

# Financing Your Linfield Education



**Monthly Payment Plan** — Linfield contracts with a third party to provide a monthly payment plan. For a nominal annual fee families can spread the balance owed to the college over 12 months. As long as the payments are made timely each month there are no additional service charges or fees. This is an annual arrangement, not a long term loan.

**Federal PLUS Loan** — is a loan for parents to pay educational expenses for their children. Parents with credit in good standing can borrow up to the cost of education minus any other awarded financial aid. The interest rate is fixed and capped at 7.9%. This loan offers two payment options while the student is in school — 1) full principle and interest payments beginning 45 to 60 days after the second disbursement for 10 years, or 2) deferral of principle and interest payments for four years of undergraduate education. Interest would accrue during this time. Payment would begin six months after the student ceases to be enrolled at least half-time. This loan requires a credit check and completion of a Master Promissory Note and the Linfield PLUS Loan Request Form (C5).

**Private Education Loan** — is a loan in your name with a credit worthy co-signer. Students can borrow up to the cost of education minus any other awarded financial aid. The interest rate is variable, tied to the Prime lending rate, reset quarterly and accrues while you are in school. Depending on the credit worthiness of the co-signer and the lender you select the interest rate varies from Prime plus 1% to Prime plus 8%. This loan requires an extensive credit review of the co-signer and completion of an annual promissory note.

If you choose to finance a portion of your education with a private education loan we are providing the link below to the Simple Tuition Web site to assist you in choosing the loan that works best for you.

<http://www.linfield.edu/finaid/prospective.php>

## DIRECT TO CONSUMER LOANS

These are loans provided directly to a student from a bank without being certified by the financial aid office. Certification means that the financial aid office is aware of the loan and has checked to make sure that the amount of the loan fits within the financial aid award in order to meet federal regulations regarding cost of attendance and financial aid. Typically, loans approved and certified by the financial aid office will have lower interest rates and origination fees (if any). Direct to Consumer loans usually have higher interest rates and always have origination fees so can be much more expensive funds to borrow.

Example: If a student or parent borrows \$20,000 at 12.59% interest, the total payback would be in excess of \$59,000 if paid according to the terms of the loan!

**PLEASE NOTE: YOU ARE REQUIRED TO REPORT ALL OUTSIDE LOANS TO THE OFFICE OF FINANCIAL AID. BORROWING A DIRECT TO CONSUMER LOAN IS A BAD FINANCIAL DECISION.** Please speak with the Office of Financial Aid for better financing options.