

## DOWNLOADABLE 3

### FOUR-YEAR BORROWING PROJECTION

Formula: Total Loan Balance at Graduation

For each loan taken annually, the formula is:

$$\text{Graduation Balance} = P \cdot (1 + r)^t$$

Where:

- P = loan amount for that year
- r = annual interest rate (as a decimal)
- t = number of years the loan has been accruing interest

Example: Four-Year Borrowing

Let's say a student takes out \$5,500 in unsubsidized loans each year at 5% interest:

Year	Loan Amount	Years Accruing	Formula	Balance at Graduation
1	\$5,500	4	$5500 \times (1.05)$	\$6,677
2	\$5,500	3	$5500 \times (1.05)$	\$6,350
3	\$5,500	2	$5500 \times (1.05)$	\$6,038
4	\$5,500	1	$5500 \times (1.05)$	\$5,775

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Total at Graduation: \$24,840

That's \$2,740 in interest before repayment even begins.

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#### Key Notes for Families

- Subsidized loans do not accrue interest during school — use the formula only for unsubsidized and PLUS loans.
- Parent PLUS loans accrue interest from disbursement and often have higher rates (6–9%).

- Private loans may have variable rates and less flexible repayment options

### Subsidizes Loan

Year	Loan Amount	Years Accruing	Formula	Balance at Graduation
1				
2				
3				
4				

### Unsubsidized Loan

Year	Loan Amount	Years Accruing	Formula	Balance at Graduation
1				
2				
3				
4				

### Parent Plus Loans

Year	Loan Amount	Years Accruing	Formula	Balance at Graduation
1				
2				
3				
4				

### Private Loans **From Village to Vanguard**

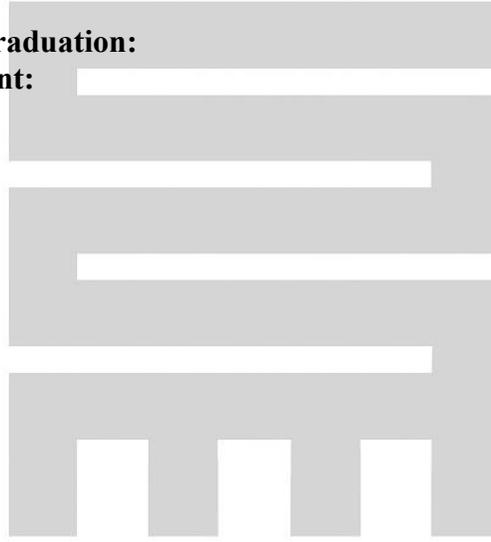
Year	Loan Amount	Years Accruing	Formula	Balance at Graduation
1				
2				
3				
4				

**Total Loan Repayment Amount**

<b>Loan Category</b>	<b>Total Loan Amount</b>	<b>Balance at Graduation</b>
<b>Subsidized</b>		
<b>Unsubsidized</b>		
<b>Parent Plus</b>		
<b>Private</b>		
<b>Grand Totals</b>		

**Total Estimated Debt at Graduation:**

**Estimated Monthly Payment:**



**NKYINKYIM**  
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