

HMS Second-Year Financial Aid Update

February 2015

Today's Agenda

- 2015-16 Financial Aid Application Deadline
- Third Year Financial Aid Process
- Five Year Plans
- Debt Profiles
- Repayment Options
- HMS Loan Forgiveness & Repayment Programs
- AAMC FIRST Tools
- Financial Literacy Session – Mr. Thomas Murphy
Harvard University Employees Federal Credit Union

Financial Aid Application Deadline

- 2015-16 Financial Aid Application
 - Deadline: May 15th, 2015
 - Application deadlines more critical than ever – funding priority for on-time, completed applications
 - Possible penalty for late applications
 - Reminder: Parent tax returns still required for institutional funds)
 - IRS Data Retrieval Process on FAFSA – Do it!
- International Student Funding
 - Institutional Need-Based Funding Available
 - Discuss Non-Need-Based Funding with FAO

HMS Financial Aid – Policies

- BC/BS Waivers
- Resident Tutors
- Perkins Loans – must be disbursed by September 30th

3rd Year Budget

- 2015-16 3rd Year Budget is 12 months!
 - Complete cash advance form in June
 - Advance to cover July-August living expenses
 - Loan disbursements still occur in September
- 4th Year Graduating Student Budget will be 11 months (July – May)
- 4th Year Budget if not Graduating is 12 months
 - Inform Registrar early if extending program!

Five Year Plans

- How much does it cost to do a research/enrichment year?
- What are the financial aid implications?
- What if extend the standard M.D. curriculum beyond 4 years?

Additional Costs: Five-Year Program

- Facilities Fee in final year (currently \$2,700/semester)
 - *For students pursuing an enrichment year; higher charges may apply if extending for other reasons*
- Additional Year UHS/Blue Cross-Blue Shield & Disability Insurance
- Additional Year of living expenses
- Financial Aid is available for all five years (typically loan in year 5)

Dual Degrees

- What is the financial aid process for completing a dual degree?
 - MD-MBA
 - MD-MPP or MD-MPA
 - MD-MPH
 - MD-MMSc

Sample Repayment Profiles:

Assumptions

- ❑ Interest Rate of 6.21% on all Direct Unsubsidized Loans in Years 2-4*
- ❑ 4 yrs of internship/residency with interest capitalized
- ❑ Starting Salary of \$140,000
- ❑ Standard 10 year repayment

* Interest rate on Direct Unsub is subject to change in Years 3 & 4. Interest rate in Year 1 was 5.41%

Sample Repayment Profile: Unit Loan Borrower

- Total Borrowed: \$113,200
 - \$80,800 Federal Direct Unsubsidized
 - \$20,000 Federal Perkins*
 - \$12,400 HMS Revolving Loan
- Repayment Begins July 2021
 - Monthly Net Income: \$8,167
 - Monthly Loan Payments: \$1,652
 - \$1.75 repaid for each \$1 borrowed

*Assuming Perkins available in Years 3 & 4

Sample Repayment Profile: Unsub Ford/Stafford Borrower

- Total Borrowed: \$181,999
 - \$181,999 Federal Direct Unsubsidized
- Repayment Begins July 2021
 - Monthly Net Income: \$8,167
 - Monthly Loan Payments: \$2,810
 - \$1.85 repaid for each \$1 borrowed

Ford Federal Direct Loan Program

- Unsubsidized & GradPLUS loans
- Lender: U.S. Department of Education
- Loans will be handled by one of Dept. of Education's Servicers
 - See next slide for current listing
- Direct Loan Servicing Center will determine who will service your loans!

Direct Loan Servicers

- Aspire Resources, Inc.
- CornerStone
- ESA/Edfinancial
- Federal Loan Servicing (PHEAA)
- Granite State – GSMR
- Great Lakes Educational Loan Services, Inc.
- MOHELA
- Nelnet
- OSLA Servicing
- Navient (Sallie Mae)
- VSAC Federal Loans
- More to Come – Pay attention to notifications!

Postponing Repayment

- Deferment
- Forbearance

Repayment Options

- Standard
- Extended
- Graduated
- Income Contingent
- Income Based
- Pay As You Earn

- PSLF – Public Service Loan Forgiveness

Other Programs

- ❑ Grad PLUS Loan Program
- ❑ HMS Public Service Initiative
- ❑ HMS Loan Repayment Assistance Program
- ❑ AbundanceFound Global Health Loan Forgiveness
- ❑ Residency Loans
- ❑ **NOTE:** Step2b Clinical Skills Exam fee included in 3rd year budget with travel expenses added in 4th year
- ❑ **NOTE:** Step 1 Exam fee included in 2nd year budget; one-time allowance regardless when you take exam!

HMS Public Service Initiative

- Loan forgiveness program available to graduating HMS students interested in pursuing careers in public service
 - Program information available in “Loan Forgiveness” section of HMS Financial Aid Office website:
www.hms.harvard.edu/finaid
 - Application deadline: March/April of graduating year

(Note: funding for HMS Public Service loan forgiveness program currently available through 2016; it is uncertain whether this program will be renewed beyond this time)

AbundanceFound Global Health Loan Forgiveness Program

- Loan forgiveness program available to graduating HMS students interested in pursuing careers in global health delivery
 - Program information available in “Loan Forgiveness” section of HMS Financial Aid Office website:
www.hms.harvard.edu/finaid
 - Application deadline: March/April of graduating year

(Note: funding for AbundanceFound Global Health loan forgiveness program currently available through 2015; it is uncertain whether this program will be renewed beyond this time)

HMS Loan Repayment Program

- Available to HMS alumni upon completion of residency/fellowship training
- Eligibility is income-based
 - Applicants with modest incomes and high debt-to-income ratios
 - Applicants with income generally < \$140K*
(typical starting salary for a general practitioner)

** NOTE: income level after allowances*

Funding currently available through 2016

AAMC FIRST for Medical Education

- Financial Literacy Source for Medical Students
 - MedLoans Organizer and Calculator
 - Keep your loans current here!
 - Financial Literacy through ASA's SALT Program
 - FIRST Fact Sheets
- Available at www.aamc.org/services/first

Questions?
