

# IT'S NOT A LOAN. AND YOU'RE NOT ALONE.

## BACK A BOILER™ – ISA FUND Managed by Purdue Research Foundation

Backed by the Purdue Research Foundation (PRF), the Back a Boiler – ISA Fund is an innovative way to help make school more affordable for Purdue students. It's not a grant or a traditional loan – though students do make payments after graduating and securing employment. It's an opportunity to complete an education without worrying about interest rates or decades of payments.

### INVESTING IN PURDUE STUDENTS' SUCCESS.

The Back a Boiler – ISA Fund is a potentially less expensive funding alternative to private and Parent PLUS loans for students who need additional funding to pay for their education. Students receive funding and complete the agreement by paying back a set percentage of their post-education salary over an established number of years.

### PROVIDING A POTENTIALLY LESS EXPENSIVE OPTION.

One of the ways that an ISA differs from a traditional loan is that students aren't paying interest on the total amount funded.



#### TOTAL PAYMENTS



For example, you're a rising senior Economics major with an ISA of \$10,000. Based on your anticipated salary in that field upon graduation, you pay 3.38% of your \$47,000 salary for 100 months. At the end of the contract, you would have paid back \$15,673, and fulfilled the terms of your ISA.

A traditional, private loan of \$10,000 at 9.5% fixed interest to a student with no cosigner would cost you \$17,126 at the end of a typical 10-year term.\*

*An ISA is not a loan or other debt instrument. An ISA represents a student's obligation to make payments linked to a specific percentage of the student's earned income and does not give the Back a Boiler program any rights regarding his/her educational or employment pursuits.*

*\*Information based on Back a Boiler Comparison Tool*



### HOW LONG DOES IT TAKE TO PAY BACK AN ISA?

The standard payment period for the Back a Boiler – ISA Fund is about 10 years, making it shorter than most Federal and private loan terms. In addition, all students receive a 6-month grace period post-graduation before payments begin. Once a recipient makes successful payments for the prescribed term of the contract, no additional payments are required even if they have paid less than the amount of funding they received.



	LOAN	ISA	SCHOLARSHIP
No academic/grade requirements	✓	✓	
No full repayment requirement		✓	✓
No long-term obligation w/ principal balance		✓	✓
No interest accrued		✓	✓
Payment terms	Variable, usually 10 - 20 years	9 Years or less	N/A

Visit [BackaBoiler.org](http://BackaBoiler.org) to learn more. Then, discuss the Back a Boiler – ISA Fund with your financial aid counselor and parents or guardians before deciding if an ISA is a possible funding solution for you. For more information, e-mail [BackaBoilerInfo@prf.org](mailto:BackaBoilerInfo@prf.org), or call 765-494-5050.

Your individual education financing plan should include an assessment of all of the options available to you based on your individual financial situation. The Back a Boiler Comparison Tool found at [BackaBoiler.org](http://BackaBoiler.org) can be used to compare an ISA to some of the other options that may be available to you.