



## RIT – An Affordable Investment

Students and parents often inquire about other financial aid opportunities to meet the “Estimated Family Cost to Attend RIT” beyond the typical federal, state and RIT aid they may be receiving. While RIT 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 RIT 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](http://www.fafsa.gov).

### Payment Plan

RIT offers installment payment plans on a per semester basis. Payment plans are calculated based on the balance reflected on the student account at the time of the request and dividing it over the total months remaining in the term. There is no interest on this payment plan; however, there is a nominal enrollment fee. Students and authorized parents/payers can enroll in the payment plan by selecting the “Enroll” button on the “Payment Plans” page within eServices at [www.rit.edu/eservices](http://www.rit.edu/eservices).

### Loan Programs

When thinking about a loan program, first consider who should be the primary borrower. If it is the parent of an undergraduate 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. Graduate students should consider the Federal PLUS for Graduate Students. 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 determined each June for new loans and fixed for the life of the loan. The rates are calculated using a 10-year Treasury note index plus 4.60%. The current 2016-17 interest rate on the PLUS is 6.31%. There is a 4.276% origination fee deducted from the gross amount borrowed. A credit check is required and the parent must be a US citizen or eligible non-citizen. In addition, the student must file the 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 (a parent is not a borrower). For additional information on the PLUS loan/Graduate PLUS loan program terms and condition visit [www.studentaid.ed.gov](http://www.studentaid.ed.gov). Detailed information on the application process at RIT 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, the student is 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 18<sup>th</sup> 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 borrowers credit rating. In addition, the lender considers 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 and submits an application directly to the lender. The lender will communicate with RIT and we will notify the lender of the amount you are eligible to borrow. Please visit our website at <http://www.rit.edu/emcs/financialaid/loans.html#privateloans> for additional information.