

CURRY COLLEGE

Financing a Curry College Education - Putting the Pieces Together

Accepted Student Day April 3, 2021

Presenters

Robert Loconto – Director of Financial Aid



Putting the Pieces Together...

Presentation Overview

- Determine Amount to Finance
- Financing Options Available
 - Interest-Free Monthly Payment Plan
 - Savings, 529 Plans
 - Loans (Private, Federal, Other)
- Financing Strategies
- Putting a Plan into Action



Putting the Pieces Together

- How do I know how much I need to finance?
- Do I secure financing for the semester or for the year?
- When do I need to start?
- How do I start?
- What are private loans?
- What is a PLUS Loan?
- Who borrows the loan?
- How does a payment plan work?

Putting the Pieces Together

Follow These 4 Steps

- Determine Amount to Finance
- Review Financing Options
- Develop Your Financing Plan
- Put Your Plan Into Action

Determine Amount

- Review award letter (if applicable)
- Review charges that can be adjusted or waived
 - Health insurance may be waived
 - Meal plan may be adjusted
- Determine amount to finance for the entire academic year not semester by semester
- Review outside scholarships student is receiving and how they will be utilized
- Review any other source(s) of assistance (i.e. gifts from family)



2021-2022 Direct Costs

Tuition:	\$41,240
Room & Board:	\$17,345
Comprehensive Fee:	\$ 2,030
Orientation Fee:	<u>\$ 380</u>
Total:	\$60,995

Room & Board charge based on standard room and Meal Plan A (17 meals per week)

2021-2022 PAL Direct Costs

Tuition:	\$41,240
Room & Board:	\$17,345
PAL Tuition:	\$ 7,565
Comprehensive Fee:	\$ 2,030
Orientation Fee:	<u>\$ 380</u>
Total:	\$68,560

Room & Board charge based on standard room and Meal Plan A (17 meals per week)

Review Financing Options

- Savings
- Interest Free Monthly Payments
- Loans (Private, Federal, Home Equity)



Review Financing Options

Savings

- 529 Plan (state education savings plans)
- Stocks, Bonds, Mutual Funds
- Gifts or financial commitments from relatives



Review Financing Options

Monthly Payment Plan

- No interest or finance charge
- No credit-check
- Semester based plans with a low \$40 enrollment fee per semester
- Allows family to budget all or a portion of education expenses monthly like other debt obligations (i.e. mortgage, car payment, credit cards)
- Semester plans allow payments over 5 months
 - July – November (Fall)
 - December – April (Spring)

Review Financing Options

Monthly Payment Plan

- Reduces borrowing through private or federal loans
- Able to combine with other financing options
- Flywire is Curry's new payment plan provider beginning in June 2021. Payment plan information will be available at curry.edu

Review Financing Options

Private Loans

- Credit based loans
- Student is usually the primary borrower with a qualified cosigner, however some private loans allow the parent to be the primary borrower
- Cosigner can be any credit worthy individual
- Most lenders offer fixed and variable rate options
- Most private loans have 0% origination and processing fees
- Payments may be deferred during in-school period
- Student may borrow up to the cost of education less financial aid

Review Financing Options

Curry College Private Loan Lender List*

- AAA
- Citizens Bank
- College Ave
- Digital Credit Union
- Discover
- Massachusetts Educational Finance Authority (MEFA)
- New Hampshire Higher Education Loan Corporation (NHELCO)
- Rhode Island Student Loan Authority (RISLA)
- Sallie Mae

* Curry College will work with and process private loans for any lender of your choice. Parents and students have the right to select the private loan lender of their choice without penalty by the College and are not required to use any private loan lenders listed above

Review Financing Options

Federal Direct PLUS Loan

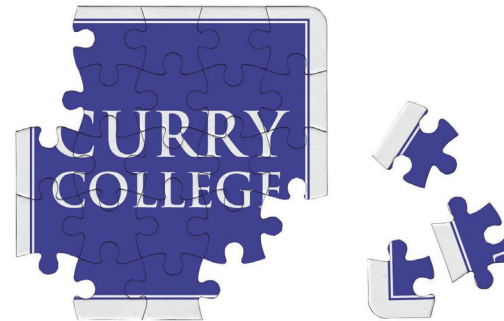
- Federal loan option available to biological, adoptive or step-parent
- Credit check required, however less stringent than private loans (income not reviewed as part of credit decision)
- Payments may be deferred during in-school period
- Origination fee of 4.228% deducted from loan proceeds
 - A \$10,000 loan nets \$9,577 after \$423 origination fee
- Fixed interest rate currently 5.30% (will reset on July 1st)
- All applicants receive same rate
- May borrow up to cost of education less financial aid
- Apply at studentaid.gov. Instant credit decision
- 2021-22 application available in mid-April

Step 2: Review Financing Options...

