College of the Holy Cross Loan

Information Sheet

Beginning in 2018-2019, the College of the Holy Cross began offering an institutional loan program. This was due of the expiration of the Federal Perkins Loan Program preventing all schools from offering new Perkins Loans in the 2018-2019 academic year and beyond.

The College of the Holy Cross Loan is an institutional loan program offering a fixed interest rate to students who demonstrate financial need. The loan is offered by the Office of Financial Aid based on demonstrated financial need, and the program is administered by the College with a limited amount of funds available each year. Student borrowers must complete a College of the Holy Cross Loan Master Promissory Note to borrow funds through this program. Borrowers will need a parent/guardian co-signer if they are under 18 years old. Students may borrow up to $6,800 over four years. Loans originated during the 2022-2023 academic year will bear a 6.0 percent fixed interest rate. This interest rate is subject to change each academic year. No interest accrues until the start of the repayment period which begins three months after the student borrower ceases to be enrolled on at least a half-time basis. The repayment period is 10 years, and this loan is not eligible for deferment.

Borrowers may qualify for the Federal Direct Loan Program, the terms and conditions of which may be more favorable compared to those of the Holy Cross Loan. The College of the Holy Cross Loan may be declined. Additional information concerning Federal Direct Loans is available from the College at https://www.holycross.edu/how-aid-works/student-loan-programs or on the website of the U.S. Department of Education at https://studentaid.gov/understand-aid/types/loans.

Loan terms and conditions:

If this loan is not paid on time, it may be assessed late charges not to exceed 20 percent of the monthly payment due. The late charges may be added to the outstanding principal balance the day after the scheduled payment was due or included with the next scheduled payment after notice.

Additionally, the loans may also be deemed to be in default if scheduled payments are not made for at least 90 consecutive calendar days and the full remaining loan amount (including late penalties and /or other fees and charges) may become due and payable immediately upon default. If the loan is deemed to be in default, the borrower is responsible for paying all collection and other costs, fees and expenses.**

Please note that if a borrower files for bankruptcy the borrower may still be required to pay back the loan.

If the loan is approved, the terms of the loan will be available and will not change for 30 days except as a result of adjustments to the interest rate and other changes permitted by law. Before the loan may be disbursed, the borrower must complete and submit a self-certification form which will be provided by the College as part of the loan application process.

Assuming full principal and interest payments are made when due under this loan, the total cost would be as follows:

Amount Borrowed	**Interest Rate**	**Loan Term**	**Total Paid over 10 years** (includes associated fees)
$5,000*	6% fixed (subject to annual change for new loans)	10 years from start of repayment period	$6,662

* This example is based on borrowing a total of $5,000 in a Holy Cross loan. However, the current borrowing limit is $6,800 over four years.

** Including, but not limited to, costs, fees and expenses of attorneys and/or any collection agency which may include, but is not limited to, a collection fee based on a maximum percentage of 33% of the outstanding loan amounts, and court costs.

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