment Plan is extended to any student with a U.S. address. The applicant determines the amount to be financed. The maximum can be your total charges (less anticipated financial aid) and the minimum is \$1,000 a semester. If you have not received your financial aid information for the academic year at this time, you may use estimates based on your previous year's aid. Keep in mind that this is an estimate and most likely will change. Please note that your financial aid is dependent upon academic standing, financial need, and budget availability. The applicant should compare the estimates placed on this application to the actual charges and credits on the monthly invoice. Invoices will be mailed to the attention of the student at the billing address on file in the Student Administrative Services Office.

Clarkson University reserves the right to review all applications for acceptance into the Payment Plan based upon previous payment history and information provided on the application. A continuing student's prior term balance **MUST** be paid in full before an application will be processed.

## Completing the Application

The application must be completed and signed by the person who is financially responsible for payment. To determine the charges/balance, use the information on your Financial Aid Notification. Please note, charges and credits, unless otherwise noted, should be divided into two equal amounts for each term.

## Responsible Person(s)

The financially responsible person(s) agree to pay the debt identified and incurred on the student's account although they may not personally receive any property and/or services. They may be sued for payment although the person who received or has received the property and/or services is able to pay.

## Joining the Payment Plan

Completed applications must be received by July 6, 2018, to participate for the fall term. If you submit the initial application applying for both terms before the deadline date, you will be automatically enrolled for the spring term as long as there is no outstanding balance on the account from any prior term(s). Payments are due on the 1st of each month or the next business day.

*If the Fall 2018 completed application and fee is received at Clarkson by:*

April 6.....	6 payments due 5/1-10/1
Between 4/9-5/4.....	5 payments due 6/1-10/1
Between 5/7-6/1.....	4 payments due 7/1-10/1
Between 6/4-7/6.....	3 payments due 8/1-10/1
July 9 and after .....	must pay balance in full.

*If the Spring 2019 completed application and fee is received at Clarkson by:*

October 5.....	6 payments due 11/1-4/1
Between 10/8-11/9.....	5 payments due 12/1-4/1
November 12 and after .....	must pay balance in full.

## Payment Options

Monthly checks should be made payable to Clarkson University PP. We **do not** accept postdated checks. There will be a \$20 charge for any checks returned to us by the bank.

## ePayment

The ePayment feature allows students to make payments on their student account by electronic bank transfer from a checking or savings account (ACH) or by a credit card (MasterCard, Discover and Visa). The credit card option does have a convenience fee charge. Students can view the link on their Student Service Center or through the SAS website at [internal.clarkson.edu/sas/student\\_accounts/pay\\_bill.html](http://internal.clarkson.edu/sas/student_accounts/pay_bill.html). Payments are made through a secure payment website administered by Educational Computer Systems Inc. (ECSI).

# Payment Plan Application (Please type or print clearly and complete all information)

## Financially responsible person's information.

Name \_\_\_\_\_ Email \_\_\_\_\_

Address \_\_\_\_\_

Home Phone (\_\_\_\_\_) \_\_\_\_\_ Work Phone (\_\_\_\_\_) \_\_\_\_\_

Financially Responsible Person's Signature \_\_\_\_\_

## Student Information

Student's Name \_\_\_\_\_

Student Number \_\_\_\_\_

**Calculation of Agreement** The responsible person should compare the estimates placed on this application to the actual charges and credits on the invoice.

**Student Status:**  Undergraduate  Graduate **Requesting Plan For:**  Fall and Spring  Fall Only  Spring Only

Federal Direct Student Loan Estimated Amounts by Term		
LEVEL	Fall	Spring
Freshman	\$1,732	\$1,732
Sophomore	\$2,227	\$2,227
Junior and Senior	\$2,721	\$2,721
Additional unsubsidized	\$990	\$990

By signing below I am authorizing Student Administrative Services to release financial records pertaining to my student account and financial aid to the financially responsible person indicated above. This authorization remains in effect while I am enrolled at Clarkson University. I understand that I may terminate this authorization at any time by notifying Student Administrative Services in writing.

Student Signature \_\_\_\_\_

### ESTIMATED FALL CHARGES:

Tuition \_\_\_\_\_  
 Required Fees \_\_\_\_\_  
 Housing \_\_\_\_\_  
 Meals \_\_\_\_\_  
 Knight Card\* \_\_\_\_\_  
**TOTAL** \_\_\_\_\_

### ESTIMATED SPRING CHARGES:

Tuition \_\_\_\_\_  
 Required Fees \_\_\_\_\_  
 Housing \_\_\_\_\_  
 Meals \_\_\_\_\_  
 Knight Card\* \_\_\_\_\_  
**TOTAL** \_\_\_\_\_

\***KNIGHT CARD** • Participation in the Knight Card program is optional. For more information, go to [internal.clarkson.edu/sas/student\\_accounts/knightcard/index.html](http://internal.clarkson.edu/sas/student_accounts/knightcard/index.html).

