



What Your Costs Will Be and How Much You Will Need to Pay or Borrow

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WHAT YOUR COSTS WILL BE:

Your Award Notice lists an **ESTIMATED** budget (cost of attendance) used to calculate your financial aid awards. It is wise for you to plan your own budget, and assess the resources you will need to meet your actual expenses. See the reverse side for 2004-2005 Estimated Student Budgets, and use the worksheets below to calculate **your** own budget, and then the amount you and your family will need to contribute or borrow.

2004-2005 Fall/Winter Estimated Budget		
	Sample	Your Costs
Tuition & Fees	\$ <u>8,162</u>	<input type="text"/>
Room & Board	+ <u>6,972</u>	+ <input type="text"/>
Books & Supplies	+ <u>956</u>	+ <input type="text"/>
Personal/Misc.	+ <u>2,076</u>	+ <input type="text"/>
Total Budget	= \$ <u>18,166</u>	= <input type="text"/>

Tuition & Fees: Varies by School or College, academic level, and residency status. May also include lab fees. See www.umich.edu/~regoff/tuition for specific rates.

Room & Board: Include your Residence Hall contract and optional charges such as refrigerator rental, cable TV, Entree Plus, etc. If you will be renting off-campus, be sure to include your rent, security deposit, utilities, groceries, and restaurant/carry-out expenses.

Personal/Miscellaneous: The Office of Financial Aid's estimated budget allows **about \$60 a week** for these expenses. Think about what your actual expenses will be—include long distance phone calls, extracurricular activities, and personal hygiene items. Set yourself a weekly allowance that is economical, yet realistic.

↓

Total Estimated Budget (from worksheet above)	<input type="text"/>
Awards Listed on Your Award Notice That Are NOT loans:	
• Grants	- _____
• Scholarships	- _____
• Other (MI Ed. Trust, VA Benefits, etc.)	- _____
Balance of Estimated Expenses That Need to Be Paid	= _____
Need-Based Loans Offered on Your Award Notice (these loans have no interest charges while you are in school):	
• Perkins, Nursing, or Health Profess. Loans	- _____*
• Subsidized Federal Direct Loan	- _____*
The "Bottom Line"—What You and Your Family Will Need to Pay	= _____
Amount You/Your Family Can Contribute:	
• Parents	- _____**
• Student (from savings, earnings)	- _____**
• Work-Study Award (from Award Notice)	- _____**
• Other Sources (gifts, grandparents, etc.)	- _____**
Need for Unsubsidized Federal Direct Loan, PLUS Loan, or Private Loan (these loans accrue interest while you are in school, thus increasing either your current expenses or your debt after graduation)	= _____*

HOW MUCH WILL YOU NEED TO PAY OR BORROW FOR 2004-2005?

Use your budget from the worksheet above, and the award amounts from your Award Notice to complete this worksheet. This will help you to see what you and your family will need to pay or borrow to cover your college costs.

* **Add these figures to reveal your total educational loan debt for this year.** Consider what this amount will be for all the years you are in college. Remember, what you borrow today, you will have to pay back (with interest) after you leave school.

See the reverse side for information on **Loans and the Loan Repayment chart**. Also, review the Loan section of the Major Financial Aid Programs chart in *Required Reading*. This chart gives terms and eligibility information for different loans available to you.

** The Estimated Family Contribution on your Award Notice is based on the required Federal Methodology formula (see *Required Reading* for more information). For this worksheet, consult your family and fill in the amount **YOU** think you and your family can realistically contribute.

LOAN INFORMATION

After completing the worksheets on the reverse side, you should have a good idea of how much you may need to borrow. Remember, **don't borrow unless it is absolutely necessary**. You may not need to borrow as much, if at all, if you are able to cut costs (personal, miscellaneous costs) or work more hours. Many students wisely maintain a lower-cost student lifestyle in order to borrow the least amount necessary to cover their college costs. The result is lower debt and loan payments that will be easier to manage after graduation. See the Loan Repayment chart (*below, right*).

Federal Direct Stafford Loans ("Direct Loans")

Federal Direct Loan awards have origination fees. Subsidized and Unsubsidized Direct Loans have a 1.5% origination fee. The PLUS Loan has a 4% origination fee with a rebate of 1.5% if the first 12 monthly payments are made on time. Because of these origination fees, the actual **Direct Loan amounts applied** to your University Account will be **lower than those listed on your Award Notice**.

