



Terms of Your 2023–24 Financial Aid Award

This publication provides important information about Princeton's financial aid program. You should read this material carefully to gain a good understanding of the terms of your award. If you have questions or concerns, we encourage you to get in touch with one of our financial aid counselors.

Princeton's commitment to maintaining a strong need-based aid program is reflected in our aid policies. Most notably, our "no-loan" policy means that the student loan that normally would have been included in your aid award has been eliminated and replaced with additional grant aid.

Student Budget

The student budget shown in your financial aid portal includes tuition, fees, the housing charge for University dormitories, and the food rate based on a full University meal plan (first years and sophomores) or club meal allowance (juniors and seniors). The personal allowance includes expenses you pay on your own, such as books, supplies, and recreation.

If you live outside the Princeton area, we have included an allowance to help defray the estimated cost of transportation for two round trips between your home and campus—one round trip at the beginning and end of the academic year, and one round trip for the winter break.

This allowance is added to your budget when we calculate need. It is not paid to you directly, but is credited to your student account bill, reducing the amount your family pays Princeton.

Students who are not covered under their family's medical insurance are required to enroll in the Student Health Plan. Additional aid is available for students who certify with University Health Services that they do not have comparable health insurance coverage.

Family Resources

The "Total Family Contribution" section of your award letter includes your family's contribution from their resources and any educational benefits you receive. These family resources are compared with Princeton's costs to determine if you are eligible for need-based assistance.

GENERAL GUIDELINES

Princeton makes its aid application available to U.S. citizens and permanent residents, Canadian citizens, and

other international applicants. Princeton's process of evaluating your family contribution is based on the information contained in the Princeton Financial Aid Application (PFAA) and required income documentation. If you are a U.S. citizen or permanent resident, your eligibility for federal student aid is determined through the Free Application for Federal Student Aid (FAFSA) using a separate need formula. In some cases, the federal calculation of need may limit the types of campus job or student loan (if you request one) Princeton can offer.

YOUR FAMILY'S CONTRIBUTION

Among the most important elements used to determine your family contribution are: family income, assets (including Section 529 savings, prepaid tuition plans and student assets), and sibling undergraduate college costs.

If your parents are separated or divorced, we asked the parent with whom you resided with more often over the past twelve months complete the PFAA and the other parent to fill out Princeton's Non-custodial Parent's Form. Both forms are evaluated to determine each parent's ability to contribute toward your expenses, which are combined into one family contribution. However, if your custodial parent has remarried, this parent and your stepparent are considered the "family unit" for financial aid purposes, and their joint information should have been reported on the PFAA.

If you are an independent student for determining Princeton financial aid eligibility, your household income and assets are used to determine the family contribution.

CAMPUS EMPLOYMENT

Students have the opportunity to work an on-campus job during the academic year, but are not required to. Students who work are paid directly by the University. You will receive more information about how to apply for campus jobs during the summer.

Some students are eligible for employment under the Federal Work-Study (FWS) Program. Your award will include a special notice if you are eligible for FWS. Princeton encourages students interested in employment who are FWS-eligible to find employment in community service areas, such as social services, transportation, public safety, crime prevention, recreation, youth service, and other activities specified in the Community Service Act. More information about these job opportunities can

be found on the Student Employment Website at <https://princeton.edu/se>.

Assigning Aid

Once the family contribution is determined, aid is assigned based on your budget. We first consider external funds awarded to you followed by Princeton grant funds. Your financial aid will be applied to your student account to cover billed expenses in semester installments. Federal, state, institutional, or private financial aid received during the award year is to be used solely for expenses related to attendance.

EXTERNAL SOURCES

Federal Pell Grant and State Aid: These need-based funds are not considered outside scholarships. If you appear to be eligible for a federal grant, an estimated amount is shown in your award letter. Students apply for a Pell Grant by completing the FAFSA.

Residents of Alaska, New Jersey, or Vermont may be eligible to receive a state grant as part of their Princeton aid award. The FAFSA is normally all that is required, although in some cases a supplemental application is necessary. Please visit <https://finaid.princeton.edu/how-aid-works/types-aid> for contact information for the appropriate state agency. If it is determined that you are eligible for a state grant, your Princeton grant will be reduced to ensure that your total grant aid does not exceed the cost of attendance.

