

While we hope borrowing will be minimal or unnecessary, we understand that educational loans can help families pay college bills. Most undergraduate students and parents are eligible to borrow federal student loans. Federally guaranteed student loans are called Stafford loans. Federally guaranteed parent loans are called PLUS loans.

Bowdoin does not endorse specific Stafford or PLUS loan lenders or publish a “preferred” lender list. Students and parents may borrow from any private lender of choice or through the federal William D. Ford Direct Loan program.

### ***Direct Lending from the US Treasury***

Given the stagnation in the credit markets and the legislative uncertainty associated with the future of the federal guaranteed student loan program, Bowdoin now participates in the federal William D. Ford Direct Loan program. Direct loans are similar to private guaranteed loans with the exception that loan capital is provided by the federal Treasury and not by individual banks or private lenders.

Students and parents may continue to borrow federal loans through private lenders, if they wish, but we have no way of knowing how long private lenders will continue to lend in this difficult period. Switching to Direct lending has many advantages, among them are:

- Stability of long-term capital
- Standardized rates, features and benefits
- Life-of-loan participation with a single provider
- Post graduate loan consolidation services
- Competitive 7.9% interest rate for parents
- High annual borrowing limits

While senior class parents may wish to return to their private lender for their final year, underclass parents should consider borrowing from the Direct Loan program to insure borrowing stability for their remaining years at Bowdoin.

To learn more about borrowing through the William D. Ford Direct Loan program, visit [www.direct.ed.gov](http://www.direct.ed.gov). Application materials and links are also available at this site. In addition, parent loan borrowers must complete (or have already completed) the federal 2009-10 FAFSA with results submitted to Bowdoin. Parents must also complete the Bowdoin application for Direct Loan Parent PLUS which can be found on the forms tab of you personal web portal or at <http://www.bowdoin.edu/studentaid/PLUS%20Application.doc>.

## ***Federal Lending through Banks and Agencies***

Students and parents who prefer to borrow Stafford and PLUS loan money from private lenders may certainly do so. Here are five links to help you learn more about guaranteed loans from private (non-government) lenders:

- “Choosing A Lender” from Mark Kantrowitz’s web site at <http://www.finaid.org/loans/choosing.phtml>
- College Board Loan Center <http://www.collegeboard.com/parents/pay/loan-center/index.html>
- [Choosing a Lender](#) from the US Department of Education
- [Comparing Discounts on Federal Loans](#) from the Project on Student Debt
- [Look Before You Leap: Student Loan Shopping Techniques](#) from the Project on Student Debt

Here are three links to private guaranteed loan lenders:

- FinAid’s “Smart Student Guide to Financial Aid” maintains a [database](#) of current lenders
- The [Greentree Gazette](#) compiles [The Loan Buying Guide](#), a lender database
- Bankrate.com at [http://bankrate.com/brm/rate/college\\_home.asp](http://bankrate.com/brm/rate/college_home.asp)

The Bowdoin Student Aid Office certifies costs and student enrollment for all loan applicants. Parent loan amounts may not exceed the difference between costs and other forms of financial aid. Contact Rebecca in Student Aid (207-725-3274) with loan processing questions.

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