Subsidized Federal Direct Loan vs. Unsubsidized Federal Direct Loan

The Subsidized Federal Direct Loan is a need-based loan, while the Federal Direct Unsubsidized Loan is not. Students borrowing the Subsidized Loan do not pay interest on the loan while they are enrolled at least half-time; conversely, **students borrowing the Unsubsidized Loan must pay interest while they are enrolled in school**. The Unsubsidized Loan does allow you to defer the interest payments until you graduate; however, this will result in a higher loan payment over the life of the loan, so you will pay more in the long run.

PLUS Loan

The Federal Direct PLUS Loan (Parent Loan for Undergraduate Students) is intended to assist those families who are not eligible for other types of financial aid, who have remaining financial need after other forms of financial aid have been awarded, or who wish to borrow all or part of their Expected Family Contribution. **The maximum that can be borrowed each year is the cost of education minus all other financial aid awarded** (*see example below*). The borrower in this program is the **parent** of a dependent undergraduate student. Information and application materials are available around May each year from the Office of Financial Aid (OFA) and on our website. You must **reapply for the PLUS Loan each year** that you wish to receive it.

PLUS Loan Eligibility:	\$18,166	Cost of Attendance/Budget
	- 12,000	Total Financial Aid Awards
	= \$ 6,166	PLUS Loan Eligibility

Estimated Student Budgets (Costs of Attendance) Fall/Winter 2004-2005

	Tuition & Fees ¹	Books & Supplies ²	Room & Board ³	Personal/Misc.	Total Budget
Resident					
Fr/So	\$ 8,162	\$ 6,972	\$ 956	\$ 2,076	\$ 18,166
Jr/Sr	\$ 9,200	\$ 6,972	\$ 956	\$ 2,076	\$ 19,204
Grad	\$ 13,572	\$ 9,296	\$ 1,084	\$ 3,848	\$ 27,800
Nonresident					
Fr/So	\$ 25,762	\$ 6,972	\$ 956	\$ 2,076	\$ 35,766
Jr/Sr	\$ 27,572	\$ 6,972	\$ 956	\$ 2,076	\$ 37,576
Grad	\$ 27,290	\$ 9,296	\$ 1,084	\$ 3,848	\$ 41,518

¹ These are estimated tuition and fees for the 2004-2005 year. Actual tuition will be set by the Regents of the University of Michigan in July 2004. Tuition and fees may be higher or lower, depending on a student's program of study; current full- and part-time tuition and fees for all Schools and Colleges are available from the Office of the Registrar's website at www.umich.edu/~regoff/tuition.

² Book and supply costs for students in the School of Art & Design, Architecture and Urban Planning, Dental Hygiene, and Business Administration are typically higher than above estimates.

³ The estimated room and board rate listed is based on double occupancy in a residence hall. Actual room and board rates will be set in July 2004. The estimated room and board allowance for students living with parents and commuting to campus is \$1,936 for the academic year.

Private Loan Sources

The Office of Financial Aid (OFA) can provide additional information on private educational loan programs. **If your family has considered all the options presented here, yet you feel that additional financing is necessary to meet your educational costs**, contact OFA or see our website.

Loan Repayment 10 years (120 Months)

Example: If you borrow \$10,000 at 5% interest, you will need to pay \$106 a month for 10 years to pay off your loan.

Loan Amount	MONTHLY PAYMENT		
	5% Interest	8% Interest	9% Interest
\$ 5,000	\$ 53	\$ 61	\$ 63
\$ 10,000	\$ 106	\$ 121	\$ 127
\$ 15,000	\$ 159	\$ 182	\$ 190
\$ 20,000	\$ 212	\$ 243	\$ 253
\$ 30,000	\$ 318	\$ 364	\$ 380

Your Personal Federal Loan Summary

If you are borrowing from federal loan programs (Perkins, Direct, Health Professions, Nursing Loans) you can view on Wolverine Access (<https://wolverineaccess.umich.edu>) **how much you have borrowed to date from each loan program**.

KEEP IN MIND...

- ◆ Single rooms cost more than the double room rate used in the budget figure on your Award Notice.
- ◆ If you live off campus, you can save money by having roommates.
- ◆ The four **C's** that can bust your budget—

**cars,
clothes,
credit cards,
and
calls!**