If the Pell Grant or state scholarship you actually receive is different from the amount estimated in your award letter, your University grant will be adjusted to compensate for the difference.

Outside Scholarships: Scholarships awarded to you by organizations outside the University are considered aid and are used to meet your need. These awards are included as part of your financial aid package and do not decrease the family contribution. Any employee tuition benefit or outside scholarships replace your Princeton grant. Additional details about Princeton's outside scholarship policy are available here:

<https://finaid.princeton.edu/policies-procedures/outside-scholarships>

If your Princeton grant is reduced as the result of an outside scholarship adjustment, you may recover reduced funds towards the one-time purchase of a personal computer. This policy applies to basic hardware and software products up to \$3,500.

You must report all scholarships and employee tuition benefits that you receive. Scholarship checks should be sent directly to the Financial Aid Office, whether they are payable to you or to Princeton University.

PRINCETON GRANT

University Grants: All Princeton grants are awarded solely on the basis of financial need. It is not necessary

for you to apply directly for a specific fund. Your Princeton grant may be from a donor who would like to hear from the recipient. If you receive a grant from such a fund, you will be notified of the source of your grant in the fall and asked to write a letter of acknowledgment.

Tax on Grants and Scholarships

U.S. Citizens and Permanent Residents:

The Internal Revenue Service (IRS) tax rules consider grant and scholarship amounts you receive that are in excess of tuition and the cost of required books and supplies to be taxable income. It is your responsibility to file taxes if required by IRS rules.

International Students Including

Canadian Citizens: The Internal Revenue Service (IRS) requires the University to withhold taxes on the amount of grant aid you receive that exceeds the tuition charge each term. While grants above tuition usually go to pay room and board charges, the IRS considers them to be taxable income. Therefore, if you receive such an amount, a charge for the taxes (14% of the amount of grant in excess of tuition) will appear on your student account each semester to cover the payment Princeton makes to the IRS on your behalf. You will be required to file a U.S. Non-Resident Alien income tax return each year you have wage or grant income to report, and you may qualify for a tax refund at that time.

Federal Supplemental Educational Opportunity Grant (FSEOG): These federal grants are administered by Princeton and therefore are included as part of the University grant. Preference in awarding FSEOG is given to students who are eligible for a Pell Grant and have the lowest family contribution.

Payment Options

For an idea of the amount your family will owe the University, you may use the "Princeton Bill Estimator," an online calculator available in mid-April at <http://finaid.princeton.edu/>. Enter the scholarship amount shown in your financial aid portal to see the anticipated annual bill as well as the projected semester and monthly payments.

There are two payments toward University charges, with the first due in August and the second in January. You may also choose to enroll in the monthly payment plan, which breaks the annual bill into ten monthly payments due at the end of each month from August through May. You will also receive a monthly bill for any miscellaneous charges you incur. You will receive

detailed information about these payment options in the summer.

LOANS

Your initial financial aid award does not include a student loan under our “no-loan” policy because your full demonstrated need has been covered by grants. However, student loans from both federal and University sources are available to students on request. You may ask for a loan to replace all or a portion of the family contribution or to cover expenses not included in the standard budget, for example, a personal computer. A brief description of student loans available to eligible Princeton students follows.

Federal Loans: The Federal Direct student loan is available if you qualify under program rules. Depending on your eligibility, the government may pay the interest on the loan until repayment begins after you are no longer enrolled. In other cases, the loan is unsubsidized, meaning the student pays the yearly interest. Repayment begins six months after you cease to be a student. You will be required to complete Entrance and Exit Counseling, as well as a Master Promissory Note, and to notify your student loan servicer of changes in your name, address, and school status.

University Loans: The University offers funds from its own resources to aid-eligible students who do not qualify for federal loans. University loans have terms similar to the federal programs. Information about the specific terms of these loans will be provided when you make a request to borrow and are available at <https://finaid.princeton.edu>.

Private Loans: You may also apply for private loans. Contact the Undergraduate Financial Aid Office for more information.

