



MARYLAND INSTITUTE
COLLEGE OF ART

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Financing Options

An undergraduate degree from one of the nation’s best art and design schools is an investment in your future. Once you’ve determined that MICA is the ideal fit for you and your family, our financial aid professionals will work with you to make your education affordable.

This guide will be useful for families of first-year and transfer undergraduate students who opt not to apply for federal student aid and those who want to finance the difference between their students MICA Aid offer and the entire cost of attendance. It includes descriptions and other useful information about a range of financing options, such as:

- A Monthly Tuition Installment Payment Plan that allows you to make monthly payments for semester college expenses rather than two lump sum payments each year.
- Federal Grants for families with exceptional financial need.
- Loan Programs that allow you to finance all or part of college costs.
- Federal Tax Benefits such as the American Opportunity Tax Credit or Life-time Learning Tax Credit, or deductions for interest on loans to students and parents.

All the plans specified in this guide are reputable. MICA boasts a highly skilled team of financial aid professionals, each possessing a wealth of experience in the profession. Additionally, every student at MICA is provided a dedicated Personal Financial Aid Counselor, who is always available during business hours to address any inquiries or concerns pertaining to financial aid.

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Monthly Installment Payment Plan

To help you plan for the year's educational expenses, MICA offers a monthly tuition installment plan.

The tuition Payment Plan allows you to pay all or part of your academic year educational expenses in monthly installments.

Students can pay charges for a Fall/Spring/Summer term of tuition, fees, room, and board in five installments with no interest charged.

There is a \$40 non-refundable enrollment fee per semester. No other fees are assessed if payments are made on time and in full. If you enroll in a payment plan for a term after that term's tuition and fees due date, the outstanding balance may be subject to a Late Payment Fee assessed by MICA.

1. Visit www.MyCollegePaymentPlan.com/MICA
2. Select the Academic Year for which you are paying, and click "Enroll"
3. Follow the instructions to complete your plan registration.
4. Your payment plan will be noted on your account after your first payment has been received.

**Families can arrange budget payments based on all of the term charges not paid by other applicable financial aid, or in part, as they prefer. Please contact Student Account Services if you are unsure of the amount owed. Please note that the first payment is due upon enrolling in the plan.*

For more information contact Student Accounts by phone at 410-225-2356 or by email at studentaccounts@mica.edu.

Veteran Benefits

MICA has been selected as a top military-friendly school. If you are eligible for Post 9/11 veteran/family benefits, please advise the Financial Aid Office and you will be directed to our veteran's benefit coordinator. Families receiving Yellow Ribbon benefits together with a MICA-sponsored match often receive full tuition and fees offers.

Loan Programs: An Overview

A loan program lets you borrow all or part of college costs and pay them back over an extended period of time. Interest is charged, and federal loan eligibility is determined by the results of your FAFSA application. Private loan eligibility is determined by creditworthiness and or/debt-to-income ratio.

If you need a loan to help cover the cost of a college, consider a federal loan first.

Student loans can also come from private sources, such as banks or financial institutions. These are often called private student loans. Direct Loans have many benefits that private loans don't typically offer, such as:

- low fixed interest rates;
- flexible repayment plans based on income;
- cancellation, discharge, and forgiveness of loans under certain circumstances (learn more at [StudentAid.gov/forgiveness](https://studentaid.gov/forgiveness)); and
- postponement options, including deferment and forbearance of loan payments if you return to school or experience an economic hardship.

To learn more about the differences between Direct Loans and private loans, visit [StudentAid.gov/federal-vs-private](https://studentaid.gov/federal-vs-private).

Good to know: During periods of time when you are not required to make payments—such as while you are in school, in deferment, or forbearance—your interest will accrue (accumulate) and it will in certain instances be capitalized (which means that your interest will be added to the principal amount of your loan). **Whether your unpaid interest capitalizes or not, you are still responsible for paying the interest that accrues.** You can always choose to pay the interest that accrues even when you are not required to make a payment.

Federal Parent Loan for Undergraduate Students (PLUS)

Amount You Can Borrow	\$1,000 up to the total cost of education, less financial aid received
Current Fees	4.228% fees
Current Interest Rate	Fixed 8.05%
What Can Be Deferred	Principal can be deferred in certain cases
Maximum Term of Loan	10 years to 25 years (depending on the repayment plan that you choose.)
How Often You Need to Apply	Annually (each school year)

The Federal PLUS program is available to parents of dependent undergraduate students regardless of income. Completion of the FAFSA is required and eligibility is determined by credit worthiness. You cannot have adverse credit history (a credit check will be done). Payments can be deferred while your child is enrolled at least half-time, and for an additional six months after your child graduates or drops below half-time enrollment status, but interest will accrue.

The amount a parent may borrow is the total cost of education minus any financial aid a student may be eligible to receive. MICA will first apply parent PLUS loan funds to the students account to pay for tuition, fees room and board, and other school charges. If any loan funds remain, you will be refunded to help pay other education expenses for the student. With your authorization, MICA can pay remaining loan funds directly to the student.

