

Updated June 2014

HOW TO FINANCE YOUR EDUCATION

TOP VALUE IN THE NATION

—*Kiplinger's Personal Finance*
and The Princeton Review

BINGHAMTON UNIVERSITY
STATE UNIVERSITY OF NEW YORK

INVESTING IN EXCELLENCE

As one of the **nation's best public universities**, Binghamton provides you with an excellent education and — because it's public — a price that says value.

Many students look for ways to finance their cost of attendance. Binghamton can assist you with understanding financing options including student and parent loans, and Binghamton's billing process. We have also outlined personal financing options as well as tax benefits currently available.

Annual Budget (2014-15)

Tuition and fees	\$8,479*
Room and board	\$14,064**
Total cost of attendance	\$22,543

*Out-of-state students add \$11,640

**Figures reflect housing plan standard double and average meal plan

As of June 2014, subject to change

BINGHAMTON'S LOAN OPTIONS

The **Free Application for Federal Student Aid (FAFSA)** (<http://www.fafsa.ed.gov/>) is the form that is completed online annually to determine a student's eligibility for federal and state student financial aid (including grants, loans, most scholarships and work-study programs). The following loans (which have annual limits) may be included in the offer, and vary depending on the cost of attendance and other aid/resources received.

Federal Student Loans

There are two types of Federal Direct Loans: **subsidized** and **unsubsidized**.

Subsidized loans are awarded on the basis of need as determined by the federal government. Interest on subsidized loans begins to accrue upon repayment. Unsubsidized loans are available regardless of financial need. Interest rates for both are 4.66% with a 1.072% origination fee (fees approved through Sept. 30, 2014). Interest on unsubsidized loans begins to accrue upon disbursement. Repayment of either loan begins 6 months after graduation or if you fall below 6 credits.

Students are eligible for up to \$5,500 the first year, \$6,500 the second year and \$7,500 the third and fourth years. You may still need to borrow additional funds; however, it is recommended that you accept this form of funding before applying for parent or student private alternative loans.

Federal Parent Loan

Parents of undergraduate students are eligible to apply for the Federal Direct Parent PLUS Loan. Credit approval is required. Funding limits vary according to the aid you receive, but cannot exceed the cost of attendance. The interest rate is fixed

at 7.21% with a 4.288% origination fee (fee approved through Sept. 30, 2014). Interest begins to accrue after first disbursement. Repayment begins 60 days after final disbursement on the loan, or it can be deferred until 6 months after the student graduates or falls below 6 credits.

Alternative (Private) Loans

To be eligible, students will need a credit-worthy cosigner and/or have established credit. Funding limits vary according to the aid you receive but cannot exceed the cost of attendance; rates vary by lender and credit-worthiness.

Visit <http://www.bingfa.binghamton.edu> for more information.

PARENTS: PERSONAL FINANCING OPTIONS

Personal circumstances (e.g., home ownership, life insurance policy, 401k) may provide additional ways to finance your student's education.

- **Home Equity Line of Credit** — Borrow up to 100 % of the equity in your primary residence. You may use a fixed or variable rate loan to help pay for college expenses. Interest may be tax deductible.
- **Life Insurance Loan** — Borrow or withdraw funds using the equity in your life insurance policy. Certain withdrawals to pay for college expenses may be tax free.
- **529 College Savings Program** — Withdrawals are exempt from New York state income tax when used for qualified higher-education expenses.
- **401(k) Loan** — Borrow up to 50 % of the equity in your qualified 401(k) loan. You repay yourself over a specified period of time (as determined by your employer).

FEDERAL TAX BREAKS

Several federal income tax credits/deductions are available. Based on your income, you may qualify and receive the following:

- **American Opportunity Tax Credit** — Up to \$2,500 per year for each eligible student
- **Lifetime Learning Credit** — Up to \$2,000 per year
- **Tuition and Fees Deduction** — If eligible, can reduce the amount of income subject to tax by up to \$4,000.
- **Student Loan Interest Deduction** — Available during loan repayment, and can reduce the amount of income subject to tax by up to \$2,500.

Go to <http://www.irs.gov/uac/Publication-970,-Tax-Benefits-for-Education-1> Consult your tax professional for more details.

More About Loans

There are many types of loan options. We encourage you to compare them closely before making your final decisions. Don't forget to ask about the total amount to be received, interest rates, origination fees, repayment schedules and repayment options.

Payment Plan

Binghamton University offers a web-based payment plan that allows you to divide your bill payment into equal installments. The payment plan option is interest free, and depending on when you enroll, we allow you to spread your payments over a period of up to four months. For more information, and to sign up, go to: <http://www2.binghamton.edu/student-accounts/payplan.html>.

This chart illustrates monthly loan payment examples based on amount borrowed and applicable interest rates.

TEN-YEAR LOAN (120 EQUAL PAYMENTS)					
Amount Borrowed	\$5,000	\$10,000	\$15,000	\$20,000	\$25,000
Student-subsidized loan 4.66% monthly payment	\$52	\$104	\$157	\$209	\$261
Student-unsubsidized loan 4.66% monthly payment	\$52	\$104	\$157	\$209	\$261
Parent PLUS loan 7.21% monthly payment	\$59	\$117	\$176	\$234	\$293

Student Employment

Many student employment listings for Binghamton University students are available online at eRecruiting (<http://binghamton.experience.com>). Each semester, students can "earn while they learn" through a variety of on-campus and off-campus jobs. Hiring is at the discretion of employers and job placement is not guaranteed.

WHAT STUDENTS ARE SAYING

“I made the decision that I could get an incredible education without imposing a large financial burden on myself or my family. I’m happy knowing I have a minimal amount of debt and a high-quality, extremely competitive education.”

Allison, English, rhetoric and global culture

“I couldn’t be happier with my decision — the friendly atmosphere, the wide variety of interesting courses.”

Craig, engineering

“Binghamton gave Karla a high-quality education at an extremely reasonable price that affords us the opportunity to assist Karla financially as she continues her education towards a graduate degree.”

Mother of Karla, psychology

“Binghamton University was less expensive than my former private high-school tuition which kept my mom happy.”

Elliot, history

THE PREMIER PUBLIC UNIVERSITY IN THE NORTHEAST

“BEST BUY”

— Fiske Guide to Colleges

“...TOP TIER ACADEMICS AND PALATABLE STICKER PRICE”

— The Princeton Review

“BEST VALUE”

— ranked #4 among public U.S. colleges for out-of-state students and #15 overall

— The Princeton Review

BINGHAMTON UNIVERSITY

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CAN YOU AFFORD *NOT* TO ATTEND BINGHAMTON UNIVERSITY?