



Navigating Your Financing Options

Office of Financial Aid

Managing the investment of a Providence College education often involves a blend of different resources. While your financial aid award provides a foundation, many families look to supplemental options to cover the remaining balance. This handout is designed to help you understand the tools available—from monthly payment plans to federal and private loans—and how to get started!

Communication and Documentation

The journey begins with staying informed. All official financial aid communication is sent directly to the student's Providence College email address, so we encourage students to monitor their inbox regularly. If our office requires additional documentation, the information can be securely uploaded through the Student Forms.

Preparing for Your Semester Bill

The Bursar's Office will issue billing statements via the CashNet system in July for the Fall semester and November for the Spring. Typically, payments are due by August 15th and December 15th, respectively. It is important to note that while your financial aid will appear as a "pending transaction" on these initial statements, the funds are not officially disbursed to your account until the first month of each semester.

Monthly Payment Plan

For families who prefer to avoid long-term debt, the College offers a Monthly Payment Plan through CashNet. This allows you to spread your semester costs—including tuition, housing, and food—over four manageable monthly installments. There is a non-refundable enrollment fee each semester to utilize this service.

How Much Should You Borrow

Before exploring loan options, it is essential to determine your "funding gap"—the difference between your direct costs and your available resources. We recommend calculating your borrowing needs for the entire academic year rather than semester by semester. This ensures you have a complete picture of your investment from the start.

To find your target number, start with your total annual bill and subtract your total financial aid award, along with any planned out-of-pocket payments or monthly installments through CashNet. When totaling your aid, please remember to exclude Federal Work-Study. These funds are earned through a student's paycheck as they work during the semester and are not applied directly to the tuition statement.

All the figures you need are readily available in your CyberFriar account. You can find your specific charges under the *Bursar's Office* tab—just be sure to multiply the semester total by two to account for the full year. Your financial aid details are located under the *Award Overview* section. Taking a few moments to run these numbers ensures you are borrowing only what is truly necessary.

Federal Direct Parent PLUS Loan

For many families, the first step in bridging the funding gap is the Federal Direct Parent PLUS Loan. This is a federal loan available to biological or adoptive parents of dependent students, and it is currently one of the most common ways to manage remaining educational costs. For the 2025–2026 academic year, the loan features a fixed interest rate of 8.94% and a 4.288% processing fee.

However, it is important to look ahead to the One Big Beautiful Bill Act (OBBBA), which significantly reshaped federal borrowing starting July 1, 2026. For the 2026–2027 academic year and beyond, Parent PLUS Loans will no longer cover the full cost of attendance. Instead, borrowing will be capped at \$20,000 annually with a \$65,000 lifetime limit per student. These are combined limits—if both parents borrow for one student, the total cannot exceed these caps.

Should a parent's application be denied based on credit history, the student becomes eligible for an automatic increase in their own Federal Unsubsidized Loan. This allows the student to borrow up to an additional \$4,000 for the year to help bridge the funding gap.

Private Financing and Strategic Borrowing

When federal limits or personal preferences lead families to look elsewhere, Private or Alternative Loans through outside lenders become a key part of the conversation. Because these are non-federal products, the terms, interest rates, and borrower benefits vary significantly from one bank to another. Since most students are still building their credit history, they will almost always require a credit-worthy cosigner, making both parties equally responsible for the debt.

To help you navigate this crowded market, we offer a suggested lender list through ELMSelect. This tool allows you to compare different loan products side-by-side to find the best fit for your family. We recommend beginning this specific search after May 1st, as that is when private lenders typically finalize their rates and products for the upcoming academic year.

Understanding the Long-Term Impact

Before finalizing any loan, it is helpful to visualize the total cost of repayment. Choosing to pay the interest while the student is in school is often the "best bargain," as it prevents interest from compounding. For example, on a \$20,000 loan, paying interest and principal immediately could result in a total repayment of \$27,300 over ten years. In contrast, deferring all payments until after graduation could cause that same loan to grow to \$36,000.

Tips for Smart Borrowing

As you finalize your plans for the upcoming year, keeping a few long-term strategies in mind can significantly reduce the cost of your education and simplify your life after graduation.

- **Mind the Interest:** Most loans begin accruing interest the moment the funds are sent to the College. If your budget allows, making small, interest-only payments while your student is still in school can prevent thousands of dollars in "capitalized interest" from being added to your principal balance later.
- **The "One and Done" Credit Strategy:** While it is tempting to shop around by submitting multiple applications, each one can trigger a "hard pull" on your credit report. We recommend doing your deep-dive research first using tools like ELMSelect, and then applying for your top choice to protect your credit score.
- **Leverage Autopay:** Most federal and private lenders offer a 0.25% interest rate discount if you sign up for automatic debit payments. It may seem like a small number, but over ten years, it adds up to meaningful savings and ensures you never miss a due date.
- **Borrow Only What You Need:** Just because you are *approved* for a certain amount doesn't mean you have to take it. If your student finds a cheaper housing option or receives an outside scholarship mid-year, you can always contact our office to reduce your loan amount before it disburses.