Note: Grandparents (unless they have legally adopted the dependent student) and legal guardians are not eligible to receive parent PLUS loans, even if they have had primary responsibility for raising the student.

For more information contact Financial Aid by phone at 410-225-2285 or by email at finaid@mica.edu.

Private Educational Loans

A private educational loan features the student as a borrower. Private educational loans can be more expensive than Federal PLUS loans and students should first maximize any eligibility under the Federal Loan programs. Private loan fees and interest rates vary among lenders. All lenders will review the borrower's credit history and most require a cosigner. All students should carefully consider repayment obligations before borrowing.

There are many reputable Private Education Loan companies. MICA provides the following lender tools as a good place to start the search. Both tools can be accessed at www.mica.edu in the private education loan section.

Many students start by using Credible or the Great Lakes loan selection tool FASTChoice. These private loan comparison tools empower you to take control of the process and make an informed decision in selecting the best private loan for your individual situation.

Visit Credible (www.credible.com/mica), where you can complete one form and easily submit your information to multiple lenders. You will then receive personalized offers. Your personal information is kept private so only the lenders you select will contact you.

Visit FASTChoice (choice.fastproducts.org/FastChoice/home/208000/1), powered by Great Lakes loan guarantor and processor, which helps you choose the right loan by presenting you with loan details, including eligibility requirements, interest rates, loan limits, and borrower benefits for multiple lenders.

Private loans differ by lender and by type of loan. Be sure you understand the terms of your loan, and keep in touch with your lender about any questions you may have.

Tax Credits for College Education Expenses

Two tax credits help offset the costs (tuition, fees, books, supplies; equipment) of college students by reducing the amount of your income tax:

1. *The American Opportunity Credit* allows you to claim up to \$2,500 per student per year for the first four years of school as the student works toward a degree.
2. *The Lifetime Learning Credit* allows you to claim up to \$2,000 per student per year for any college tuition and fees, as well as for books, supplies, and equipment that were required for the course and to be purchased from the school.

A Coverdell Education Savings Account allows up to \$2,000 a year to be put aside for a student's education expenses (elementary, secondary, or college or career school).

Qualified Tuition Programs (QTPs; also known as 529 Plans) A QTP/529 plan is established by a state or school so that you can either prepay or save up to pay education-related expenses. Once you're in college or career school and you withdraw money from your account to pay your education expenses, the money you withdraw will not be taxed. Learn more about state 529 plans. To find out whether the college you plan to attend participates in a QTP, ask the financial aid or admissions staff.

You can take **a tax deduction for the interest paid on student loans** that you took out for yourself, your spouse, or your dependent. This benefit applies to all loans (not just federal student loans) used to pay for higher education expenses. The maximum deduction is \$2,500 a year.

Using **IRA Withdrawals for College Costs** You may withdraw from an IRA to pay higher education expenses for yourself, your spouse, your child, or your grandchild. You will owe federal income tax on the amount withdrawn, but won't be subject to the early withdrawal penalty.

For more information, contact your tax advisor or refer to the IRS website: www.irs.gov (tax benefits for education) section.

Differences Between Federal and Private Student Loans

Federal student loans are made by the government, with terms and conditions that are set by law, and include many benefits (such as fixed interest rates and income-driven repayment plans) not typically offered with private loans.

In contrast, private loans are made by private organizations such as banks, credit unions, and state-based or state-affiliated organizations, and have terms and conditions that are set by the lender. Private student loans are generally more expensive than federal student loans.

This chart provides a summary of the differences. For more information visit www.studentaid.gov.

	Federal Student Loans	Federal Parent Loans	Private Student Loans
When payments become due	Payments aren't due until after you graduate, leave school, or change your enrollment status to less than half-time.	You (the parent) can choose to put off payments until the student you borrowed for graduates, leaves school, or changes enrollment status to less than half-time.	Many private student loans require payments while you are still in school, but some do allow you to defer (put off) payments while in school.
Interest rates	The interest rate is fixed and is often lower than private loans—and much lower than some credit card interest rates.	The interest rate is fixed and may be lower than private loans—and much lower than some credit card interest rates.	Private student loans can have variable or fixed interest rates, which may be higher or lower than the rates on federal loans depending on your circumstances.
Subsidies	If you have financial need, you may qualify for a loan for which the government pays the interest while you're in school on at least a half-time basis and during certain other periods. This type of loan is called a "subsidized loan."	These loans are not subsidized; therefore, you will be responsible for all the interest on your loans.	Private student loans are often not subsidized. In the case of an unsubsidized loan, you will be responsible for all the interest on your loan.

