

Rowan University

Graduate Studies

Financing Graduate School

For Starters: The Federal Student Loan Program is the best deal around. Here's why:

- These are loans made to students not parents.
- Students don't have to start paying back their federal student loans until they complete the program or enrollment drops below ½ time status.
- The interest rate on a federal student loan is almost always lower than a private loan.
- Students with greater financial need might qualify to have the government pay their interest while they are in school.
- Students do not need established credit to get a federal student loan.
- Students do not need a cosigner to get a federal student loan.

If that is not enough: The Federal PLUS Loan for Graduate and Professional Students is a loan program designed to provide graduate students access to credit to finance their graduate education. This is a 7.9% fixed interest rate loan and requires a credit evaluation. The credit evaluation is not exhaustive or very stringent. Graduate PLUS loan repayment begins after the student completes the program or enrollment drops below ½ time status. There are fees of 2.5%. Still, this is a relatively easy loan to obtain and monthly payments are usually based on a 10-year repayment period.

TEACH GRANTS

TEACH Grants are grants offered to students pursuing a career in teaching. Graduate students can apply for grants for up to \$4,000 each year. Students must teach four years in a low-income school district. If the recipient does not end up teaching at a low-income school district, the grant will be treated as an unsubsidized student loan and must be repaid. Currently, unsubsidized student loans carry a fixed rate of 6.8%.

This program is limited to certain teaching majors including math, science, foreign language, special education and reading specialist. To apply you must complete an Agreement to Serve in addition to the FAFSA. The agreement and additional information are available at our website:

<http://www.rowan.edu/provost/financialaid/TEACHGrant.htm>

From the desk of the Director of Financial Aid

Rowan University provides a high-value low-cost education. But it can still be difficult to fund all college related expenses. Particularly in this economy, where bad economic news abounds, just thinking about the additional expense of paying for college can be overwhelming. However, this can be a good time to attend school to pursue an advanced degree.

While the credit market may be frozen, the federal educational loan programs have not been affected by the credit crunch. In fact, recent legislation relaxed lending requirements and increased the amount students are able to borrow. The main purpose of this newsletter is to provide you with some information and options as to how you may be able to finance your graduate education.



Office of Financial Aid Contact Information

856-256-4250 phone

856-256-4413 fax

financialaid@rowan.edu

Federal School Code: 002609

IMPORTANT: The best loan option is the federal student loan. In order to apply for a federal student loan the student must file a FAFSA. All responsible alternative loan lenders strongly encourage students to apply for federal student loans before considering their alternative offerings. For this reason, Rowan University requires all students who want to borrow from alternative loans to file a FAFSA. If you are considering any borrowing option but have not already filed a FAFSA, please do so ASAP. The FAFSA may be completed on-line at www.fafsa.ed.gov

The federal loan programs and most alternative loans programs require students to be matriculated and enrolled on at least a ½ time basis.

What are the PLUS Loan credit requirements?

You must not have adverse credit history. Adverse credit history means you are 90 or more days delinquent on any debt, or within 5 years of the date of your credit report you have been the subject of a default determination, bankruptcy, foreclosure, repossession, tax lien, wage garnishment, or write-off of a federal student aid debt.

NJ State Loans for Graduate/Professional Students

The State of New Jersey offers an educational loan program called NJCLASS. These loans are available to New Jersey Residents as well as out-of-state students who attend Rowan University. These are fixed interest rate loans. Currently the rate on these loans is 7.62%. As of this writing, we do not know what next year's rates will be. However, they are expected to be very competitive.

NJCLASS lending requirements are more stringent than those of the earlier mentioned Graduate-Professional Student PLUS loan. Therefore, it is very possible for students who are turned down for a NJCLASS to be able to borrow from the PLUS. For more information, please contact:
<http://www.hesaa.org/index.php?page=njclass-for-graduate-professional-students>

Are there any other alternatives?

There are many private educational loans available. We normally refer to non-government educational loans as alternative loans.

ROWAN IS COMMITTED TO ASSIST STUDENTS AND THEIR FAMILIES IN OBTAINING THE ALTERNATIVE LOAN OF THEIR CHOICE. However, we do warn you to be careful! Given the current credit environment, it is fair to say that borrowers with good credit can get a good deal from almost any alternative loan lender. However, if the borrower's credit is less than stellar the rates on these loans can be fairly high. You should consider not just the advertised rates, but also any fees that may be involved. When dealing with alternative loans ALWAYS inquire about FEES! Remember, it's a jungle out there so be careful!

To assist families through this process, we have surveyed a number of large alternative lenders and we have included them on our preferred lender list. Please see our website for a listing and the process through which they were selected. Most alternative loan lenders have loan products exclusively for graduate students. Be sure that you are applying for a loan that is available to graduate or professional students.

Does Rowan Offer a Payment Plan?

Yes, you can choose to pay your term bill in three installments. Participation instructions will be provided along with your term bill.

Facts and Figures

- Federal Educational Loans are deferred while the graduate student borrower is enrolled on at least half-time basis.
- The Federal Stafford Loan (subsidized and unsubsidized) carry a fixed rate of 6.8% for graduate student borrowers
- Graduate level annual Stafford Loan limit is \$20,500. But, no more than \$8,500 can be subsidized.
- Life-time Stafford Loan limits (undergraduate + graduate borrowing) is \$138,500.
- Plus borrowers may defer payment while they are enrolled in school at least half-time.
- A Plus loan borrower may pay the interest as it accrues during a deferment, or allow it to accrue and be capitalized at the end of the deferment period.