### ESTIMATED FALL CREDITS:

NYS TAP or other state awards \_\_\_\_\_  
 Federal Grants (Pell, SEOG) \_\_\_\_\_  
 Outside Scholarships/Grants \_\_\_\_\_  
 Clarkson Scholarships/Grants \_\_\_\_\_  
 Federal Direct Student Loan (total) \_\_\_\_\_  
 Clarkson Loan \_\_\_\_\_  
 Other Student Loans \_\_\_\_\_  
 Federal Direct Parent PLUS Loan \_\_\_\_\_  
 Other \_\_\_\_\_  
**TOTAL** \_\_\_\_\_

### ESTIMATED SPRING CREDITS:

NYS TAP or other state awards \_\_\_\_\_  
 Federal Grants (Pell, SEOG) \_\_\_\_\_  
 Outside Scholarships/Grants \_\_\_\_\_  
 Clarkson Scholarships/Grants \_\_\_\_\_  
 Federal Direct Student Loan (total) \_\_\_\_\_  
 Clarkson Loan \_\_\_\_\_  
 Other Student Loans \_\_\_\_\_  
 Federal Direct Parent PLUS Loan \_\_\_\_\_  
 Other \_\_\_\_\_  
**TOTAL** \_\_\_\_\_

(Federal Work-Study or University Work Program is not applied toward the term charges)

Total Fall Charges \_\_\_\_\_  
 Less Fall Credits \_\_\_\_\_  
 Fall Balance (pay May-Oct.) \_\_\_\_\_

Total Spring Charges \_\_\_\_\_  
 Less Spring Credits \_\_\_\_\_  
 Spring Balance (pay Nov.-April) \_\_\_\_\_

Please enclose the nonrefundable application fee of \$60 made payable to Clarkson University PP. Retain a copy of this application for your records. Any applications received without the \$60 fee will not be processed.

Return your application and \$60 fee to:

Student Administrative Services, Clarkson University  
 Box 5548, 8 Clarkson Avenue, Potsdam, NY 13699

# Payment Plan Terms and Conditions

The following statement constitutes the terms and conditions of the Clarkson University Payment Plan (PP). Participants in the Clarkson University Payment Plan pay all tuition, fees, housing and meals in monthly payments. The fall payment plan runs from May 1 – October 1 and the spring payment plan runs from November 1 – April 1.

1. The PP permits payment of all tuition, fees, housing and meals in monthly installments instead of a lump sum at, or prior to, check-in. The charges for each term are paid in monthly installments, each of which shall be a portion of the total amount payable for the term. These charges, however, are subject to adjustment as set forth in the following paragraphs.
2. The applicant's estimate is based on the amount payable under the PP for each term. Where actual charges are not determined, average or estimated charges have been used. The amount to be financed for each term cannot include any prior semester balance. Any charges above and beyond the original PP amount must be paid with the monthly invoice that is sent to the student's billing address.
3. The debtor shall pay monthly installments in accordance with the schedule set forth by the University to equal the total amount payable with respect to the student's account. All payments must be made in U.S. funds.
4. The first installment for the fall term is due by May 1, and the remaining payments are due on the first day of each succeeding month. The first installment for the spring term is due November 1, and the remaining payments will be due on the first day of each succeeding month. The number of monthly payments will be determined by the process date of the application.

5. The University may refuse to register and any subsequent participation in the PP for any student for whom all payments due have not been paid. The University may withhold diplomas, transcripts and future registration from any student for whom all tuition, fees and other charges have not been paid by the final due date for each term. Subsequent participation will also be denied to anyone who knowingly misrepresents information on his/her application. In the event this agreement is referred to an attorney for collection, the student shall pay attorney fees, reasonable collection costs and charges necessary for the collection of any unpaid amount.
6. In the event the student withdraws from the University prior to registration, payments made under the PP will be refunded to the student after all outstanding financial obligations have been met. Refunds will not be given until the University has received official notification of the student's withdrawal.
7. **Please allow ample time for postal delivery when you mail your payment. If your plan becomes two months delinquent, your plan will be cancelled.**
8. The minimum PP amount that may be financed will be \$1,000 per term.

