

UNIVERSITY OF ROCHESTER

PREPAID TUITION PLAN

The University of Rochester's Prepaid Tuition Plan offers undergraduates and their families the opportunity to: 1) pay tuition at the current rate for up to four years of undergraduate education, thus avoiding the uncertainty of future tuition increases, and 2) substitute interest costs for possible tuition increases.

For entering freshmen, this means that the full four years of undergraduate tuition can be prepaid at the rate in effect when they enroll in the Plan. Based on the 2006-2007 tuition of **\$32,650.00**, entering freshmen participating in the Plan will pay **\$130,600.00** for the eight semesters normally required for a baccalaureate degree. (Freshmen enrolling at the Eastman School of Music will pay \$113,280.00 for the eight semesters, based on the 2006-2007 tuition of \$28,320.00).

Some participants in the Plan may find it advantageous to substitute known interest costs on funds borrowed in order to prepay tuition; others may prefer to liquidate resources and forego earnings on investments. Depending upon such factors as future inflation, interest rates, and tax rates, the savings from avoiding tuition increases by participation in the Plan may offset any losses in investment income or the cost of borrowing funds. Many banks consider loans for this purpose through special Home Equity Loan Programs. Typically, these loans feature a variety of repayment terms and options. Additional information on these programs may be obtained directly from lending institutions in your area.

All participants in the Prepaid Tuition Plan sign an agreement with the University covering conditions of the Plan. If a student withdraws from the University, unused tuition will be refunded without interest as provided in the agreement and in accordance with the University's rules on withdrawals during the semester.

The Plan is applicable for a minimum of two years (four semesters) and a maximum of four years (eight semesters). It will be offered at the University's option each fall semester to students enrolled in an undergraduate degree program in the College of Arts and Science, the College of Engineering and Applied Science, and the Eastman School of Music. For an undergraduate admitted to a 3-2 program in any of the University's graduate programs, the fourth undergraduate year of the five-year program may be included in the eight semesters covered by the Plan.

Enrolled students may join the Plan at the beginning of the fall or spring semester as long as four or more semesters are remaining in their undergraduate program. They will be charged the tuition rate in effect at the time they join the Plan, not the tuition rate in effect when they initially entered the University. **The full amount of the tuition must be paid; merit scholarships or other financial aid cannot be deducted from the prepaid tuition payment.**

The University hopes that this prepayment program will help students and their families in financial planning.