

Guide to Financing Your
Williams College Education
2016-2017



Choosing the Best Way to Finance Your Education

Whether you applied for financial aid or not, there are several ways to address the balance owed on your student account. When you receive your fall term bill in July, aid recipients with confirmed awards should see credits for all anticipated scholarships and/or student loans applied to the charges due. Other students will owe the amount of current semester charges for tuition, fees, room and board. Regardless of how much you owe the college, you may decide to pay Williams in full. If not, various resources are available to assist you in financing your educational expenses. To determine which resource or combination of resources best suits your needs, we recommend considering your options in the following order:

THE INTEREST-FREE MONTHLY PAYMENT OPTION

Even if you are able to pay in full, you may want to consider the Interest-Free Monthly Payment Option through Tuition Management Systems.

This payment option allows you to spread your balance over 5 months per semester for a small fee. There is no interest charged on the plan. Information regarding the Interest-Free Monthly Payment Option can be found on page 3. Use the worksheet provided to determine your monthly payments. If you determine that the payment amount is greater than what you are able to pay, you may want to consider longer-term financing options.

If long-term financing options are needed, the Federal Direct PLUS Loan permits families to borrow up to the cost of attendance minus any financial aid. See pages 6-7 for more information on this loan program.

A COMBINATION STRATEGY

is the best option for most families to limit debt. Combining the Interest-Free Monthly Payment Option and the Federal Direct PLUS Loan will permit you to reduce debt while allowing for reasonable monthly payments.

The education payment counseling tools offered through Tuition Management Systems help you determine affordable payment strategies that save you money. Please refer to pages 8-9 for more information on how to combine these resources to your best advantage and how to contact education payment counselors.

Using the best combination of these resources with current income and savings is the focus of the Williams Financing Plan. We hope you find the strategies and information provided to be helpful in determining what works best for you.

TAKE ADVANTAGE OF EDUCATION PAYMENT COUNSELING

- Helps your family keep debt as low as possible!
- Individualized professional education payment counseling six days a week at 888-216-4258.
- Account access 24 hours a day, 7 days a week through our automated toll-free Family InfoLine and on the internet.

**TUITION
MANAGEMENT
SYSTEMS**

Helping Families Afford Education®

Interest-Free Monthly Payment Option

The Interest-Free Monthly Payment Option, administered through Tuition Management Systems is recommended to help you budget payment of your educational expenses and limit your overall debt. It allows you to spread out your balance over 5 months per semester for the small fee of \$40.00 per semester. There is no interest charged on the amount budgeted.

With this option, you have the freedom to use your money to earn interest or investment income while you pay in small installments over the course of the year. Please contact the Bursar's Office for more information.*

THE BENEFITS OF THE INTEREST-FREE MONTHLY PAYMENT OPTION

- Interest-free monthly payments.
- Access to account information 24 hours-a-day on touchtone Infoline and on the internet.
- A variety of payment methods accepted including personal checks, money orders, Western Union by wire or check and ACH for automated payments from your checking or savings account.
- Education Payment Counseling to help keep debt low.
- Toll-free, top-rated telephone service during extended personal service hours.

We hope that you seriously consider the advantages to paying some or all of your balance interest-free. This strategy is the most effective means of limiting your debt. Included in this packet is an application. Loan materials are also provided in this packet for your convenience.

HERE'S HOW IT WORKS

Begin by totaling your tuition, fees, and room and board expenses. Then subtract any scholarships, grants, loans, or deposits paid to Williams College. Finally, divide the remaining amount by the number of payments in your plan to arrive at your monthly payment. Please use the following expense planner.

* You must enroll in the Interest-Free Monthly Payment Option by August 14, 2016 for the fall semester and January 14, 2017 for the spring semester to qualify for the listed rate. Starting August 15, 2016 and January 15, 2017, enrollment in the semester plan costs \$60 per semester.

