



Financing a Rensselaer Education

Students and parents often inquire about other financial aid opportunities to meet the “Estimated Family Cost to Attend Rensselaer” beyond the typical federal, state, and Rensselaer aid they may be receiving. While Rensselaer cannot recommend a specific loan product for you to consider, we are happy to provide you with general information to assist you as you explore options to finance a Rensselaer education.

You should take into account how much your family can contribute monthly toward educational costs. This will assist you in determining how much you might wish to make in a payment plan and/or other loan programs. Always consider federal loan programs before other alternative loans and never borrow more than you need. To be considered for federal student and/or federal parent loans, a student must complete the Free Application for Federal Student Aid (FAFSA) which is available at www.fafsa.gov.

PAYMENT PLAN

Rensselaer offers a monthly payment plan through the *SallieMae TuitionPay* program. This allows you to spread your academic year expenses over ten monthly payments or less. There is no interest on this payment plan; however there is a nominal enrollment fee. To find out more about this program, visit the Rensselaer Bursar site at www.finance.rpi.edu. Click on Office of the Bursar, next click on Payment Options, then TuitionPay.

LOAN PROGRAMS

When thinking about a loan program, you should first consider who should be the primary borrower. If it is the parent of a student, then consider the Federal Direct Parent Loan for Undergraduate Students (PLUS) loan program. Should the student be the primary borrower, we suggest that you utilize other alternative loans. However, if using other alternative loan products, we strongly encourage you to select a creditworthy co-signer (usually a parent) to increase the chances that the student loan is approved and the best interest rate is provided by the lender. The maximum amount that can be borrowed in the Direct PLUS or alternative loan programs is the cost of attendance minus other financial aid. ***If you wish to utilize these programs, we strongly encourage you to submit your application in June.***

FEDERAL DIRECT PLUS LOAN PROGRAM

This program allows the parent of a dependent student to borrow for his/her educational expenses. The annual interest rate is a fixed rate equal to the high yield Treasury Note as of June 1st (of prior academic year) plus 4.60% (6.84% for 15/16). Up to 4.272% of the gross amount borrowed will be subtracted in a mandatory origination fee. A credit check is required, and the parent must be a U.S. citizen or eligible non-citizen. In addition, the student must file the Free Application for Federal Student Aid (FAFSA). Repayment begins after disbursement, and the borrower has up to 10 years to repay. Payments can be postponed while the student is attending school at least half-time. Graduate students may apply for the Graduate Federal PLUS loan program. For additional information on the PLUS loan/Graduate PLUS loan program terms and condition visit www.studentaid.ed.gov. Detailed information on the application process at Rensselaer will be available on our website in the month of May of the year the student will begin attending.

ALTERNATIVE STUDENT LOAN PROGRAMS

These non-federal loans are secured through private lending institutions. Typically in such programs, the student is considered the primary borrower, with a credit worthy co-signer. Please be aware that most lenders will not lend to a student who has not attained his/her 18th birthday at the time of application, regardless if a co-signer is used. Interest rates are fixed or variable, typically ranging from 2.25% - 12.99%, depending on the borrower(s) credit rating. In addition, the lender will look to other factors such as income and current outstanding debt. Repayment begins after disbursement, and the borrower may have up to 20 years to repay. Payment may be postponed while the student is in school at least half time. The borrower chooses the lender, submitting the application through that lender. The lender will communicate with Rensselaer and we in turn will notify the lender of the amount you are eligible to borrow. We do have some preferred lenders, selected because of their popularity with our students, commitment to customer service, competitive interest rates, and interactive websites. Please visit www.elmselect.com for additional information.