

# Student Financial Services

## Parent Loan Options 2009-2010



# BABSON

| Loan Program   | Borrower   | Interest Rate  | APR  | Fees  | Repayment Term  | Borrower Benefits and Conditions of Repayment   |
|--|--|--|--|---|---|---|
| <p><i>Federal Direct Parent Loan for Undergraduate Students (PLUS)</i></p> <p><a href="http://www.dl.ed.gov">www.dl.ed.gov</a></p>                                       | <p>Parent of Undergraduate student (must be U.S. Citizen or national, a U.S. permanent resident, or eligible non-citizen); can add a credit worthy endorser if the parent's credit is not approved</p> | <p>Fixed rate: 7.9% for life of the loan; borrower pays all interest.</p>  | <p>7.90%</p>   | <p>Origination fee: 4%<br/>Rebate of 1.5% to be retained as long as borrower makes the first twelve payments on-time.</p> | <p>Up to 20 years.<br/>Repayment begins the day of the final disbursement.<br/>A deferment option is available while the student is enrolled in at least 6 credits and during the 6-month period after the student ceases to be enrolled in at least 6 credits.<br/>If loan is deferred, interest may be paid, if not paid, the interest will be capitalized on top of principle.</p> | <p>Student must be a dependent and under the age of 24; must be enrolled in at least 6 credits. Parent and student must complete paper application and submit it to SFS. Parent must complete Master Promissory Note through the Department of Education. When applying for the full academic year, the two disbursements must be equal. Approval is based on borrower's good credit standing alone. No debt-to-income ratio or proof of employment required. Cannot have an adverse credit history (i.e., no more than 90 days late on any debt and no defaults, bankruptcies or other adverse action on any Title IV debt). If denied due to credit reasons, the student may be eligible for additional Unsubsidized Stafford Loan funds. If enroll in Electronic debiting, receive a .25% interest rate reduction (not valid while in a deferment or forbearance).</p> |
| <p><i>Massachusetts Educational Financing Authority</i></p> <p><a href="http://www.mefa.org/getaloan/getaloan.aspx?">http://www.mefa.org/getaloan/getaloan.aspx?</a></p> | <p>Parent of Undergraduate student (must be U.S. Citizen or national, a U.S. permanent resident, or eligible non-citizen); can add a credit worthy endorser if the parent's credit is not approved</p> | <p>Fixed rate for the immediate repayment: 7.75%<br/>Fixed rate for the deferred repayment until graduation: 8.89%<br/>(The deferred repayment option is subject to fund availability and is awarded on a first-come, first-served basis.)</p> | <p>Fixed rate for the immediate repayment: 8.43%<br/>Fixed rate for the deferred payment option: 8.66% - 9.52%</p> | <p>Origination fee: 4%<br/>Repayment fee: 0%</p>  | <p>20 years/\$5 minimum monthly payment;<br/>Repayment begins after final disbursement.<br/>Estimated monthly payment per \$10,000 for the immediate repayment: \$99.65; for the deferred repayment: as low as \$112.36.</p>  | <p>The deferred repayment option is subject to fund availability and is awarded on a first-come, first-served basis. Deferment maximum of five years. Offers home equity option which can be applied for at any time during repayment.</p>  |