Please remember that in addition to the direct-billed charges, Williams students will also need to purchase books and supplies and cover weekly living expenses including transportation throughout the year. Students who receive financial aid from Williams are budgeted \$800 for books and supplies. An estimated book grant of \$800 is provided by the College to meet this expense. The actual amount of the book grant will cover the

EXPENSE PLANNER

1. Enter your estimated expenses.

Tuition	\$ _____
Room	\$ _____
Board	\$ _____
Fees	+ \$ _____

A. Total Estimated Expenses = \$ _____

2. Enter your financial aid for the academic year. Use amounts provided from your award notice.

Deposits paid to Williams	\$ _____
Williams Scholarship <i>(excluding book grant)</i>	\$ _____
Federal Pell Grant	\$ _____
State Grant	\$ _____
Federal SEOG	\$ _____
Federal Perkins Loan	\$ _____
Federal Direct Loan [†]	\$ _____
Other Scholarships/Grants	+ \$ _____

B. Total Financial Assistance = \$ _____

(Do not include campus employment.)

[†]Multiply amount borrowed by 0.99 to calculate net disbursement.

3. Subtract Total Financial Aid from your Total Direct Expenses to arrive at your payment plan amount. Then divide by 10 to arrive at Your Monthly Payment Amount.

Total amount you will owe to Williams (A-B) = \$ _____

Number of monthly payments in your plan ÷ _____ 10

C. Your Monthly Payment* = \$ _____

* If this amount is not affordable, call 888-216-4258 to speak with an Education Payment Counselor.

Please note that you need to enroll in the payment plan for both the fall and spring semesters.

full cost of all required books and course reading packets thereby eliminating any out-of-pocket cost to the student. In addition, \$1,500 for personal expenses and a transportation allowance representing two round trips to and from the College is included. These expenses should not be included in the Interest-Free Monthly Payment Option.

Choosing The Parent Loan That's Right For You

Williams understands that the right loan will fit your specific needs. Use the following guide to determine the loan that is best for you.

Unlike the Federal Direct Loan, parent loans most often require immediate repayment, and are subject to credit approval. It is your responsibility to understand each loan program's eligibility requirements and repayment terms.

The following are some important factors to consider when evaluating borrowing options:

INTEREST RATE

Interest is money paid to the lender for the use of borrowed funds. Comparing interest rates is a helpful indicator of the relative cost of the loan.

LOAN FEES

In addition to interest, many loans have additional fees that are either added to the loan amount or deducted from the loan proceeds. These may be referred to as Origination Fees or Guarantee Fees.

ANNUAL PERCENTAGE RATE (APR)

The APR reflects the total cost of borrowing money over the life of the loan, considering not only the interest rate, but also the effect of other fees on the total cost of repaying the amount financed.

FIXED VS. VARIABLE RATE

Families can choose between a fixed rate loan or a variable rate. Fixed rate loans have the benefits of a constant interest rate and a payment amount that never changes. Most education loans also feature variable interest rates. Interest charged on variable rate loans is subject to change, anywhere from monthly to annually. The interest rate is normally tied to an index such as Prime Rate, LIBOR, or another rate that may fluctuate over time. In evaluating a variable rate loan, you should understand how frequently your payment may change, and whether there is any cap on how high the interest rate may go.

CREDIT CONSIDERATIONS

Like other forms of borrowing, most education loans are subject to credit approval. Many lenders use automated credit "scoring" models to determine your credit worthiness. Your credit score is determined by many factors, most notably your record of past credit use. Although credit qualifications and processes vary, two primary considerations are most important:

Credit History

A record of timely repayments on other debts indicates that an applicant is likely to continue to manage future credit obligations well.

Sufficient Income to Meet Payments

Lenders will typically review an applicant's current income and compare it to his/her monthly debts. After deducting fixed monthly obligations (including rent or mortgage, car loans, education loans, and payments on other consumer loans and credit cards) from after-tax income, there must be sufficient resources to pay everyday living expenses such as food, clothing, utilities, transportation, insurance, etc.

FEDERAL DIRECT PARENT LOAN FOR UNDERGRADUATE STUDENTS (PLUS)

- Fixed interest rate of 6.84% (est).
- 4.27 % Origination fee is deducted from the loan at disbursement.
- To apply, complete the Federal Direct PLUS Loan Application/Master Promissory Note on the Department of Education's website.

<https://studentloans.gov>

For more information regarding the Federal Direct PLUS Loan, contact the Office of Financial Aid.