*This agreement is subject to and subordinate to other documents signed involving a contractual relationship with Clarkson University. If any portion of this document shall be held to be inconsistent with those documents, or illegal, such portions of this agreement shall be void, but all remaining provisions shall remain in full force and effect.*



## Loan Comparison Quick Reference 2018-2019

The following pages contain information about applying for various educational loans. Use this comparison chart as a quick, convenient reference guide to the features, terms and repayment details for Direct Student Loans, PLUS and alternative loans. Direct loan interest rates are fixed and loans for each year may have new rates.

Federal Direct Loans do not automatically renew each aid year. You must file a FAFSA annually.

Graduate Direct Loans currently have different interest rates.

<b>Federal Direct Undergrad Student Subsidized Loan</b>	<b>Federal Direct Undergrad Student Unsubsidized Loan</b>	<b>Federal Direct Parent PLUS Loan</b>	<b>Alternative Loan</b>
Currently 4.45% fixed	Currently 4.45% fixed	Currently 7.0% fixed	Variable and fixed, varies by lender
No credit check	No credit check	Must be credit worthy	Must be credit worthy
Only student loan borrower responsible for repayment, no cosigner needed.	Only student loan borrower responsible for repayment, no cosigner needed.	Only parent borrower responsible for repayment, no student responsibility.	Student loan borrower responsible. Most lenders will require a credit-worthy co-signer.
Loan Limits	Loan Limits	Loan Limits	Varies by Lender
Death/Disability benefit	Death/Disability benefit	Death/Disability benefit	Some lenders offer Death/Disability Benefit, varies by lender.
Deferment / Forbearance eligibility	Deferment / Forbearance eligibility	Deferment / Forbearance eligibility	Possible Deferment / Forbearance eligibility
Federally guaranteed	Federally guaranteed	Federally guaranteed	Not Federally guaranteed
Can be consolidated with other federal guaranteed loans through federal guarantee agency	Can be consolidated with other federal guaranteed loans through federal guarantee agency	Can be consolidated with other federal guaranteed loans through federal guarantee agency	Cannot be consolidated with other federal guaranteed loans through federal guarantee agency
Generally, no interest is charged on subsidized loans while you are in school at least half time, during the grace period and during deferment periods.	Interest is charged to your loan from the time the loan is disbursed to the school. You can make payments or capitalize (defer) interest until leaving school.	Interest is charged to your loan from the time the loan is disbursed to the school.	Interest is charged to your loan from the time the loan is disbursed.

# Federal Direct Student Loan Program — The First Choice for Students

Subsidized	Unsubsidized
A subsidized loan is based on financial need. In general, the federal government will pay the interest on the loan while you are enrolled at least half time in school, during the grace period, and during deferment periods.	An unsubsidized loan is not based on financial need. You must either pay the interest monthly/quarterly, or have the interest capitalized (added to the principal loan amount). Payments on both the interest and principal must begin six months after the student graduates, leaves school or drops below half-time enrollment.

The following are the federally set limits on Federal Direct Student Loan amounts based on the student's class standing (number of credit hours earned) and at least half-time enrollment.

Class	Earned Hours	Dependent Student Year Loan Limit	Independent Student Year Loan Limit	Additional Unsubsidized Loan — both dependent & independent
Freshman	0-23	\$3,500	\$7,500	\$2,000
Sophomore	24-53	4,500	8,500	2,000
Junior	54-83	5,500	10,500	2,000
Senior	84+	5,500	10,500	2,000

## Disbursements

There are two disbursements per year, usually at the beginning of each term. Disbursements of these funds will be done automatically into the student's account when all required documentation is received, the U.S. Department of Education approves the loan, and the student has accepted the federal loan(s), completed the federally mandated entrance counseling requirement and has a signed Master Promissory Note (MPN) on file.

## Fees

For loans first disbursed 10/1/17 - 9/30/18, the federal government charges a loan fee of 1.066%. The amount disbursed to your student account will reflect the deduction of this fee from your loan amount.

## Interest

For undergraduates, the federal government pays the interest during your in-school and deferment periods for subsidized borrowers. Since interest accrues from the disbursement date on unsubsidized loans, it is highly recommended that borrowers contact their servicer to make payments of this interest while enrolled. Unpaid interest is capitalized at the end of the grace period.

## Interest Rates for Undergraduate Students

Currently, the interest rate on both subsidized and unsubsidized federal direct loans is 4.45% fixed. This is the rate for loans disbursed between July 1, 2017- June 30, 2018.

## Grace Period

Federal Direct Student Loan borrowers are not required to make repayment of principal during the six-month period that occurs after graduating, withdrawing or dropping below half-time enrollment.

