

# DARTMOUTH COLLEGE

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## *How to Pay for a Dartmouth Education*



A Guide for Families 2004-2005



A college education represents one of the largest investments many families make. Most families are strongly committed to providing a quality education. Some are concerned that a private college education is beyond their means.

We realize the cost of a Dartmouth education is substantial. This booklet outlines information on Dartmouth's costs, billing schedules, and college financing options. To assure our offer of admission will be a realistic opportunity for your son or daughter, the financing plans in this booklet can supplement other need-based federal and institutional funds or can provide primary financing sources for those families ineligible for financial aid.

We hope the information found in this booklet will help you determine a Dartmouth education is affordable and a sound investment in the future.

## Costs

Dartmouth College has an academic year based on the quarter system. Students are billed by the Student Financial Services six weeks prior to each term, with payment due in full by the date on the statement. Basic direct charges for first year students in 2004-2005 are as follows:

### Fall Term

Tuition	\$10,093
Average room rent	\$ 1,800
Average board	\$ 1,200
Orientation week meals	\$ 124
Class dues	\$ 21
Student fees	\$ 62
Records fee	\$ 90
Total	\$13,390

### Winter Term

Tuition	\$10,093
Average room rent	\$ 1,800
Average board	\$ 1,200
Student fee	\$ 62
Total	\$13,155

### Spring Term

Tuition	\$10,093
Average room rent	\$ 1,800
Average board	\$ 1,200
Student fee	\$ 62
Total	\$13,155

<b>Three Term Total of Direct Charges</b>	<b>\$39,700</b>
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## Other Expenses

In addition to direct billing charges, standard books, supplies, miscellaneous, transportation, and incidental expenses in the Financial Aid Office budget average \$2,386 (\$795/term). Students are required to purchase a personal computer unless they submit documentation that they already own one approved by the College. The cost of basic computer in 2003-2004 ranged from \$1,632 to \$1,878. Students receiving need-based financial aid are eligible for a loan to cover the cost of the basic computer packages. In addition, all students must purchase a Group Health Insurance Plan (\$1,194 in 2003-2004) unless they can certify to the College's satisfaction that they are already covered by a comparable medical plan. Outpatient medical care is included in the fee. International and Canadian students are automatically enrolled.

## Full Year Billing

Following is the schedule for the 2004-2005 billings. The bill for fall term charges will be mailed on August 13, 2004. Payment is due September 8, 2004. An informational brochure providing additional details on billing, payment, and enrollment policies will be sent during the summer by Student Financial Services.



**2004-2005  
Undergraduate  
Billing Schedule**

**Fall**

August 13	Tuition, room & board billed
September 8	Payment due
September 22	Fall classes begin

**Winter**

November 19	Tuition, room & board billed
December 15	Payment due
January 4	Winter classes begin

**Spring**

February 18	Tuition, room & board billed
March 15	Payment due
March 29	Spring classes begin

All correspondence regarding payment  
should be directed to:

Student Financial Services  
Dartmouth College  
6132 McNutt Hall, Room 103  
Hanover, NH 03755  
Phone: 603-646-2438  
e-mail: [student.accounts@dartmouth.edu](mailto:student.accounts@dartmouth.edu)

All payments should be mailed to:

Cashier's Office  
Dartmouth College  
37 Dewey Field Road, Suite 6163  
Hanover, NH 03755



## Who receives Financial Aid?

## Financial Aid

All students who attend Dartmouth College are beneficiaries of the generous support of the College's endowments, current gifts, and Dartmouth Alumni Funds. This support effectively covers about half of the actual cost of education for all enrolled students.

In addition, financial aid is available in various forms to those students who demonstrate financial need. Students with low need may only qualify for a loan and/or employment eligibility. Students with higher need will receive a more comprehensive award that may include Dartmouth Scholarship, grants, loans and employment. Approximately 63% of students in the class of 2007 received aid from the College or other resources. About 43% of students in all classes received financial aid packages that included Dartmouth scholarships. For the 2003-2004 academic year, the College distributed approximately \$36 million in scholarship assistance.