For more detailed loan information and interest rates, please see pages 6-7.

Williams Payment Procedures

Williams uses an electronic billing system to communicate all student term bill charges. In mid-July 2016 fall term bills will be issued and students will receive information and instructions at their Williams e-mail address on how to register themselves and invite others to have access to view and pay bills. Only a student can invite others to register for shared access to her/his billing account; Williams cannot enroll authorized payers on a student's behalf. Once authorized payers have registered, they and the student will receive email messages each time a new bill is generated.

WILLIAMS POLICY FOR PAYMENT OF STUDENT SEMESTER BILLS

Electronic bills are issued each semester and are payable in mid-August and mid-January. Semester bills itemize basic charges for tuition, room, board and fees as well as financial aid awarded. Except for the charge for student health insurance which is payable with the fall term bill, charges will be divided evenly between the fall and spring bills. Monthly follow-up bills will be generated for unpaid charges, changes in financial aid and any miscellaneous charges. All bills are payable upon receipt.

Bills must be paid on time. A \$250 late payment fee may be assessed for bills not paid by the payment due date. Students with unpaid term bills who have not made satisfactory arrangements with the Bursar to pay them will not be able to participate in the course registration process. Outstanding account balances due to incomplete or late financial aid applications or late loan disbursements may also be subject to a late fee.

Students who make a special arrangement with the Bursar but fail to abide by it will not be permitted to enroll or remain in residence at

the College in any future terms until all outstanding obligations are paid in full. Academic transcripts and diplomas will not be provided to or on behalf of students with unpaid balances. Communication with the Bursar regarding accounts is critical to minimize disruptions in a student's experience at Williams.

Any questions regarding this policy should be directed to:

Bursar's Office
Williams College
P.O. Box 406
Williamstown, MA 01267
413-597-4396
email: Bursar@williams.edu

Payments may be made by ACH online through the Williams College Student Account Center or by check to:

Bursar's Office
Williams College
P.O. Box 406
Williamstown, MA 01267

We encourage use of the ACH payment feature of the Student Account Center. Students should invite parents and other parties (i.e. guardians, relatives, trustees, etc.) to register, view and pay the bill. Each authorized payer will receive an email when the monthly billing statements are available to view and pay.

Payments of Williams College term bills may also be made by eligible credit cards through the Williams Student Account Center and are subject to a 2.99% convenience fee.

FINANCIAL AID, VARIOUS PAYMENT PLANS, AND ANTICIPATED CREDITS

Awards From The Williams Office of Financial Aid

The Office of Financial Aid determines eligibility for the various kinds of financial aid and disburses the funds directly to the student's account.

Questions regarding financial aid should be directed to:

413-597-4181
finaid@williams.edu

or by mail at:

P.O. Box 37
Williamstown, MA 01267

Anticipated Credits

Anticipated credits are an allowance for future payments on a student's account. Anticipated credits will be posted to the semester bill for the following:

- Anticipated student loan disbursements.
- Anticipated disbursements for parent loans that have been approved by the lender.
- Anticipated receipt of Interest-Free Monthly Payment Option payments. Please note that the contract amount of the Interest-Free Monthly Payment Option is for either the fall or spring semester and you must enroll separately for each semester.
- Outside scholarships, as indicated on the Scholarship Information Sheet (enclosed), which have not yet been received and applied to the student's account. If full payment of the scholarship is received in the fall semester, one half will be credited to the fall term bill and the remainder to the spring bill.

If actual payments for any anticipated credits are not received by 90 days after the first day of classes for each term, the anticipated credit will be removed from the student's account creating a balance due.

It is important to review all bills issued by the College to ensure that the amount of the Interest-Free Monthly Payment Option contract and/or parent loan will cover the semester charges and any additional charges incurred. Otherwise, the difference must be paid by the due date.