Federal Student Loans

Federal Parent Loans

Private Student Loans

Credit check	You don't need to get a credit check to qualify for federal student loans (except for PLUS loans). For PLUS loans, we will check your credit before determining whether you are eligible.	We will check your credit before determining whether you are eligible.	Private student loans often require an established credit record or a cosigner.
Tax benefits	Interest may be tax deductible.	Interest may be tax deductible.	Interest may be tax deductible.
Consolidation and refinancing	Loans can be consolidated into a Direct Consolidation Loan.	Loans can be consolidated into a Direct Consolidation Loan.	Private student loans cannot be consolidated into a Direct Consolidation Loan but may be refinanced.
Postponement options	If you are having trouble repaying your loan, you may be able to temporarily postpone or lower your payments.	If you are having trouble repaying your loan, you may be able to temporarily postpone or lower your payments.	You should check with your lender to find out about options for postponing or lowering your loan payments.
Repayment plans	There are several repayment plans, including an option to tie your monthly payment to your income.	There are several repayment plans, including an option to tie your monthly payment to your income.	You should check with your lender to find out about your repayment options.
Prepayment penalties	There is no prepayment penalty fee.	There is no prepayment penalty fee.	You need to make sure there are no prepayment penalty fees.
Loan forgiveness	You may be eligible to have some portion of your loans forgiven if you work in public service.	You may be eligible to have some portion of your loans forgiven if you work in public service.	Although many private lenders do not offer loan forgiveness programs, some student loans from state agencies can be forgiven in certain circumstances.
Where to get help	Contact your loan servicer first. If you have difficulty with your loan servicer, send us feedback.	Contact your loan servicer first. If you have difficulty with your loan servicer, send us feedback.	Contact your loan servicer first. If you have difficulty with your loan servicer, contact the Consumer Financial Protection Bureau for assistance.

Federal Grants and Federal Work-Study

The amount of aid you can receive depends on your financial need, the cost of attendance at your school, and more. A Federal Pell Grant is a grant for undergraduate students with exceptional financial need.

Am I eligible?

Federal Pell Grants usually are awarded only to undergraduate students who display exceptional financial need and have not earned a bachelor's, graduate, or professional degree.

How much money can I get?

Amounts can change yearly. The maximum Federal Pell Grant award is \$7,395 for the 2023–24 award year (July 1, 2023, to June 30, 2024).

The amount you get, though, will depend on:

- your Student Aid Index (SAI); formerly known as Estimated Family Contribution (EFC)
- the cost of attendance;
- your status as a full-time or part-time student; and
- your plans to attend school for a full academic year or less.

A Federal Supplemental Educational Opportunity Grant (FSEOG) is a grant for undergraduate students with exceptional financial need.

How much money can I get?

You can receive between \$100 and \$1,000 a year, depending on your financial need, when you apply, the amount of other aid you get, and the availability of funds at MICA.

If your parent or guardian died as a result of military service in Iraq or Afghanistan, you may be eligible for an Iraq and Afghanistan Service Grant.

Like other federal grants, Iraq and Afghanistan Service Grants provide money to students to help pay their education expenses. However, Iraq and Afghanistan Service Grants have special eligibility criteria.

Note: If you have questions about your eligibility for the Iraq and Afghanistan Service Grant, please call 1-800-4-FED-AID (1-800-433-3243).

Who can get an Iraq and Afghanistan Service Grant?

You may be eligible to receive the Iraq and Afghanistan Service Grant if you are not eligible for a Federal Pell Grant on the basis of your Expected Family Contribution but

- you meet the remaining Federal Pell Grant eligibility requirements;
- your parent or guardian was a member of the U.S. armed forces and died as a result of military service performed in Iraq or Afghanistan after the events of September 11, 2001; and
- you were under 24 years old or enrolled in college at least part-time at the time of your parent's or guardian's death.

How much money can I get?

The grant award is equal to the amount of a maximum Federal Pell Grant for the award year but cannot exceed your cost of attendance for that award year. For the 2023–24 award year (July 1, 2023, to June 30, 2024), the maximum Federal Pell Grant award will be \$7,395.

What should I do to maintain the grants?

In general, you must maintain enrollment in an undergraduate course of study to receive a Federal Pell Grant. Additionally, you will have to fill out the FAFSA form every year you're in school in order to stay eligible and you may lose eligibility based on changes in income, house hold size and other factors from your FAFSA.

Once you have earned a baccalaureate degree or your first professional degree or have used up all 12 terms of your eligibility, you are no longer eligible to receive a Federal Pell Grant.

Certain scenarios may require that a portion or all of the grant funds be repaid: for example, if you withdraw from school before finishing an enrollment period such as a semester.

Work-Study Jobs

The Federal Work-Study Program allows you to earn money to pay for school by working part-time. You'll earn at least the current Maryland minimum wage. Your total work-study award depends on:

- when you apply;
- your level of financial need; and
- MICA's federal funding level.

For more information on the programs contained in this guide, we strongly encourage you to visit www.studentaid.gov and www.mica.edu/financial-aid.



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