

Student / Parent Financing Options at Bowdoin College

Bowdoin's policy is to meet the full calculated need of every student applying for financial aid. Student loans are not part of our standard financial aid packages, but many families elect to use loans to help finance a part of their share of yearly educational costs. When considering your options for financing your education, it is important to become an informed consumer. Understanding the choices available to you will help you pick the program that best meets your family's needs for the duration of your educational career.

BUILDING A PLAN

Each family is unique and pays their share of college costs in several ways, including applying for financial aid, receiving outside scholarships, and determining the educational funds that are available from your family's current income and savings. Once these resources are fully explored, the sequence for most families is to then review options that require an extended time to repay (i.e. loans and payment plans). There are many considerations that you should take into account as you build a plan for financing all or part of your share of educational costs: Does your family have other children that are in college or will be in the future? Do your parents expect their income to change in the coming year? What is the student's intended occupation after graduation? Is the amount you need to borrow in line with your expectations for future salaries? Have you carefully considered the amount that you would be able to pay in monthly loan payments?

Paying for college is generally not a single-year event, but one that requires plenty of thought, preparation, and a multi-year plan. Once you build your plan, you should reevaluate it at least annually and make necessary adjustments to ensure your plan continues to be appropriate. Consider using our *Billing & Student Aid Worksheet* to begin your planning.

UNDERSTANDING YOUR OPTIONS

States, federal governments, and private institutions provide educational financing options for students and parents. Selecting a plan that best meets your family's needs requires extensive research. Provided below is a general overview of the different financing options available to students.

WHEN AND HOW TO APPLY FOR LOANS

Bowdoin bills by semester: fall semester is due in August, and spring is due in January. If you are planning to use loans to pay your share, we suggest that you apply at least 30 days before the bill is due. Loans are generally processed for the academic year, with half of your loan request applied to each semester. You will find application instructions under Forms and Resources on your [MyAid Portal](#).

STUDENT FINANCING OPTIONS

- [Federal Direct Loans](#)
- **State Based Financing Options**
- **Private Loans (from banks and other financial institutions)**
- **International Student Options**

Federal Direct Loans:

All U.S. citizens and eligible non-citizens can borrow from the Federal Direct Loan program. Annual amounts and borrowing terms vary based on the student's demonstrated financial need. For more information, please click on the link above.

State and Private Student Loans:

Generally, because of the lower interest rates, repayment options, and cancellation benefits, we advise students/parents to explore federal financing options before considering state-supported or private lending opportunities. However, many states provide attractive lending options for state residents and for students attending school in their state. For more information on options available to you from your home state, contact the agency responsible for administering those programs. In Maine, students can contact the [Finance Authority of Maine](#) for borrowing options and eligibility criteria.

International Students:

You will often find student/parent financing options available for study in the U.S. from your home country's "Loan Authority." For more information, contact the department that is in charge of administering those programs in your country for specific information. Often, these agencies ask the College to verify the student's enrollment. You can send enrollment verification information to the College Registrar or the Student Aid Office.

PARENT FINANCING OPTIONS

- [Federal Parent Loans for Undergraduate Students \(PLUS\)](#)
- **Home Equity Loans**
- **State/Private/Other Parent Loans**
- **Payment Plans**

The best program for parents interested in financing all/part of their share of educational expenses will vary for each family. We suggest that you review all of the available options before choosing the program that will best meet your family's need for the student's entire career at Bowdoin. For some, the most important factor will be the interest rates charged, while other families might be more concerned with the opportunity for flexible repayment terms. We advise that you carefully review the terms of each loan to ensure you understand your repayment responsibilities.

Federal Direct PLUS Loan:

Sponsored by the federal government and available to U.S. citizens and eligible non-citizens, this program has a fixed interest rate and parents of dependent students can borrow up to the cost of education minus all sources of financial aid. Flexible repayment terms and other important options are available to qualified borrowers. Application instructions can be found under Forms & Resources on the MyAid Portal.

Home Equity Loans:

Some families choose to use part of their home equity to help finance educational expenses. For more information on the availability of home equity loans, we recommend that you contact your current mortgage provider or other mortgage providers advertising home equity loans.

State/Private and Other Parent Loans

Many states provide financing options for state residents and for parents of students attending school in a particular state. For more information on loan options sponsored by states, contact the agency in charge of administering state aid for college in your home state or the state where your child is attending college. In Maine, families can visit the [Finance Authority of Maine](#) for more information.

Bowdoin does not make specific recommendations for student/parent private educational loans.

Payment Plans:

Bowdoin provides access to a commercial payment program for families who want to pay all or part of their billed expenses on a monthly basis. For more information, please review the [Installment Payment Plan](#) information with the Bursar's Office.

Payment Plan FAQs:

How does the payment plan work?

The Bursar's Office coordinates with a third party, Nelnet Campus Commerce, to allow you to pay your bill in monthly installments instead of just once per semester.

What are my options?

You may sign up for a one-semester plan and spread payments out over 3-5 months, or you may sign up for an academic-year plan and spread payments out over 8-10 months. The number of months depends on when you sign up. The payment plan year is July to April.

Are there any fees or interest associated with the payment plan?

There is a fee of \$50 for a semester plan or \$80 for an academic year plan. However, there is no interest involved with either plan.

When should I enroll in the payment plan?

It is up to you, but enrolling earlier means you will be spreading your payments over more months, resulting in smaller payments.

How do I determine the amount of my plan?

This is different for each family and depends on whether you are paying the entire balance using the payment plan, or if you are using loans or other sources to pay for part of your balance. Be sure to factor these in when you determine the total amount your payment plan needs to be.

Are there any other important things to remember?

It is your responsibility to ensure that you make payments on time and that the payment plan is sufficient to actually cover the semester's bill. You will need to pay any remaining balance due. Your student may encounter enrollment issues if you fall behind on your payments.

What if I still have questions?

The Bursar's Office has the most information about the specifics of the payment plan. You can reach them by email at bursar@bowdoin.edu or by phone at 207-725-3249.

Quick View – Student/Parent Loan Options

Loan - Look Up Table	Federal Direct Subsidized	Federal Direct Unsubsidized	Federal Parent PLUS Loan	Private Education Loans
For Student	Yes	Yes	No	Yes
Need-based	Yes	No	No	No
U.S. Citizen / Eligible Non-citizens	Yes	Yes	Yes	Yes
Borrowing Limits	Annual Loan Limit Varies By Year in School: 1 st Year - \$5,500 (Max \$3,500 Subsidized) 2 nd Year - \$6,500 (Max \$4,500 Subsidized) 3 rd & 4 th - \$7,500 (Max \$5,500 Subsidized) *Subsidized/Unsubsidized amounts determined by the Student Aid Office		Cost of Education minus all financial aid resources	Cost of Education minus all financial aid resources
Fees (origination)	Yes	Yes	Yes	Varies by lender/program
2020-2021 Interest Rate	2.75% Variable Fixed	2.75% Variable Fixed	5.30% Variable Fixed	Fixed/Variable
Interest During School	No	Yes	Yes	Varies by lender/program
Standard Repayment Period	10 Years			
Repayment Begins	6 months after leaving school, or drops below half-time			
Application Instructions	MyAid Forms & Resources – <i>Federal Parent Loan (Direct PLUS) Instructions and/or Federal Student Loan Instructions</i>		Apply directly with the lender/loan program	

The Bowdoin Student Aid Office is here to help! If you have any questions regarding the financing options or application process noted above, please feel free to contact our office at sao@bowdoin.edu or 207-725-3144.