## Application Procedures

The financial aid application deadline was February 1, 2004. Those who believe they will need assistance and who have not yet initiated or completed the process, may contact the Financial Aid Office as soon as possible by one of the following means:

Mail:           Financial Aid Office  
                  Dartmouth College  
                  6024 McNutt Hall  
                  Hanover, NH 03755-3541

Phone:         603-646-2451  
                  800-443-3605

Fax:            603-646-1414

e-mail:         financial.aid@dartmouth.edu

website:       http://www.dartmouth.  
                  edu/apply/financialaid

## Financial Aid Credits

Financial aid recipients who have submitted all required documentation at the time of the fall term billing will have their fall term aid shown as pending credits on the statement. Loans and other credits for the term may be subtracted on the space provided on the reverse side of the bill.

**What is the family contribution?**

The circumstances of each family differ. Some families have saved in anticipation of college costs and plan to pay college bills primarily from liquid assets. Others plan to pay from current income. Still other families may have moderately high income, and significant debts or other obligations. Some families use a combination of income, savings, or loans to meet their share of educational expenses. See the following pages for payment plans and financing options.

Consider what your son or daughter is expected to contribute. Generally, students can save approximately \$2,200 (\$1,628 for Canadian students) in the summer before matriculation. Students should also budget approximately 25% of their assets as a payment resource for each academic year.

Before deciding how you will pay your son's or daughter's costs at Dartmouth, determine the total expense, minus the student contribution from earnings and savings and minus all financial aid except employment. The difference is the parental contribution.



<b>Direct</b> college charges	_____
Books & miscellaneous	_____
Travel	_____
Health insurance fee	_____
<b>TOTAL COST</b>	_____
Less student savings	_____
Less summer earnings	_____
Less financial aid	_____
<b>SUBTOTAL</b>	_____
<b>DIFFERENCE =</b>	
Parental Contribution	_____

## Choosing a Financing Option

If you need a payment option such as a monthly payment plan or a parent loan, consider the following:

- Do you want to spread the payments evenly over the current academic year (or over four years), but avoid borrowing? If so, can your budget accommodate the monthly payment, i.e. the parents' contribution divided by ten?
- If you extend the payments beyond four years with the lower monthly payments of a parent loan, can you pass the credit check? This check usually involves an employment history and a debt-to-income ratio standard (usually no higher than forty percent). If your family has excessive obligations, you may need to find another creditworthy co-borrower. A longer repayment period also increases the total amount repaid.
- If you plan to borrow, do you want a fixed rate or a variable rate? Note that variable rates are tied to the fluctuations of the economy.
- Compare the application, insurance, and guarantee fees of the plans. These can reduce the amount you receive and/or increase the effective annual percentage rate.
- Evaluate the tax savings (if any) of the plan you choose.
- Make your decision and apply. Enroll in the Dartmouth Monthly Payment Plan before the deadline to avoid retroactive monthly payments. Please keep in mind credit checks and other loan paperwork can take several weeks to process.

## Family Financing Options

Whether or not your son or daughter is receiving financial aid, there are many payment plans and financing options available which can spread the parents' share of the cost of education over time periods extending from four to ten years or more. These options fall into three categories: (1) tuition prepayment; (2) monthly payment plan; and (3) parent loans.

### ■ Tuition Prepayment Plan (TPP)

The Tuition Prepayment Plan (TPP) offers families who are not receiving College supported financial aid the opportunity to prepay from two to four years of tuition at the rate in effect when the student enters the plan. Families who enter the plan in 2004 must pay \$121,116 ( $\$30,279 \times 4$ ) no later than August 31, 2004. These families will be exempt from future tuition increases, although room and board and other College charges will be subject to increases. Contact Student Financial Services for more details.

### ■ The Dartmouth Monthly Payment Plan

The Dartmouth Monthly Payment Plan, administered by Academic Management Services (AMS), enables you to pay all or part of your expenses in ten convenient, interest-free monthly installments. The \$50 annual enrollment fee includes life insurance for the bill payer as well as monthly statements. The plan can be linked to the AMS Academic Credit Line if you would like extra funds in reserve. The enrollment deadline is August 31, 2004. However, since the plan begins with the June 1 payment, Student Financial Services recommends that families enroll before June 1. For more information, please call 1-800-635-0120 or visit [www.amsweb.com](http://www.amsweb.com).

### PARENT LOAN OPTIONS

Parent loan plans generally involve spreading the cost of education beyond the four-year undergraduate career. Families who are not eligible for need-based financial aid or those who wish to borrow to meet costs may use these options to finance educational goals. In addition to the parent loans listed in this publication, many states and banks have similar programs.