Compare Your Options

	PROGRAMS	WHAT IS THE INTEREST RATE? ARE THERE ANY FEES?	WHO IS ELIGIBLE TO APPLY?
Payment Plan	<p>Interest-Free Monthly Payment Option Administered by Tuition Management Systems.</p>	<ul style="list-style-type: none"> No interest charges. \$40 enrollment fee per semester. 	<ul style="list-style-type: none"> Available to students, parents, guardians, family, friends, etc. Every student and family regardless of need or financial standing, is eligible to use the Monthly Payment Option.
Parent Loan	<p>Federal Direct Parent Loan for Undergraduate Students (PLUS) Federally-insured parent loan. Williams is a participant in the William D. Ford Direct Loan program, therefore all PLUS loans are processed by Williams.</p>	<ul style="list-style-type: none"> Fixed interest rate of 6.84% (est) Origination fee of 4.27% is deducted from the loan proceeds upon disbursement. Loans are disbursed in equal payments for each semester of enrollment. 	<ul style="list-style-type: none"> Borrower must be a parent or legal guardian of a dependent, undergraduate student. Borrower must be a U.S. citizen or a permanent resident. Borrowers must not have an adverse credit history.
Student Loan	<p>Federal Direct Loan Federally-insured student loan. Williams is a participant in the William D. Ford Direct Loan program, therefore all Direct student loans are processed by Williams.</p>	<ul style="list-style-type: none"> Subsidized - fixed interest rate of 4.29% (est). The federal government pays the accruing interest during your in-school deferment and grace periods. Unsubsidized - fixed interest rate of 4.29% (est). Paying the accrued interest during the in-school, deferment and grace periods is the responsibility of the borrower. Borrowers may pay the interest while they are in school or defer payments until they enter repayment. If the latter, unpaid interest will be capitalized (added to the principle balance) at the end of the grace period. Origination fee of 1.068% is deducted from the loan proceeds upon disbursement. Loans are disbursed directly to the student's account in two equal installments. 	<ul style="list-style-type: none"> Borrower must be a U.S. citizen or a permanent resident. Enrolled at least half-time. Making satisfactory academic progress in a degree-granting program.

FEDERAL PLUS LOAN PAYMENT WORKSHEET

6.84% (est) Interest Rate^{††}

$$\frac{\text{Amount borrowed}}{\text{Amount borrowed}} \times 0.012 \text{ (Minimum monthly payment \$50)} = \frac{\text{Approximate monthly payment}}{\text{Approximate monthly payment}}$$

^{††} The estimated interest rate that may be charged on your Federal PLUS loan. Your interest rate and monthly payments may vary.

Amount Financed	Approximate Monthly Payment
\$2,000	\$50
\$5,000	\$60
\$10,000	\$120
\$15,000	\$181
\$20,000	\$241
\$25,000	\$301
\$30,000	\$361
\$35,000	\$422
\$40,000	\$482
\$45,000	\$542
\$50,000	\$602

WHAT ARE THE MINIMUM AND MAXIMUM AMOUNTS?

BORROWER BENEFITS? CONDITIONS OF REPAYMENT?

HOW TO APPLY?

- Annual Minimum: None.
- Annual Maximum: Cost of attendance minus financial aid/scholarships/resources.

- Fall semester: 5 monthly payments beginning July 1, 2016, or 4 monthly payments beginning August 1, 2016.
- Spring semester: 5 monthly payments beginning December 1, 2016, or 4 monthly payments beginning January 1, 2017.

- Contact Tuition Management Systems at 888-216-4258 or visit www.afford.com/williams.

- Annual Minimum: None.
- Annual Maximum: Up to cost of attendance minus financial aid received.
- Aggregate Maximum: None.

- Repayment of principal and interest begins 60 days after loan is fully disbursed.
- Deferment of principal available while student is enrolled. However, interest must be paid or it will be added to principal of loan.
- Monthly payment amount is dependent upon amount borrowed; minimum is \$50 a month.
- Repayment extends up to 10 years.
- Interest rate reduced by 0.25% if borrower enrolls in automatic, electronic repayment.

- Contact the Williams College Office of Financial Aid at 413-597-4181.
- If the student did not apply for financial aid, complete the Free Application for Federal Student Aid (FAFSA) listing Williams (federal code 002229) as a recipient.
- The parent borrower must complete the Federal Direct PLUS Loan Application/Master Promissory Note on the Department of Education's web site.*
<https://studentloans.gov>

- First year \$3,500
- Sophomore \$4,500
- Junior \$5,500
- Senior \$5,500
- In addition, all students are eligible to borrow up to \$2000 in additional Unsubsidized Federal Direct Loan.

