

Drew University Tuition Stabilization Plan Explained

Drew University offers a plan in which a parent may prepay undergraduate tuition for the full four-year period, thereby avoiding the effects of future tuition increases. The Tuition Stabilization Plan (TSP) was designed to help participants plan, manage, and afford the costs of a Drew University undergraduate education. Many families should find the TSP attractive as a hedge against inflation. The TSP prepayment may be funded by liquidating investments or by borrowing on existing equities, especially those that have appreciated in value. As tuition rates at independent universities rise, TSP participants may achieve savings in tuition increases equivalent to the loss of investment income or interest payments. We recommend that those planning to participate conclude their paperwork with Drew by early June in order to meet time requirements for the plan.

The TSP participants sign the Tuition Stabilization Agreement in June prior to the Fall semester. This plan is only available to families of first-year students and is not normally intended for use by students receiving financial aid based on need.

RATES IN EFFECT

Drew University will accept prepayment of the total undergraduate tuition at the rate in effect when the student enters the first semester of their Freshman year at Drew University (originating rate). A student whose tuition is paid under TSP does not pay future tuition increases.

Current and upcoming tuition rates can be found by visiting the Business Office website at www.drew.edu/busoff. The rates shown on the website are per semester rates (there are 8 semesters to be considered in this agreement). Please confirm the rate to be used in this agreement by contacting the Business Office at 973/408-3114.

Every TSP participant is required to sign the Tuition Stabilization Agreement covering the operative terms of the plan. If the student withdraws from the university, unused tuition will be refunded as provided by the agreement and applicable university rules.

WHO MAY PARTICIPATE

The TSP was designed principally for parents of Drew University undergraduates. However, prepayment may be made by other parties on behalf of a student.

LENGTH OF ENROLLMENT, STUDY ABROAD

TSP may be used for a minimum of four year (eight semesters) and a maximum of five years (10 semesters.)

If the student elects to enroll in a study abroad program offered by Drew University, the tuition will be covered at the guaranteed rate. If the student attends a study abroad program offered by another institution, the tuition payment to that institution rendered by Drew University on behalf of the student will be at the originating rate.

PERMANENT WITHDRAWAL

If a parent prepays tuition and the student permanently withdraws from Drew prior to the beginning of a semester, the unused semester's tuition will be refunded to the originator at the originating rate. For withdrawals after the start of a semester, refund for that particular semester will be according to the refund policy as stated in the Drew University Catalog.

HOW TO APPLY FOR THE TSP

The second page of this document is the application form for the Drew University Tuition Stabilization Plan. If you are applying for the TSP prepayment option, you need to fulfill two steps:

1. Contact the Business Office at 973/408-3114 to determine the applicable "total stabilized tuition."
2. Complete the enclosed Tuition Stabilization Agreement. Mail or present the executed agreement and a check, made payable to "Drew University TSP" in the amount of the total stabilized tuition established at that time to:
Drew University
Attn: Business Office, Tilghman House
36 Madison Avenue
Madison, New Jersey, 07940.

An executed copy of the agreement, signed on behalf of the university, will be mailed to you for your records.

Drew University Tuition Stabilization Plan Application - Webform

TERMS

In consideration of its receipt of the total stabilized tuition as set forth in the Tuition Stabilization Plan for the upcoming academic year, in a single sum, Drew University agrees with participant(s) that the same will constitute payment in full of the student's tuition in the College of Liberal Arts for the aggregate number of qualifying semester set forth ("Length of Enrollment, Study Abroad"), subject to the following terms and conditions:

PAYMENT

On or before June 15th prior to the student's first semester (Fall) of their Freshman year of undergraduate study, the participant(s) will pay the total stabilized tuition in a single sum to Drew University.

WITHDRAWAL, SUSPENSION, OR EXPULSION

If the student for whom the tuition has been fully prepaid permanently withdraws from the university at or before the start of the semester, the unused semesters' tuition will be refunded to the plan originator at the originating rate.

OFFSET OF REFUNDS

The university reserves the right to offset any amounts refundable hereunder against any amounts owing to it by the participant(s) or the student, whether or not then due, including, without limitation, any other tuition or non-tuition charges incurred by the student and any balances owed by the participant(s)

AGREEMENT

This agreement covers only basic tuition charges as from time to time defined by the university (exclusive of credit hours exceeding full-time study) and in no way limits the university's rights in respect of matters, including university charges not covered hereby.

The benefits of this agreement are not assignable to any other student.

The parties entered into this agreement as of the date set forth below.

This agreement is entered into as of the day and year written below and between Drew University, Madison, New Jersey, 07940.

(the "university"), and _____
Name(s) of Participant(s)

(the "participant(s)") of _____
Address

In respect of the tuition of _____ (the "student"), whose SSN is _____.
Name of Student

Participants

Drew University By

Signature Date

Signature Date

Relationship to Student

Title of Drew Representative

RECITALS

To provide a means of stabilizing tuition expenses for certain undergraduate student(s), the university is willing to accept payment in full of such student's remaining tuition at the university's tuition rate for the upcoming school year.

Participant(s) desire to provide for the education of the student, a first-year student in the College of Liberal Arts.

The university's tuition rate can be found by visiting www.drew.edu/busoff. The rate used for this agreement will be determined at the time of this application.

Participant(s) desire to use the university's Tuition Stabilization Plan set forth herein by paying the sum of \$ _____ (the "total stabilized tuition") in respect of the student's tuition in the college of Liberal Arts.