## Term

Repayment normally may extend up to 10 years; flexible extended repayment plans may be available. A minimum payment of \$50 per month is required while in repayment.

## Repayment

Repayment begins after the grace period. It may be delayed by deferment options available to borrowers.

**Maximum Eligibility Period:** You may not receive Direct Subsidized Loans for more than 150% of the published length of your program. Additional information at: [studentaid.ed.gov/sa/types/loans/subsidized-unsubsidized#eligibility-time-limit](http://studentaid.ed.gov/sa/types/loans/subsidized-unsubsidized#eligibility-time-limit)

# How to Complete the Entrance Counseling Session

Before receiving a Federal Direct Student Loan, student borrowers must complete an Entrance Counseling Session. Once you do this, it will carry over to future years at Clarkson. This loan will not disburse to your student account until it is completed.

The student completes the entrance counseling requirement at the following website: **StudentLoans.gov**.

You will need your FSA ID to sign in. This is the same FSA ID you created when filing the FAFSA. Sign in by clicking on the green "Log In" button. Once signed in go to "Complete Loan Counseling," and then choose "Entrance/Counseling."

Confirmation of your completion of this requirement is automatically sent to the school.

# How to Complete an Electronic Master Promissory Note for Federal Direct Student Loans (subsidized and unsubsidized)

The Master Promissory Note (MPN) is completed only once to cover all student Federal Direct Student Loans, for up to 10 years of study. Students must actively confirm with Clarkson acceptance of federal loans each year.

Clarkson University does not print an MPN for Direct Loans. If you have never before completed an MPN, you must go to the following Department of Education website: **StudentLoans.gov** and sign in by clicking on the green "Log In" button. Once signed in, go to "Complete Loan Agreement" and click on "Start" to the right of "MPN for Subsidized/Unsubsidized Loans." It is estimated that it will take 30 minutes to complete this electronic process. The MPN process must be completed in a single session, so be sure you have sufficient time to finish. You will need to enter personal data, including the name, address and phone

numbers for two personal references. Be sure to finish the process to the end; you should receive an e-mail in response, once you have successfully completed a master promissory note. If you decide not to take a Federal Direct Student Loan, you may cancel this process at any time before submitting your electronic MPN. You may also notify SAS that you do not want the loan, anytime up to 10 days after disbursement.

## Direct Loan Servicing

Federal Direct Loans are now serviced by one of many servicers. Borrowers will receive notification informing them of which servicer they have. This information can also be found by signing in to **nslds.ed.gov**.

# Federal Direct Parent PLUS Loan

Sometimes the Federal Direct Student Loan eligibility does not cover total costs. Therefore, many families look to other loans to pay the bill. When compared to alternative loans, the Federal Direct Parent PLUS Loan is typically the most cost-effective choice for families, offering federal protection and more repayment options. The choice is yours to make; we hope the information in this packet will help you make an informed one.

Eligible parents may borrow a Federal Direct Parent PLUS Loan for each dependent undergraduate student who is enrolled at least half time. Your student must file a Free Application for Federal Student Aid (FAFSA) before your application can be processed. A FAFSA must be submitted each academic year.

The Federal Direct Parent PLUS Loan is a credit-based loan. Family income is not a factor in the approval of a PLUS loan. However, the lender will access the borrower's credit report in order to make its decision. To ensure timely processing before the due date of the fall invoice, we encourage you to submit an application by July 16. Parents who are not approved for the Federal Direct Parent PLUS Loan will have the option of appealing the credit decision or securing a creditworthy co-borrower to help them become PLUS eligible through the Endorser Addendum Option. Online loan counseling is required for PLUS applicants who were approved through the extenuating circumstances and for approved applicants with endorsers. In addition, voluntary PLUS loan counseling is available online.

## Loan Periods and Amounts

Parents may borrow up to the cost of attendance at Clarkson University, less any financial aid received. The cost of attendance includes tuition, housing, meals, fees, books, personal expenses and transportation. Financial aid includes grants, scholarships, Federal Work-Study and other loans. Parents may indicate "maximum" for the loan amount. The loan would then be processed for the amount of unmet need.

Students enrolled in both the fall and the spring semesters will have a loan period from August 27, 2018, to May 7, 2019. The loan amount will be divided equally between the fall and spring semesters. When deciding how much you wish to borrow, be sure to include both semesters, and consider the loan origination fee deduction.

## Borrower Repayment Incentives

Electronic payments will reduce the interest rate by 0.25%.