- Repayment begins six months after the student graduates, withdraws, or ceases half-time enrollment.
- Deferments are granted while borrowers are in college and for graduate/professional study or reasons of economic hardship as defined by the Dept. of Education.
- Various repayment options are available at:
www.fnaid.org/loans

- Contact the Williams College Office of Financial Aid at 413-597-4181.
- If the student did not apply for financial aid, complete the Free Application for Federal Student Aid (FAFSA) listing Williams (federal code 002229) as a recipient. The Office of Financial Aid will determine eligibility and notify the student.

NOTES:

* By completing the Loan Application/Master Promissory Note, the parent borrower will authorize the Department to conduct a credit check. If denied the Plus loan because of an adverse credit history, the parent may still be eligible to borrow a PLUS loan with a co-signer. If no co-signer can be obtained, then the dependent student becomes eligible for additional unsubsidized Federal Direct loan funds.

The parent borrower will receive an email confirmation from the Office of Financial Aid. He/she must reply and confirm acceptance of the loan before loan funds will be certified by the Office of Financial Aid.

Note: Credit checks and loan approval are only valid for 90 days. Please do not apply for a PLUS loan sooner than 75 days before the start of classes. If the loan approval expires, the loan funds will not be applied to the student account and a new loan must be requested.

The Combination Strategy

While the Interest-Free Monthly Payment Option is the most cost effective means of budgeting payment of educational expenses, the resulting monthly payment may be greater than the amount you are able to pay each month. You may wish to use a combination strategy that utilizes the advantages of both interest-free payments through Tuition Management Systems and a Federal Direct Parent Loan (PLUS). Use the following worksheets and resources to calculate which combination is best for you.

STEP 1

Your Expense Planner

Enter your direct academic year expenses.

Tuition	\$	
Room	\$	
Board	\$	
Fees	+\$	<u> </u>

A. Total Direct Expenses = \$

Enter your financial aid for the academic year. Use amounts from your award notice.

Deposit paid to Williams	+	\$	<u> </u>
Williams Scholarship	+	\$	<u> </u>
Federal Pell Grant	+	\$	<u> </u>
State Grant	+	\$	<u> </u>
Federal SEOG	+	\$	<u> </u>
Federal Direct Loan*	+	\$	<u> </u>
Other Scholarships/Grants	+	\$	<u> </u>

B. Total Financial Aid = \$

(Do not include campus employment or the book grant.)

**Multiply amount borrowed by 0.99 to calculate net disbursement.*

Subtract Total Financial Aid from your Total Direct Expenses to determine the amount you will be billed. Enter this amount below.

C. The Amount You Will Owe Williams College (A-B)= \$

Please remember that in addition to the direct charges billed, students will also need to purchase books and supplies and cover weekly living expenses, including transportation, throughout the year. Students who receive financial aid from Williams are budgeted \$800 for books and supplies. An estimated book grant of \$800 is provided by the College to meet this expense. The actual amount of the book grant will cover the full cost of all required books and course reading packets thereby eliminating any out-of-pocket cost to the student. In addition, \$1,500 for personal expenses and a transportation allowance representing two round trips to and from the College is included. Families utilizing parent loans may choose to finance these indirect expenses.

STEP 2

Decide how much you can afford to pay for education expenses each month from current income and savings. Adding as little as \$100 to \$200 per month can produce significant savings.

Enter the amount you can afford to pay below.

D. Targeted Family Monthly Payment \$

STEP 3

Determine your payment strategy.

Now that you have decided how much you can afford to pay for education expenses each month, determine the most affordable way to divide your amount between the Interest-Free Monthly Payment Option and a Direct PLUS Loan.

Use Technology to Help You Plan

We encourage you to go to BorrowSmart® at www.afford.com/williams and to investigate the Interest-Free Monthly Payment Option and find the optimum combination of a low-interest PLUS Loan or other parent loan and interest-free payments that fit your monthly budget requirements.

OR

If you need help or do not have web access, call Tuition Management Systems at 888-216-4258 and an Education Payment Counselor will assist you with counseling on the options available.

