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 are some resources and options that we have described for you. We hope that you and your parents will review these options carefully.

Before you assess these options, consider the total educational expenses you need to meet for the academic year. For 2020-21 the bill for tuition (including books), student activity fee, room and board, and transportation will total $73,910. In addition to these total 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 the interest rate on your loan will be federal unsubsidized. Your 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.

How to apply for a Federal Direct Loan:

• If you have not already done so, complete a 2020-21 Federal FAFSA application on-line at www.fafsa.gov.

• Incoming students: We will email you Federal Direct Loan instructions 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 sfaio@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 4.53% and the federal administrative fee was about 1% during the 2019-20 academic year but the U.S. Department of Education will announce the 2020-21 interest rate and fee in June. Check our website then for an update about the interest rate and fee.

FEDERAL DIRECT PLUS LOAN—for parents up to $76,062 available each year

The Federal Direct PLUS Loan offers parents a long-term educational loan. Parents “who do not have an adverse credit history” may be eligible for the Federal Direct PLUS Loan. Eligibility is determined at the time of application by a credit check.

Federal Direct PLUS Loans can be used to cover your full Swarthmore bill (less any other 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 7.08% 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 2020-21 Federal FAFSA application online at www.fafsa.gov. Parents can start the application process by following the link and the instructions 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 7.08% and the federal administrative fee was about 4% during the 2019-20 academic year but the U.S. Department of Education will announce the 2020-21 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 parents whose students 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 $73,910 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 enroll-ment 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 for further information.

CAMPUS WORK OPPORTUNITIES

Of our 1,200 work-part-time on campus during the academic year (half of those are students receiving financial aid). The Student Employment Office (SEO), under student direction, oversees JOBA, a job hosting software where students may view and apply for on-campus employment opportunities such as those in the library, dining hall, admissions office, and other administrative or academic offices. You must arrange for your own job, but the SEO will help you with any questions regarding JOBA. Incoming first year students will be invited to information sessions and a job fair during orientation in the fall. The Student Payroll Office will help you to complete necessary paperwork in the fall. Throughout the year, unfilled jobs will be listed online.

HOW SOME SWARTHMORE FAMILIES MEET 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 $70,000 through the College’s monthly payment plan. His parents paid $700 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 by working about 7 or 8 hours weekly on campus.

SOPHIE and her parents needed our help, she received an award of financial aid from the College totaling $50,560. 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 academic expenses and to pay for laundry soap and toothpaste, etc., through the year. Her summer earnings as well as a portion of her savings were used toward the College bill. Joan saved $5,500 through the Federal Work Study 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 $70,000 and repaid $940 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.

About Federal Direct Loan repayment:

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.

Debt management programs, 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.
<table>
<thead>
<tr>
<th>Available Options</th>
<th>Federal Direct Loan (Subsidized or Unsubsidized)</th>
<th>Federal Direct Plus Loan (Parent Loan for Undergraduate Students)</th>
<th>Swarthmore Monthly Payment Plan</th>
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<td><strong>Who offers this program?</strong></td>
<td>U. S. Department of Education</td>
<td>U. S. Department of Education</td>
<td>Swarthmore College</td>
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<tr>
<td><strong>To whom is it available?</strong></td>
<td>Students</td>
<td>Parents</td>
<td>Students or parents</td>
</tr>
<tr>
<td><strong>On what basis is it available?</strong></td>
<td>Available to all students who are eligible for federal student aid</td>
<td>Available to parents who do not have an “adverse credit history”</td>
<td>Available to anyone</td>
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<tr>
<td><strong>Who determines eligibility for participation?</strong></td>
<td>Swarthmore College using federal guidelines</td>
<td>U.S. Department of Education</td>
<td>No eligibility requirements</td>
</tr>
</tbody>
</table>
| **How much is available?** | • up to $5,500 for first years  
• up to $6,500 for sophomores  
• up to $7,500 for juniors  
• up to $7,500 for seniors | up to $76,062 each year | $73,910 can be budgeted each year |
| **What is the interest rate?** | The interest rate for the 2019-20 academic year was 4.53% but the U.S. Department of Education will announce the 2020-21 rate in June. Check our website then. | The interest rate for the 2019-20 academic year was 7.08% but the U.S. Department of Education will announce the 2020-21 rate in June. Check the Federal website then. | No interest is charged but there is a $35 per semester enrollment fee |
| **What fees will be retained by U.S. Department of Education?** | The current fee is 1.059%. This fee will change for new loans after Sept. 30, 2020. | The current fee is 4.236%. That fee will change for new loans after Sept. 30, 2020. | None |
| **When does repayment begin?** | 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 |
| **How long may borrower take to repay?** | up to 10 years (excluding deferment periods) | up to 10 years | There are three separate plan duration options available |
| **How much is the monthly repayment?** | 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 |
| **When should application be started?** | Submit an application in May or June if new borrower | Submit an application in May or June | Participants may enroll beginning June 1, for the fall semester and Nov. 1, for the spring semester |
| **Who will provide an application?** | Incoming students:  
• We will email you Federal Direct Loan instructions in May.  
Previous Direct Loan borrowers:  
• We will process your loan based on the request you entered on your CSS/PROFILE form.  
Upperclass students who have not previously borrowed:  
• Please follow the link and instructions found on the Financial Aid Website. | New and previous Federal Direct PLUS Loan borrowers should follow the link and instructions found at: https://www.swarthmore.edu/financial-aid | Online via the Student Accounts website. https://www.swarthmore.edu/student-accounts-office |

**FINANCIAL AID OFFICE/SWARTHMORE COLLEGE/SWARTHMORE, PENNSYLVANIA 19081**