## Application Process

*This is required each year.*

1. You can apply online for a Federal Direct PLUS Loan at [StudentLoans.gov](http://StudentLoans.gov). The parent borrower

will need to sign in using their FSA ID. This is the same parent FSA ID created when the student filed the FAFSA. If you are not the parent who signed the FAFSA you will need to create an FSA ID. Choose "Apply for a Direct PLUS Loan," then choose "Direct PLUS Loan Application for Parents." The U.S. Department of Education will run a credit check as part of the application.

2. Also at [StudentLoans.gov](http://StudentLoans.gov), new borrowers will also need to complete a PLUS Master Promissory Note, by selecting "Complete" under the Master Promissory note heading, and then choose "Loan Agreement PLUS, MPN for Parents."

## Interest Rates

The Federal Direct Parent PLUS has a fixed interest rate of 7.0% for loans disbursed between July 1, 2017- June 30, 2018. This rate may change for 2018-2019.

## Fees

The Federal Direct Parent PLUS has a fee of 4.264%, for loans first disbursed from 10/1/17-9/30/18. This fee is deducted from the loan disbursement amount.

## Disbursements

A Federal Direct PLUS Loan is disbursed in two equal installments — at the beginning of each semester.

## Repayment

The parent is responsible for repayment of a Parent PLUS Loan. Depending on the amount borrowed, the repayment term can be up to 10 years. The minimum monthly payment is \$50, and there are also extended and graduated plans to help make repayment affordable. Repayment on PLUS loans begins approximately 60 days after the loan is fully disbursed unless the parent borrower contacts their servicer after the loan is fully disbursed to request deferment of repayment while the student is in school. This is not an automatic deferment and must be requested; not all borrowers will qualify. Borrowers will receive notification of servicer contact information or may log in at [nslds.ed.gov](http://nslds.ed.gov) to obtain servicer information.

## PLUS Credit Denied Policy

If a parent is denied a PLUS loan and does not wish to obtain an endorser or appeal the credit decision, the student may request an additional unsubsidized Federal Direct Student Loan of \$4,000 per year for freshmen and sophomores and \$5,000 for junior and senior year. The parent must also submit written notification that they will not appeal the credit decision and they want the PLUS loan cancelled.

# Alternative/Private Student Loan Programs

Alternative (or private) loans are credit-based loans that are not funded by the federal government and are approved based on the good credit history of the students and/or a co-signer. Most lenders require a credit-worthy co-signer. The co-signer does not need to be a parent. Applicants with better credit will be offered a lower interest rate.

**You should exhaust all of your scholarship, grant and federal student loan options before looking towards any alternative loan program.** Although lower interest rates may be found on an alternative loan, often these rates are variable. Alternative loans cannot be part of a Federal Loan Consolidation, and also may have fewer deferment options and borrower benefits.

For students considering an alternative loan, you have the right to select the alternative loan lender of your choice and will not be penalized by Clarkson University for choosing a particular lender. Since alternative loans are funded and administered by private lenders, each has its own unique terms and conditions. Clarkson University does not recommend any particular alternative loan lender and does not have a preferred lender list. New York State Higher Education Services Corp. (HESC) is a resource for additional information and assistance on alternative loan programs. HESC has no affiliations with any student loan lenders. We encourage you to visit their website at [hesc.ny.gov](http://hesc.ny.gov). Once there, hover over "PAY." Under the "smart borrowing" tab, you will find the Private Loan Comparison Tool.

All alternative loan borrowers are required to complete a "Private Education Loan Applicant Self-Certification" form. This form is available from your lender and can also be obtained from the financial aid section of [internal.clarkson.edu/sas/forms](http://internal.clarkson.edu/sas/forms). After the loan is certified by the school, disbursement of the alternative loan will not occur prior to the borrower's acceptance of the terms via the lender's website.

## Questions to consider when choosing an alternative loan

- What, if any, are the origination fees?
- What interest rate am I eligible for?
- Is there a grace period on the loan? When is the first payment due?
- Are any payments required while in school?
- Where will I be sending the payments? Will the loan be sold?
- Are there any deferment options?
- Are there any incentives? For example, reduced interest rates for a certain number of on-time payments, or for participating in auto debiting?
- What is the repayment period? Depending on the amount borrowed, I may need 15-20 years to repay the loan.
- Are there co-borrower release options after a certain number of payments have been made on time? Does this release have to be requested, and is it subject to a new credit approval?
- Many alternative student loans offer a choice of a fixed or variable interest rate. How is this rate calculated? How often does the variable change? Is there a cap on the variable interest rate?