OR

Use the Interest-Free Monthly Payment Option Table on the following page and Step Four to determine for yourself the optimal combination of Williams financing options.

LOAN COMPARISON AND COUNSELING

BorrowSmart® is an online loan comparison tool provided by Tuition Management Systems to help families minimize debt and create affordable monthly payment solutions. BorrowSmart® is supported by a highly trained contact center team and a robust web-based counseling experience. Loan comparisons are provided with recommended full disclosure of interest rates, repayment terms and calculated monthly payments to reduce confusion and facilitate choosing the right borrowing option. Contact a BorrowSmart® representative at 888-216-4269 for more information.

HOW TO USE THIS TABLE

Select the Targeted Family Monthly Payment (left column) and the Amount You Will Owe (top row) that are the closest to your result from Steps Two and Three.

Look down and across the table to locate the recommended combination of the Interest-Free Monthly Payment Option (IFMPO) and PLUS Loan fixed rate option. The total cost of these options is also listed for your review.

If you are able to stretch your monthly payments to a somewhat higher amount, your total cost will decrease.

The figures for the Interest-Free Monthly Payment Option in the table below are based upon a 10-month period. Estimated final cost includes \$80 enrollment fee covering both semesters. The PLUS Loan amounts illustrated are the estimated amounts you would have to borrow to meet your education costs plus the 4.27% Origination fee.*

* \$40 semester fee is in effect until August and January 14; August and January 15 and after the fee is \$60.

STEP 4

How to adjust the amounts to fit your situation.

Since your amounts may not match the examples exactly, you will need to adjust your Interest-Free Monthly Payment Option (IFMPO) amounts to fit the amount you will owe. If the amount you will owe is more than the example, we recommend that you add the difference to your Interest-Free Monthly Payment Option (IFMPO) amount.

$$\begin{array}{r} \text{Table's recommended} \\ \text{IFMPO amount} \end{array} + \begin{array}{r} \text{Difference} \end{array} = \begin{array}{r} \text{Revised IFMPO amount} \end{array}$$

If the amount you will owe is less than the example, we recommend that you subtract the difference from your PLUS Loan amount.

$$\begin{array}{r} \text{Table's recommended} \\ \text{IFMPO amount} \end{array} - \begin{array}{r} \text{Difference} \end{array} = \begin{array}{r} \text{Revised PLUS amount} \end{array}$$

SAMPLE AMOUNT YOU WILL OWE WILLIAMS (FROM STEP TWO, PART D)

Targeted Family Monthly Payment (from Step 2)	\$10,000			\$20,000			\$30,000		
	IFMPO Amount	PLUS Loan Amount (fixed rate)**	Estimated Final Cost	IFMPO Amount	PLUS Loan Amount (fixed rate)**	Estimated Final Cost	IFMPO Amount	PLUS Loan Amount (fixed rate)**	Estimated Final Cost
\$200	\$1000 \$100/mo.	\$9,000 \$108/mo.	\$14,009						
\$400	\$3,000 \$300/mo.	\$7,000 \$84/mo.	\$13,118	\$1,800 \$180/mo.	\$18,200 \$220/mo.	\$28,107	\$500 \$50/mo.	\$29,500 \$355/mo.	\$43,140
\$600	\$5,000 \$500/mo.	\$5,000 \$60/mo.	\$12,227	\$4,000 \$400/mo.	\$16,000 \$193/mo.	\$27,127	\$2,500 \$250/mo.	\$27,500 \$331/mo.	\$42,249
\$800	\$7,500 \$750/mo.	\$2,500 \$50/mo.	\$10,610	\$6,500 \$650/mo.	\$13,000 \$157/mo.	\$25,291	\$5,000 \$500/mo.	\$25,000 \$301/mo.	\$41,136
\$1,000	\$10,000 \$1,000/mo.		\$10,080	\$8,500 \$850/mo.	\$11,500 \$139/mo.	\$25,123	\$7,000 \$700/mo.	\$23,000 \$277/mo.	\$40,245
\$1,300				\$12,000 \$1,200/mo.	\$8,000 \$96/mo.	\$23,564	\$10,500 \$1,050/mo.	\$19,500 \$235/mo.	\$38,686
\$1,600				\$15,500 \$1,550/mo.	\$4,500 \$54/mo.	\$22,005	\$14,000 \$1,400/mo.	\$16,000 \$193/mo.	\$37,127
\$2,000				\$20,000 \$2,000/mo.		\$20,080	\$18,500 \$1,850/mo.	\$11,500 \$139/mo.	\$35,123
\$2,500							\$24,000 \$2,400/mo.	\$6,000 \$72/mo.	\$32,673
\$3,000							\$30,000 \$3,000/mo.		\$30,080