Home Equity Loan

- Allows families to access their home's equity
- Home Equity Loan or Home Equity Line of Credit
- May provide lower interest rate than PLUS or private loans
- Potential tax benefits*

* Consult with your tax advisor to see if you qualify



Step 3: Developing Your Financing Plan..

Which options work for you... Savings?
Monthly Payments? Loans?..

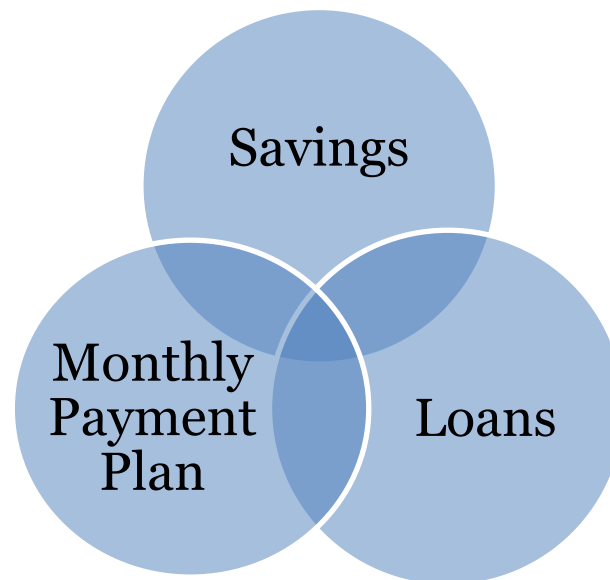
Perhaps a “**combination**” of options works best

Many Curry families utilize a “**combination strategy**”

Developing Your Financing Plan...

What is a “Combination Strategy?”

- **Combination Strategy** is a strategy that utilizes multiple types of financing to settle one’s financial obligation (i.e. loans, payment plan, savings, etc.)



Developing Your Financing Plan

Combination Strategies

Amount to Finance: \$15,000

<u>Family</u>	<u>Monthly Payment Plan</u>	<u>Loan</u>	<u>Savings</u>	<u>Outcome</u>
Family A	\$ 10,000 (\$1,000 per month)	\$5,000	\$0	Reduced borrowing with payment plan
Family B	\$ 7,500 (\$750 per month)	\$5,500	\$2,000	Reduced borrowing utilizing savings
Family C	\$ 5,000 (\$500 per month)	\$9,000	\$ 1,000	Reduced borrowing utilizing savings
Family D	\$ 2,500 (\$250 per month)	\$12,500	\$ 0	Reduced borrowing with payment plan

Developing Your Financing Plan

Consider the following...

When reviewing Savings

- Look to utilize savings first
- How much from savings, if anything, can be allocated toward education expenses?
- How will it be allocated ?

When reviewing the Monthly Payment Plan

- What can you comfortably afford each month to allocate toward education expenses?
- This monthly amount X 10 = **Total Plan Amount**
 - Fall Plan: Monthly amount X 5
 - Spring Plan: Monthly amount X 5

Developing Your Financing Plan

Consider the following...

When reviewing Loans

- What type of loan will you borrow?
- Who will the borrower be...Student?... Parent?
- How strong is the cosigner's credit?
- Who will cosign the private loan and is this person willing and able to cosign in future years?
- Does your loan have an origination fee? If yes, what is that fee? Is that fee deducted from the loan or added to the loan?

Developing Your Financing Plan

Consider the following...

When reviewing Loans

- Does the lender offer both a fixed and variable rate?
- Will you begin loan repayment of principal and interest immediately? Interest only? Defer during in-school period?
- Borrow only what is needed to satisfy billed costs

Putting your Plan into Action

It's now time to put your plan into action!

- Initiate a final review of your billed costs
- Determine which option or options are right for you
- If using a “combination strategy” determine amounts for each option (savings, payment plan, loan)
- If you are using the monthly payment plan, maximize what you are paying monthly in order to limit borrowing

Ask the following:

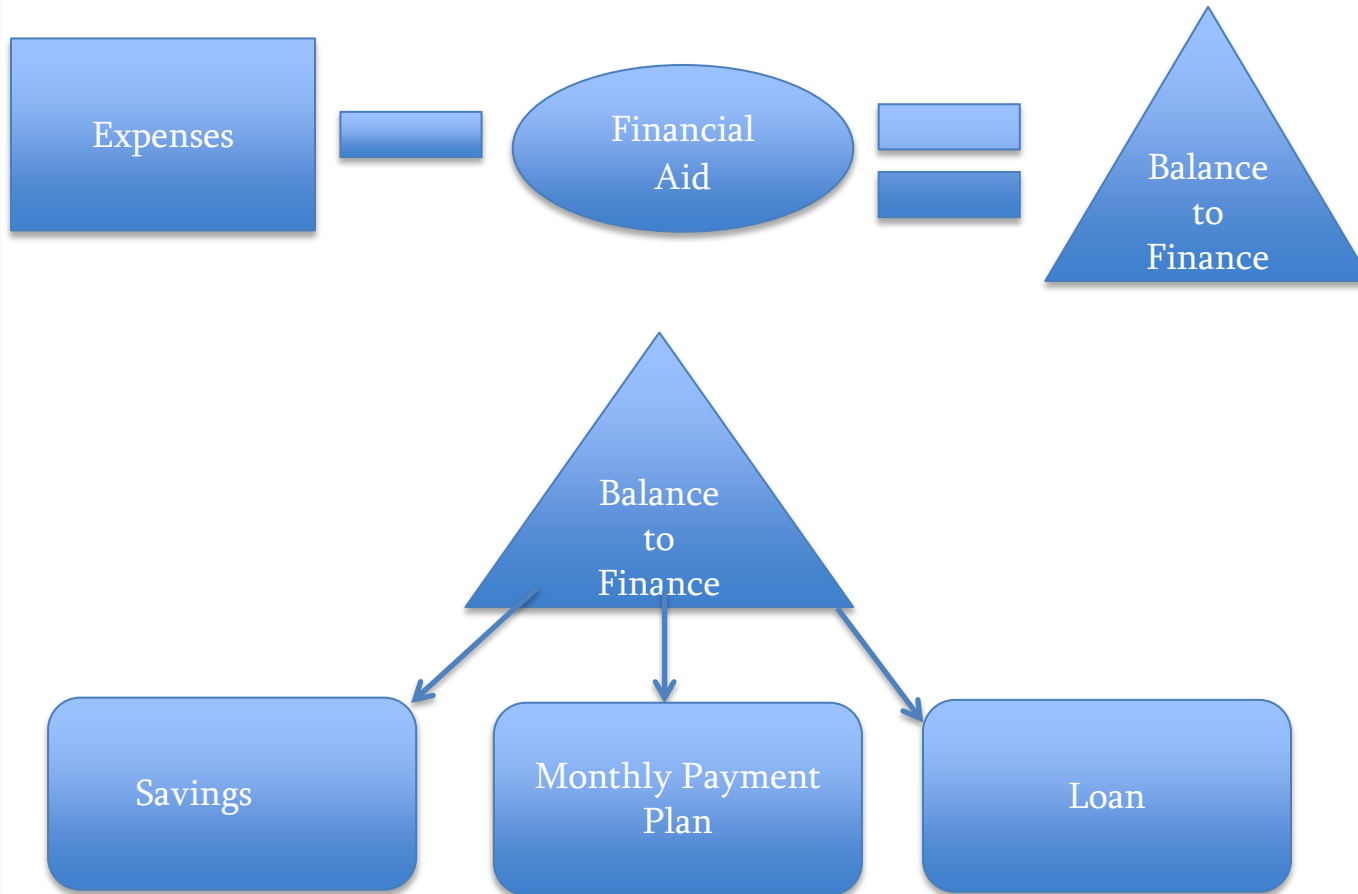
- “Is my plan realistic based on my financial resources?”
- “Can my plan be repeated in subsequent years?”

Putting your Plan into Action

Please be aware of the following dates:

- **Late May/Early June** - Federal PLUS or Private Loan applications initiated with the Department of Education (PLUS) or your lender of choice (Private Loan)
- **July 1** - Monthly Payment Plan: Enroll with plan provider
- **Mid July** - Direct payments to Curry from savings, home equity line of credit or state 529 Plans

Putting your Plan into Action - Recap



Glossary

Cosigner – An individual who secures another person's debt which involves a legal obligation to make payments on the other person's debt should that person default

Origination Fee - A fee that is either subtracted from or added to the gross amount of a loan

Fixed Rate Loan – An interest rate that will remain consistent (will not increase or decrease) for the entire term of the loan

Variable Rate Loan – An interest rate that can fluctuate (increase or decrease) for the entire term of the loan

Glossary

Prime Rate— An interest rate that commercial banks charge their most credit-worthy customers. Prime is determined by the Federal Funds Rate which is the rate banks charge each other to borrow money overnight. Current rate as of March 2021 is **3.25%**



Student Financial Services (SFS)

Hours of Operation

Monday - Friday 8:30 am to 4:30 pm

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Questions...

