

## 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/private education 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. Details are included with the preliminary statement sent via email to the student's Mount email address. Billing happens per semester, in mid-June for fall and mid-November for spring. Please review additional information at: <https://inside.msmary.edu/more/accounting-and-finance/index.html>.

### Federal Parent (PLUS) Loan

The Federal Direct (PLUS) Loan Program allows parents of dependent 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 interest rate for 2024-2025 is 9.083%\*. There is a loan origination fee of 4.228%\* deducted from each disbursement. Therefore, the net disbursement amount equals 95.772%\* of each disbursement of the loan.

\* Academic year 2024-25 rates are determined in May with a July 1 effective date annually.

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.

#### How to Apply – Not Available until May 1, 2024 for 24-25 Award Year

Student must have a valid 2024-25 FAFSA on file, meet all federal aid eligibility requirements, and 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 [www.studentaid.gov](http://www.studentaid.gov) to Log In/Create Account.

1. Go to [www.studentaid.gov](http://www.studentaid.gov).
2. Scroll down to Click on the Parent Tab and then Select the "Apply for a Parent PLUS Loan" link.
3. Select the 24-25 (2025) Award Year.
4. Enter personal information, including student information and loan amount requested. The loan period is August 2024 to May 2025 for the full year (one half of the funds will be applied fall and one half of the funds will be applied toward the spring balance). Be prepared for this question before logging onto the application.
5. Double check any pre-filled information to confirm it is correct. Be sure you are listed as the borrower and not the student.
6. Consent to credit check.
7. If approved, complete the electronic Master Promissory Note (e-MPN) – choose "PLUS MPN for Parents" if you are a first time borrower for this student.
8. If credit is not approved, please follow the instructions provided on the federal site to proceed with adding an endorser, appealing the decision, or requesting the additional unsubsidized loan.
9. If you have submitted an appeal, added an endorser, or are requesting the additional unsubsidized loan, please email [finaid.msmary.edu](mailto:finaid.msmary.edu).

### Alternative/Private Education 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. There is no a FAFSA requirement, but there is a difference between federal and private education loans. Helpful information can be found on [www.studentaid.gov](http://www.studentaid.gov) or <https://studentaid.gov/understand-aid/types/loans/federal-vs-private>.

Students and parents are encouraged to take the time to compare loans to choose a product which will meet their needs. While most private 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.

If the student plans on being enrolled full-time for both semesters, the bill should be very similar for both terms. If you request a full year loan, August thru May, you will only have one credit check and one loan payment. Some lenders offer loans like a line of credit and will not result in multiple hard credit checks over the years of attendance at the Mount. To learn more about the various features, compare lenders, and to apply online, go to [www.msmary.edu/studentloans](http://www.msmary.edu/studentloans).

#### How to Apply

1. Go to [www.msmary.edu/studentloans](http://www.msmary.edu/studentloans) and see Alternative Student Loans.
2. Choose your lender and follow their instructions provided.