

**Meeting
Educational
Costs**

**Office of
Financial Aid Services
2009-2010**

WHITMAN COLLEGE

Dear Financial Aid Applicant,

Even though you have not qualified for need-based financial aid, we are confident there are ways to make your Whitman College education possible. This booklet tells you about the concept of parents' contribution toward a child's education and about various financial aid vehicles to help meet educational costs.

Primary sources of educational financing for parents come from PLUS Loans. Information on the PLUS loan and student loan opportunities are included for your convenience.

We want to be as helpful as we can, so call or e-mail us if we can be of service to you or your parents; 509.527.5178/finaid@whitman.edu.

Sincerely yours,

A handwritten signature in black ink that reads "Varga Fox". The signature is written in a cursive style with a large, stylized 'V' and 'F'.

Varga Fox
Director of Financial Aid Services

Paying for College

Calculating Financial Need

When we receive a CSS Profile from you, we review the information provided on the form including your parents' income and assets and your assets. We also review and take into consideration any special circumstances about which we have been made aware.

To compute a parent contribution, we add together your parents' taxable and non-taxable income. From that, we subtract any excessive medical expenses, parental educational loans, child support your parents may be paying and private elementary and secondary tuition that your parents are paying for younger siblings. We also subtract what your parents pay in federal income tax, a percentage of their total income for state and local taxes, social security taxes, an amount called an Employment Allowance if both parents work, and funds that your parents must pay to maintain the family (Income Protection Allowance). The difference between your parents' income and the allowances is called **Available Income**.

We then add all of your parents' asset equity together (excluding home equity and using a percentage of any business or farm value). From the total assets, we subtract an allowance (Asset Protection Allowance), which your parents may need for an emergency or for other uses. The amount of the Asset Protection Allowance is determined by the age of your older parent, and increases with your parent's age. If the difference between the total assets and the Asset Protection Allowance is a positive number, that number is multiplied by 12%, and the result is added to the amount of **Available Income**.

The **Parent Contribution** is calculated by using a percentage of the **Adjusted Available Income** (the total of the adjusted assets and income).

To compute a contribution from you, the student, we multiply your total assets by 35%. To that we add \$1500 from summer earnings if you are a first-year freshman or \$2000 if you are a transfer or returning student.

Your **Family Contribution** is the sum of your calculated **Parent Contribution** and your contribution. The Family Contribution is subtracted from the comprehensive student budget to determine your demonstrated need. When the family contribution exceeds the comprehensive student budget, your demonstrated need will be zero.

Comprehensive Student Budget
- Family Contribution
= Demonstrated Need

Your “expected contribution” is not a prediction of how much cash you actually have on hand or a value judgment about how much you “ought to” be able to spend from your current income for college costs. Nor is it a measure of your liquidity. Rather, it’s the best estimate of your capacity (over time) to absorb the costs of education. We estimate how much you can be expected to contribute (relative to other families), but make no particular assumptions about how you will finance that contribution. In fact, you have choices about how to do that.

To finance the purchase of “big-ticket” items, like houses, cars, major appliances, and higher education, most of us spread the costs out over time. We save and borrow and draw on our current earnings. We may not even be able to figure out whether we can “afford” something until we see how it breaks down in terms of monthly costs. Very few people pay their “expected contribution” out of current income alone.

If you have already saved the entire amount of your “expected contribution,” you may not have to use your current earnings or future income at all. Or you might choose not to withdraw all your savings but to leverage them through borrowing, or you might use a combination of savings and current earnings.

If you have done little or no saving for college, you have fewer choices and will have to rely on some mix of current earnings and future earnings (to repay loans). Many families use this approach.

The Inclusive Student Budget

Tuition and Fees	\$ 36,940
Room and Board	\$ 9,260
Books and Incidentals	\$ 1,400
Transportation.....	\$ 500***
Total	\$ 48,100

***Washington, Oregon and Idaho students

Some students’ comprehensive budgets could be higher because of the inclusion of a travel allowance for applicants from outside Washington, Oregon and Idaho.

Whitman College offers several merit-based scholarships for students who meet the requisite qualifications. The amounts of these scholarships range from \$2,000 to \$12,000 each and are generally renewable for a total of eight semesters.**

The scholarships offered to students without demonstrated need and for which only the admission application is required include:

Walter A. Brattain Scholarship - \$12,000 per year
Alexander J. Anderson Scholarship - \$10,000 per year
Stephen B. L. Penrose - \$8,000 per year
Loman-Douglas Scholarship - \$2,000 - \$6,000
National Merit Scholarship - \$1,000 per year
National Achievement or National Hispanic Scholarship - \$1,000 per year
Claire Sherwood Scholarship for Women or
Paul Garrett Scholarship for Men - \$2,500 per year

Scholarships that may be offered to students who do not demonstrate need and for which a separate application is required include:

President's Scholarship in Art, Debate/Forensics and Theatre - \$2,500 per year
Salzman Medica Scholarship for Debate/Forensics - Varies
Higley Music Scholarship - \$1,000 to \$6,000 per year
Campbell Music Scholarship - \$500 to \$2,000 per year
H.O.B.Y. Scholarship - \$1,500 per year

**See explanation on limitation of number of semesters for which a student may receive scholarship aid on page 7.

Loan Information

Subsidized Federal Stafford Loans

Most students who do not demonstrate need for Whitman need-based scholarship will not be eligible for subsidized Stafford Loan. However, if you are eligible, we will make sure we offer you that opportunity. Whitman encourages borrowing as a student's investment in his or her own future, but we also emphasize that a student should borrow only when other resources are exhausted. Students who borrow should do so responsibly, fully understanding the terms of repayment.

