

Meeting College Costs in 2013–14

This information is for students who completed an aid application, but who did not qualify for need-based financial assistance. It explains campus employment and student loan options. If you have questions or concerns, we encourage you to get in touch with one of our counselors.

Student Loans and Jobs

CAMPUS JOB

Many term-time jobs are available through Princeton's student employment program. If you are interested in working, you can ask for help finding a position by visiting our office when you return to campus.

If you work about 10 hours per week, you should earn approximately \$3,400. Since the money is paid to you every two weeks, you can view your earnings as a means of paying for your books and personal expenses.

PRINCETON STUDENT LOAN

You may want to use student loans to finance part of your Princeton costs. The brochure, *Financing Options for Students and Parents 2013–14*, describes the various non-need-based loan options available.

The Student Budget

Princeton Student Budget for 2013–14:

	<i>Freshmen and Sophomores</i>	<i>Juniors and Seniors</i>
Tuition	\$40,170	\$40,170
Room	7,220	7,220
Board	5,860	7,850
Books and Personal Expenses	3,500	3,500
Total Student Budget	\$56,750	\$58,740

The student budget includes tuition, which is the same for all students, the standard room charge for University dormitories, and the board rate based on a full University meal plan for freshmen and sophomores, or an allowance toward the cost of an eating club for juniors and seniors. The personal allowance covers expenses such as books, supplies, and incidentals, as well as the residential college fee, class dues, and the student government fee, which are charged on your University bill. You should add an allowance for travel expenses if you live some distance from Princeton.

For students who are not covered under their family's medical insurance, Princeton offers a health plan at a cost of \$1,900. If you choose to enroll, add this fee to the student budget.

Aid and Resource Worksheet

To derive an estimate of how much your parents will contribute toward your educational costs at Princeton, use the following worksheet. Make your best estimates of the aid you plan to accept and other available resources.

Princeton Budget	\$ _____
Student Loan	\$ _____
Campus Job	_____
Share of Student Assets (1)	_____
Summer Savings (2)	_____
Outside Scholarships (3)	_____
Other Resources	_____
Total (subtract from Princeton budget)	_____
Estimated Parental Share	\$ _____

(1) STUDENT ASSETS

If you have savings or investments that you plan to use for college, it is a reasonable assumption that one-quarter of the total will be available to pay for educational costs each year. If you do not intend to use one-quarter of your own assets, enter the approximate amount you do plan to contribute.

(2) SUMMER SAVINGS

\$2,550 is the average summer expectation we use for 2013–14. Enter more or less based on your own anticipated summer job.

(3) OUTSIDE SCHOLARSHIPS

Enter the amount of scholarships or grants you expect to receive from outside the University. The Student Accounts Office has a form available on their website which you can use to report your outside scholarships for credit on the student bill.

Options for Paying the University Bill

The standard approach is to pay the University charges in August and January. Princeton also offers the Monthly Payment Plan (MPP) which spreads the payments out over 12 months. You may use the online Princeton Bill Estimator (www.princeton.edu/billestimator) to get an idea of your family's obligation under each of these payment options. Alternatively, you may divide the Estimated Parental Share from above by either 2 or 12. Keep in mind the MPP has a 2.25% interest charge (which is factored in on the online bill estimator). Additional information about the MPP, including an application, is available at www.princeton.edu/mpp.

If these payment plans do not meet your family's needs, there are two parental loan programs you might find useful: the Princeton Parent Loan and Direct PLUS programs.

PRINCETON PARENT LOAN PROGRAM

Your parents may want to take advantage of the opportunity to borrow through the Princeton Parent Loan (PPL) program to pay the University bill. Eligibility for the PPL is based on the ability to meet repayment terms. Unless there are special circumstances, there is a family income limit of approximately \$500,000. Both fixed and variable interest rate options are available. In 2012-13, the fixed rate was 3.33% and the average variable rate was 1.44%. There is no fee to apply and a single application can be used to request more than one year of borrowing. Repayment of the principal begins immediately and parents have up to 10 years following graduation to repay. If your parents are interested in the PPL, further information, including an online application, is available on the Web at www.princeton.edu/parentloans.

Families may take out a PPL to cover University charges (the total of tuition, room, and board) less scholarships and loans. However, since we don't encourage parents to borrow any more than is necessary, the estimated parental share from the worksheet is the recommended figure to use. If your parents have already established an annual PPL amount and wish to increase or decrease future disbursements, they should contact the Parent Loan Office.

To get an idea of the repayment terms, refer to the sample repayment schedule to find the amount that is nearest to the anticipated borrowing level and read across to the monthly payment column.

PPL SAMPLE 13-YEAR REPAYMENT SCHEDULE

(using an estimated 6% annual interest rate)

<i>Total amount borrowed</i>	<i>Monthly payment</i>
\$ 20,000	\$175
\$ 40,000	\$350
\$ 60,000	\$525
\$ 80,000	\$700
\$100,000	\$875
\$120,000	\$1,050

DIRECT PLUS

Another borrowing option for parents is Direct PLUS, a federally supported parent loan program. Your parents may borrow up to the cost of attendance less financial aid received. The PLUS rate is fixed at 7.9% and fees of up to 4.204% may be charged by the Direct Loan Program. Parents may call or write us for information about how to initiate a PLUS application.

Summary

We have guided you through a series of steps to help you and your family organize your resources to meet Princeton's costs. As we have pointed out, the first step is for you to reduce your parents' share by contributing from loans, employment earnings, personal savings, external scholarships, and other sources.

After these resources have been considered, your parents will have to meet the remainder of the amount due Princeton. Your parents have two alternatives available for paying University charges within the academic year. They can pay twice each year or they can extend payments over 12 months. In addition, there are two long-term loan programs: the Princeton Parent Loan program and Direct PLUS. These options enable your parents to borrow to help pay their share of the student bill and are designed to reduce the monthly obligation by extending payments over a number of years. If you are interested in learning more about the alternatives we have described, or if you would like our guidance as you and your family construct an educational budget, please get in touch with us.

Undergraduate Financial Aid

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