## ■ Home Equity Loans

Home equity loans offer families the opportunity to tap up to 80% of their equity. In many cases, the equity loan does not have to be with the primary mortgage holder, and there is often no extensive title search or appraisal required. In some areas of the country, there are also no application fees. Typically, the loan involves a line of credit which families draw on for educational or other needs. Monthly payment is based on the amount of credit actually used and may consist of interest only or interest plus a percentage of principal. Loans utilizing home equity are the only educational loans that allow interest tax deduction for all families filing itemized tax returns, regardless of income level. Since the specifics of home equity loans can vary from bank to bank (and from state to state), we recommend that you consult a lawyer, banker, or accountant before deciding if such a loan is appropriate for your family.

## ■ Federal PLUS Loans (FPLUS)

Federal Parent Loan to Undergraduate Students (FPLUS) is a parent loan program sponsored by the U.S. federal government. The amount borrowed can be as high as the cost of education minus other aid or as low as necessary or required. A credit check determining the parent's credit history is required. We encourage parents to obtain their FPLUS loans through New Hampshire Higher Education Assistance Foundation (NHHEAF) as we receive those funds electronically. However, if you have a strong preference for another lender, we will be happy to accommodate your choice. Because FPLUS is a federal program, the interest and repayment regulations are the same from lender to lender.

The variable interest rate is set each year on July 1 for the upcoming academic year and, until June 30, 2004, the rate is 4.22%. The interest rate is capped at 9%. There is also a 3% origination fee, which is deducted from each disbursement.

■ **GATE**  
**Undergraduate**  
**Loans**

Disbursements are spread equally over the enrollment period. For example, in a three-term enrollment period, there will be three equal disbursements coinciding with the start of each term. Payment begins 30-45 days after the final disbursement of the loan and extends from five to ten years. For families with modest income, FPLUS interest paid during a tax year may be deductible even if the family does not itemize.

To request a FPLUS loan through NHHEAF, complete the *FPLUS Loan Request Form* mailed with your student's original award packet or contact [www.nhheaf.org](http://www.nhheaf.org) for pre-approval.

The GATE Undergraduate Loan, offered by Bank of America, provides creditworthy borrowers the option of deferring all interest and principal payments for up to four years while the student is in school. Repayment may be made over a twenty year period. The annual percentage rate is 4.09% through March 31, 2004. Call 1-800-344-8382 or visit [www.bankofamerica.com/studentbanking](http://www.bankofamerica.com/studentbanking) for more information or to apply on-line. This loan is available to International students with a U.S. co-borrower.



## STUDENT/PARENT LOAN OPTIONS

### ■ TREE Loan

In some situations, parents are unable to qualify for an educational loan or they prefer that some of the family's educational debt be in the student's name. To answer this need, lenders have devised several loan programs that allow the student to borrow needed funds. However, in some cases, students may be required to have a qualified co-borrower.

The Resource for Education Expenses (TREE) Loan is offered by New Hampshire Higher Education Loan Corporation (NHHELCO) and offers both U.S. and Canadian students the ability to borrow up to \$5,000 per year without a co-borrower or \$10,000 per year with a co-borrower. Origination fees range from four to eight percent with a repayment period of one to twenty years. The annual percentage rate (APR) through March 31, 2004, is 4.401%. Repayment begins after a borrower is no longer enrolled in a degree or certificate program at least half time. Contact NHHELCO at 1-800-330-0787 or visit their website at: [www.nhheaf.org](http://www.nhheaf.org).

### ■ Signature Loan

Offered by Sallie Mae, the Signature Loan is for undergraduate students who are enrolled at least half-time. Students may borrow the cost of education less financial aid. Upperclass students who are credit-ready may borrow without a co-borrower. Interest rates vary depending upon co-borrower status, with the lowest rate for students with a co-borrower and the highest rate for students without (see table on page 14). Contact Sallie Mae at 1-800-695-3317 or visit their website at: [www.salliemae.com/signature/citizens](http://www.salliemae.com/signature/citizens).