The Princeton Parent Loan (PPL) program offers families the opportunity to finance their share of Princeton’s costs at a favorable interest rate. In 2023–24, the PPL fixed rate is 5.99%. The PPL is available to families based on credit history and ability to repay. There is no fee to apply, and a single application can be used to request four years of borrowing. Parents have up to 14 years to repay.

Further information about the PPL may be obtained by writing the Parent Loan Office at puloans@princeton.edu or by calling 609-258-6401. Materials are also available on the web at <https://princeton.edu/parentloans>.

To get an idea of terms, refer to the sample repayment schedule. Find the amount that is nearest to your anticipated borrowing level and read across to the monthly payment column.

PPL Sample 14-year Repayment Schedule (using an estimated 6% annual interest rate)

<i>Annual amount borrowed</i>	<i>Four-year total</i>	<i>Monthly payment</i>
\$10,000	\$40,000	\$319
\$15,000	\$60,000	\$479
\$20,000	\$80,000	\$639
\$25,000	\$100,000	\$799
\$30,000	\$120,000	\$959
\$35,000	\$140,000	\$1,118
\$40,000	\$160,000	\$1,278
\$50,000	\$200,000	\$1,597

Another borrowing option for parents is the **Direct PLUS Loan**, a federally supported parent loan program. Your parents may borrow up to the cost of attendance less financial aid. The 2023–24 PLUS rate is fixed at 8.05%, and an origination fee of 4.228% is charged by the Direct Loan Program. Parents may visit <https://studentaid.gov> or contact the Financial Aid Office for information about how to initiate a PLUS application.

Federal Aid Requirements

If you are a U.S. citizen or permanent resident you must:

- complete the FAFSA, listing Princeton’s code number 002627. False or misleading information is a criminal offense and is subject to fines, imprisonment, or both.
- comply with the program requirements and affirm that the funds will be used for educational expenses and that you will not receive aid in excess of your demonstrated need;
- complete the *Award Acknowledgment and Grant of Authority* on the My Financial Aid portal;
- if requested, provide verification of the information shown on your FAFSA.

Return of Title IV: Title IV funds are awarded under the assumption that you will attend school for the entire period for which the assistance is awarded. If you withdraw after beginning attendance, we will perform a calculation to determine the amount of Title IV assistance you earned and are eligible to keep. Title IV funds include: Federal Pell Grant, FSEOG, and Federal student and parent loans.

General Financial Aid Policy

Your aid award is conditional until we review the requested 2021 tax return, W-2 statements, and/or other tax documents required to file. In addition, the information you provided about the undergraduate college enrollment status of your siblings will be verified once the academic year begins. It is your responsibility to know and comply with timelines and deadlines for federal verification, document requests, or information requests from the Undergraduate Financial Aid Office.

Your aid may be adjusted during the year if there are changes in your family's financial situation or your student budget. The most common reasons for revisions to the family contribution are differences in the information your parents provided on the PFAA compared with the income on their tax return, or a sudden, substantial change in your family's circumstances, such as a loss of income as reflected on tax documents. If you encounter problems resulting in a shortfall of family resources or additional educational expenses, please contact the office.

Princeton provides aid for all eligible full-time students making satisfactory progress toward a degree who continue to demonstrate financial need. (The "Academic Regulations" section of Princeton's Undergraduate Announcement contains a definition of satisfactory progress; see

<https://ua.princeton.edu/contents/academic-regulations>.)

If you are required to repeat a semester for disciplinary reasons, however, you will not be eligible for a University grant for the repeated portion of the term. Students loans may be requested to cover your need in this situation.

Each year you must reapply for financial aid, and returning students will receive instructions from this office in March. While the award you receive during your first year provides an indication of the amount and type of assistance you may receive in following years, aid will increase or decrease in individual cases depending on changes in your family's financial situation. If the total increase in the family contribution fall short of the increase in the student budget, the Princeton grant will rise to make up for the difference.

Finally, you can be assured that once you are enrolled, and if you demonstrate need in subsequent years, Princeton will continue to provide financial aid.

Undergraduate Financial Aid

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