Numbers in purple are the amounts you will pay per month.

** Assumes fixed rate of 6.84% for 2016-2017. The actual rate will be set by June 2016, please check our website for the most current information.

Federal Direct Loan Program

Subsidized

Unsubsidized

What is it?

A need-based, low interest Federal student loan with full interest subsidy by the Federal government, while enrolled at least half-time and during other authorized deferment periods.

A low interest Federal student loan in which the borrower is responsible for all interest that accrues.

What are the eligibility resident requirements?

- U.S. citizen or permanent resident
- Demonstrated financial need
- At least half-time enrollment
- Satisfactory academic progress in a degree-granting program

HOW MUCH CAN I BORROW EACH ACADEMIC YEAR?

First Year	\$3,500
Sophomore	\$4,500
Junior	\$5,500
Senior	\$5,500

In addition, all students are eligible to borrow up to \$2,000 in additional Unsubsidized Federal Direct Loan.

DISBURSEMENTS

Two times per year, usually at the beginning of each term. Disbursements are made directly to the student's account.

FEES

A 1.068% Origination fee is deducted from each disbursement.

INTEREST

The federal government pays the accruing interest on a subsidized loan during your in-school, deferment, and grace periods. The interest that accrues on unsubsidized loans during these periods is the responsibility of the student borrower. Borrowers may choose to make voluntary interest payments while they are in school or defer the interest payments until they enter repayment. Interest will be billed quarterly, and we recommend that unsubsidized borrowers pay the interest at this time. Otherwise, unpaid interest on unsubsidized loans will be capitalized (added to the principal balance) at the end of the grace period.

INTEREST RATES

The interest rate for a subsidized or unsubsidized Federal Direct Loan is fixed at 4.66% for loans disbursed after July 1, 2015. The rate for 2016-2017 will be released in June 2016.

GRACE PERIOD

There is a six-month grace period following graduation, withdrawal, or a drop to less than half-time enrollment. Principal payments may be deferred during this grace period.

TERM OF THE LOAN

Repayment may extend up to 10 years, or up to 30 years (depending upon the amount borrowed) through loan consolidation. A minimum payment of \$50 per month is required while in repayment.

REPAYMENT

Repayment begins six months after the student graduates, withdraws, or stops attending school at least half-time. Deferments are granted while borrowers are in college and for graduate/ professional study or for any reason that will cause the borrower economic hardship as defined by the Department of Education. Go to: www.finaid.org/loans to learn more about the various repayment options available.

APPLYING FOR A FEDERAL DIRECT LOAN

Newly admitted students who apply for financial assistance and are determined to have financial need, may be expected to borrow a student loan of \$4,000. However, most families with incomes under \$75,000 and typical assets (as determined by the Office of Financial Aid) will have a zero loan

expectation. Some students whose total parent income is greater than \$75,000 will be eligible for a reduced loan amount (less than \$4,000) based on their families' level of need. Students may also elect to borrow a student loan to purchase a computer, replace a student summer income contribution shortfall, exchange for a campus employment opportunity or reduce the parental contribution, according to their maximum eligibility.

A student who did not apply for financial aid can apply for a Federal Direct Loan by completing the Free Application for Federal Student Aid (FAFSA), listing Williams (federal code 002229) as a recipient. When the FAFSA data is received, the office will review the application and send the student notification of eligibility.

If the student has not previously borrowed a Federal Direct Loan, the Federal Direct Loan promissory note will be available for completion during the fall registration period. Students who borrowed Federal Direct Loans previously have already completed the master promissory Federal Direct Loan note, so no additional signature is required.