## ■ TERI Loans

The Education Resources Institute (TERI) offers programs to U.S., Canadian, and International citizens. Loans can range from \$500 up to the cost of education minus financial aid. There are three repayment options for borrowers:

1. Repay both interest and principal beginning 30 days after disbursement;
2. Defer payment on principal but pay interest only while the student is enrolled;
3. Defer payment on both principal and interest with repayment beginning 30 days after the end of enrollment.

TERI offers a no fee or low rate option. The low rate option has an origination fee that varies depending upon which repayment option you choose. Payments may extend to a maximum of 25 years, depending on the amount borrowed.

You may contact TERI at 1-800-708-6684, or visit their website for more information or to apply on-line at: [www.citizensbank.com/edu](http://www.citizensbank.com/edu).



■ **Canada Student Loan Program**

■ **Bank of Montreal Student Line of Credit**

Since Canadian families do not have access to as many financing programs as U.S. citizens, we do allow Canadians to use the Canada Student Loan to replace part of the family contribution. Applications are available at most Canadian banks, or write to Canada Student Loan Program, Student Assistance Branch, P.O. Box 2090, Postal Station "D," Ottawa, Ontario K1P 6C6, or visit the National Student Loans Service Centre at [www.canlearn.ca/nslsc/](http://www.canlearn.ca/nslsc/).

This line of credit is available to Canadian residents who wish to study outside of Canada. The student can access the funds in the U.S. using checks or bank machines. While enrolled, the student makes only interest payments. There is a seven year repayment period following graduation. The interest rate is equal to the prime rate plus 1%. For more information, contact Bank of Montreal at 1-800-363-9992. You can apply on-line at [www.bmo.com/BrainMoney/](http://www.bmo.com/BrainMoney/). The e-mail address is: [feedback@bmo.com](mailto:feedback@bmo.com)



## Summary of Loan Plans

Plan	Loan Period	Annual Limit	Aggregate	Interest Rate
Federal PLUS Loan (Parent Loan)	Academic Year	Cost of Education minus other aid	Cost of Education	4.22% variable (until 6/30/04)
GATE Undergraduate Loans	Academic Year	Cost of Education minus other aid	Cost of Education	4.09% (until 3/31/04)
TREE Loan (Student Loan)	Academic Year	\$5,000 (without co-signer) \$10,000 (with co-signer)	\$25,000 \$50,000	4.401% (until 3/31/04)
Signature Loan (Student Loan)	Academic Year	Cost of Education minus other aid	\$100,000	4-8% (until 3/31/04)
TERI Loans (Student Loan)	Academic Year	Cost of Education minus other aid	Cost of Education	3.5-5% (as of 3/31/03)
Fleet 1st	Academic Year	Cost of Education minus other aid	Cost of Education	4.5% (until 3/31/04)
CITIASSIST	Academic Year	Cost of Education minus other aid	\$120,000	4.375% (until 3/31/04)

Fees	Credit Check	Repayment	Insurance	Mo. Payment
3%	Required	10 years	None	\$50 minimum
0%	Required	20 years	None	\$50 minimum
8% 4%	Required	20 years	None	\$50 minimum No payments while in school
0 - 6%	Required	Up to 25 years	None	** No payments while in school
5 - 6.5%	Required	Up to 25 years	None	** No payments while in school
0%	Required	12 to 15 years	None	\$50 minimum
0%	Required	12 to 15 years	None	\$50 minimum

\*\* Varies depending on amount borrowed and length of repayment.

## For More Information

### Financial Aid

The Dartmouth College Financial Aid Office is located on the second floor of McNutt Hall. Office hours are from 9:00 a.m. until 4:00 p.m.. The phone number is 1-603-646-2451 our toll-free number, 1-800-443-3605 and the FAX number is 1-603-646-1414. We can also be reached by electronic mail at: [financial.aid@dartmouth.edu](mailto:financial.aid@dartmouth.edu).

### Student Financial Services

Located on the first floor of McNutt Hall, Student Financial Services may be contacted at 1-603-646-2438 or at: [student.accounts@dartmouth.edu](mailto:student.accounts@dartmouth.edu). For information on billing or payments, visit: [www.dartmouth.edu/~bursar](http://www.dartmouth.edu/~bursar).

## A Final Word

This booklet is not a legal document, but a guide for families. The companies and agencies discussed should be contacted directly for complete details on interest rates, eligibility guidelines, required fees, and repayment terms.

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Cover photo by Stuart Bratesman  
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