

Alternative Financing Sheet

After applying their financial aid, many families look for other means to finance their educational costs. The information below provides a general overview for other types of financing, including application instructions for the Federal Parent Loan and alternative student loans.

Mount St. Mary's Payment Plan

The Mount Payment Plan is administered by the University's Accounting & Finance Office. The plan enables parents and students to pay tuition, room and board costs on a 10-month installment schedule, July through April. A service charge of 0.5% per month is added to the existing balance on a monthly basis. Details are included with the preliminary statement mailed in early June. Because finance charges are much more favorable than loan interest rates, students and families are encouraged to consider how much they can finance in the Payment Plan before borrowing additional loans.

Federal Parent (PLUS) Loan

The Federal Direct (PLUS) Loan Program allows parents of undergraduate students to borrow up to the full cost of attendance (including allowances for books, supplies and transportation) minus other financial aid. Eligibility requires satisfactory credit. The current interest rate is 7.08%*. There is a loan origination fee of 4.236%* deducted from each disbursement. Therefore, the net disbursement amount equals 95.764%* of each disbursement of the loan.

Interest accrual begins on the date of the first disbursement. The parent has the option of beginning repayment either 60 days after the loan is fully disbursed or defer until six months after the student ceases to be enrolled at least half-time.

*Interest rates and origination fees above are 2019-20. Academic year 2020-21 rates are determined in May.

How to Apply

You must complete these necessary steps to apply for your Direct Parent Loan. Parents will need their FSA ID number to sign the MPN. If you do not have an ID number or if it is lost, go to <https://fsaid.ed.gov> to manage your FSA ID.

1. Go to <https://studentaid.gov>.
2. From the menu across the top of the page, select APPLY FOR AID, then select Apply for Parent PLUS Loan
3. Enter personal information, including student information and loan amount requested. Be prepared for this question before logging onto the application.
4. Consent to credit check.
5. If approved, complete the electronic Master Promissory Note (e-MPN) if you are a first time borrower.
6. If credit is not approved, you may obtain an endorser and have them complete the Endorser Addendum.
7. If you encounter technical problems, call the Direct Loan Origination Center at 1-800-557-7394.

Alternative Student Loans

These loans are used by Mount students to supplement family resources available for educational expenses. Although they are student loans, a credit worthy cosigner or co-borrower is usually necessary for dependent students. We strongly encourage the student to research and understand their financial obligation before borrowing any loans. To learn more about these loans, compare lenders and to apply online, go to www.msmary.edu/studentloans.

Students and parents are encouraged to take the time to compare the loans in order to choose a product which will meet their needs. While most alternative loans require no payments until after graduation, some will require borrowers to begin interest payments immediately. Interest rates, loan fees, and repayment provisions do vary from lender to lender. Also, some lenders offer interest rate reductions for on-time payments and having automatic payments made from your bank account.

How to Apply

You must complete these necessary steps to apply for your alternative loan.

1. Go to www.msmary.edu/studentloans and see Alternative Student Loans.
2. Follow the instructions provided.