Students who indicate that they wish to borrow the Federal Direct Loan will have an anticipated credit equal to the disbursement amount on their fall and spring bill.

Sample Repayment Schedule — Federal Direct Loan*

Based on an estimated 4.29% fixed interest rate. Actual interest rate for 2016-2017 will be published in June 2016.

Loan Amount	Minimum Monthly Payment	Monthly Income	Years Annual Income	Total Years in Repayments	Total Interest Paid	Total Amount Paid
\$3,500	\$50	\$625	\$7,500	7	\$586	\$4,086
\$4,500	\$50	\$625	\$7,500	9	\$1,012	\$5,512
\$5,500	\$57	\$710	\$8,500	10	\$1,347	\$6,847
\$6,500	\$67	\$835	\$10,000	10	\$1,592	\$8,092
\$7,500	\$78	\$975	\$11,700	10	\$1,837	\$9,337
\$10,000	\$104	\$1,300	\$15,600	10	\$2,449	\$12,449
\$16,000	\$166	\$2,075	\$24,900	10	\$3,918	\$19,918
\$20,000	\$207	\$2,585	\$31,000	10	\$4,897	\$24,897
\$27,000**	\$280	\$3,500	\$42,000	10	\$6,611	\$33,611

* Recommended monthly and annual income figures assume that 8% of your income is available for student loan payments. Generally manageable student loan payments may range from about 5% to 15% of income. The sample repayment schedule seen here is based on a 4.29% fixed interest rate. Your interest rate and monthly payments may vary.

** Maximum amount that would be borrowed by an undergraduate student. Assumes maximum borrowing for four years.

Notes:

Williams College Refund Policy

2016-2017 Academic Year

Federal regulations require that all educational institutions disclose their refund policy to all prospective students. In accordance with that regulation, below is the Williams College Refund Policy for the 2016-2017 academic year.

Fall Semester 2016			Spring Semester 2017	
Date of withdrawal:			Date of withdrawal:	
Prior to start of classes	Sept. 8	100%	Tuition, room, board	Prior to start of classes Feb. 1
Week 1	Sept. 8 to Sept. 14	90%	Tuition, board only*	Feb. 1 to Feb. 7
Week 2	Sept. 15 to Sept. 21	80%	"	Feb. 8 to Feb. 14
Week 3	Sept. 22 to Sept. 28	70%	"	Feb. 15 to Feb. 21
Week 4	Sept. 29 to Oct. 5	60%	"	Feb. 22 to Feb. 28
Week 5	Oct. 6 to Oct. 12	50%	"	Mar. 1 to Mar. 7
Week 6	Oct. 13 to Oct. 19	40%	"	Mar. 8 to Mar. 14
Week 7	Oct. 20 to Oct. 26	30%	"	Mar. 15 to Mar. 21
Week 8	Oct. 27 to Nov. 2	20%	"	Mar. 22 to Mar. 28
No refund after November 2, 2016			No refund after March 28, 2017	

* Housing and miscellaneous fees are not pro-rated after the start of classes. Coverage under the College's student health insurance plan will continue for the length of the plan (August 15, 2016 – August 14, 2017).

For students receiving Title IV federal funds, repayment of federal funds on a pro-rata basis will be determined up to the 60% point of the semester per federal regulation. Please note that withdrawal late in the semester could result in a balance owed to the College for federal aid that must be returned to the program.

Repayment is first made to federal programs in the following order: Unsubsidized Federal Direct Loan, Subsidized Federal Direct Loan, Federal Perkins Loan, Federal Direct PLUS Loan, GRAD PLUS Loan, Federal Pell Grant, Federal SEOG, Federal SSIG. Any remaining credit balance reimburses other sources in the following order: Williams scholarship, other

scholarships, other parent loan programs and family. Specific examples are available on request.

The College offers, through GradGuard (Next Generation Insurance Group), a Tuition Insurance Plan that supplements the Williams College Refund Policy in certain circumstances. For more information go to www.gradguard.com each or call 888-541-4853.

The College will issue a 1098-T form at the end of each calendar year for the American Opportunity Tax Credit and Lifetime Learning Credit.