Eligibility

Whitman must certify the amount of the student's eligibility for Stafford Loan. Regulations require that all students who wish to borrow subsidized Stafford Loans complete the Free Application for Federal Student Aid (FAFSA). A copy of the analysis must be sent to Whitman before we can determine the student's eligibility for loan subsidies.

Some students will be notified that they are required to verify the information on the FAFSA. This necessitates the submission to Whitman of a copy of their parents' previous year's tax return (for dependent students), and a copy

of the student's previous year's tax return. Upon review of that information, Whitman may certify the Stafford Loan application.

Interest

Interest will be paid by the federal government to the lender on behalf of the student borrower of a subsidized Stafford Loan until the student reaches a repayment status. The interest rate for loans made after July 1, 2008, will be fixed for a borrower who has no outstanding balance of principal or interest on any Federal Family Educational Loan (FFEL). The interest rate for 2009-2010 will be 5.6%. The maximum subsidized loan a student may borrow as an undergraduate is \$23,000. In addition to subsidized loans, students may now borrow an additional \$2,000 per year in unsubsidized loans.

Repayment

Although a loan may be repaid at any time without penalty, the usual repayment of the loan begins six months after leaving higher education (including graduate school). Repayment schedules will normally be arranged for five to ten years, although the student will be required to pay a minimum of \$50 per month.

Unsubsidized Stafford Loans

Students with limited or no eligibility for subsidized Federal Stafford Loans may borrow unsubsidized Federal Stafford Loans. The yearly maximums and other provisions of the loan are the same as for subsidized Federal Stafford Loans, except for the government subsidy. The student is responsible for paying all of the interest, which is fixed at 6.8%, either immediately or by capitalizing the interest until after graduating from post-secondary education. In order to use the Stafford Loan to its maximum advantage, we encourage families to make interest payments while the student is enrolled in college.

Through the Federal Stafford Loan Program, students borrow from commercial lending institutions. Repayment of their loans is guaranteed to the lender by a guaranty agency. Students may borrow (subject to eligibility and further limitations by the lender) up to \$5500 for freshman, \$6500 for sophomores and \$7500 for juniors and seniors per school year and \$31,000 for their undergraduate education.

It is recommended that a student use the same lender for all Federal Stafford Loans including graduate school loans. This will result in repayments to only one lender as opposed to multiple repayments to multiple lenders, which could result in larger monthly payments.

Obtaining a Stafford Loan

To apply for a subsidized or unsubsidized Stafford Loan, complete the Stafford Loan Request form on the reverse side of your offer letter and return it to the Office of Financial Aid Services, 345 Boyer Avenue, Walla Walla, WA 99362. The loan for which you are eligible to apply is noted in our enclosed letter.

PLUS Loans

The PLUS Loan is available to parents who wish to spread the cost of education out over a number of years. The amount a parent may borrow in any given year is the total of the cost of education less any financial aid the student is receiving. Interest on the PLUS Loan is a fixed 8.5% and is the responsibility of the parent throughout the life of the loan.

Parents may opt to defer the principal on a PLUS Loan as long as the student is enrolled at least 1/2 time in an institution of higher education.

As of July 1, 2009, the choice of lenders in the PLUS Loan program will be reduced to two per state, and the parent must select one of the two lenders for the state in which the student attends college.

Student Employment at Whitman

All students, regardless of their financial situation, may work on campus, and most financial aid packages at Whitman include an employment opportunity.

However, the employment component of financial aid packages does not guarantee a job and employment income. **Students desiring work are responsible for finding a job, and should apply at the beginning of the academic year as most jobs are filled within the first few days of school.** For more information about how to apply for on-campus jobs, go to the Career Center office web page at http://www.whitman.edu/career_center/students_employment_index.htm.

The hourly wage for virtually all student positions for the 2009-10 academic year will be \$8.55. Minimum wage in Washington is indexed and adjusted each January.

Students who plan to work on campus must provide certain documentation to the Payroll Office before they may be paid for hours worked. Therefore, you will want to bring with you to campus the following:

1. Your original or a notarized copy of your Social Security card and
2. Your driver's license **or**
3. Your birth certificate **or**
4. Your Passport

Studying Abroad While at Whitman

There are two types of foreign study opportunities for Whitman students: affiliated programs and approved programs.

Affiliated

For those students planning on studying one or more semesters of their junior year through an affiliated program, their merit-based scholarship will be available to them, just as if they were studying at Whitman.

Scholarships, grants and loan funds will be credited to the student's account. The study abroad program charges will be paid by Whitman College who will in turn charge the student for the related expenses.

Approved

Students who are planning to study abroad during one or more semesters should know that their merit-based scholarships awarded by the College will not be available to them if they study on an approved program. Those students who study on an approved program must take a Leave of Absence from the College, just as they would if they were taking a semester off from school, or attending another U.S. college or university.

Limitation on the Number of Semesters Students May Receive Institutional Scholarships

Students are eligible to receive institutional scholarships for a total of eight semesters when the student enters as a first year student with fewer than 15 credits not counting AP credits. A total of 124 credits are needed to complete a bachelor's degree with at least one major, and it is assumed that a student will be able to complete the required credits within eight semesters.

For students who transfer into Whitman, the total of eight semesters will include any terms attended at previous institutions of higher education. For financial aid purposes only, fifteen or more credits will be considered one term.

In rare instances, a student may be granted an additional semester, and only when the extra semester is needed to complete degree requirements that could not be completed in eight semesters. In such cases, the student must petition the Admission and Financial Aid Committee to request an exception to the eight semester limitation, and the committee will determine whether or not to approve the request.

Changing majors or deciding to double major after the first semester of the junior year are not sufficient reasons to be granted an additional semester of institutional aid.

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