



# *FIRST-YEAR LOAN COUNSELING*

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The top of the slide features a dark, textured background with a pattern of overlapping coins, likely US quarters, showing details like the word 'LIBERTY' and the number '10'.

# *Learning About Loans*

- *TODAY*
  - *Group session with general information about loan terms and conditions*
- *INDIVIDUAL FOLLOW-UP APPOINTMENTS*
  - *REQUIRED!!*
  - *Review of your individual financial aid award and loan debt*

# *Today's Agenda*

- *Loan Terms and Conditions*
- *What happens now?*
  - *Electronic Loan Signing*
  - *Refund Requests*
  - *Deferring Pre-HMS Loans*
- *What happens after Graduation?*
  - *Internship & Residency Options*
  - *Sample Loan Repayment Scenarios*
- *Preparing a Budget*
- *Credit Reports*



# *Types of Loans*

- *Subsidized vs. Unsubsidized*
- *Fixed Rate vs. Variable*
- *Federal, Institutional, Private*

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# *Subsidized Loans*

- *Definition: Interest does not accrue during in-school, grace, and periods of qualified deferment*
- *Types of subsidized loans at HMS*
  - *Federal Perkins Loan*
  - *HMS Revolving Loan*
  - *HMS Wolfson Loan*
  - *Loan for Disadvantaged Students*

# *Unsubsidized Loans*

- *Definition: Interest begins to accrue at the time of disbursement*
- *Types of unsubsidized loans at HMS*
  - *Federal Direct Unsubsidized Ford/Stafford Loan*
  - *Federal Grad PLUS Loan*
  - *HUECU Private Loan*
  - *Other Private/Alternative Loans*

# *Capitalization of Interest*

- *Definition: Unpaid accrued interest on unsubsidized loans is added to the original amount borrowed (i.e. principal balance), thereby increasing your total indebtedness.*
- *Unsubsidized Ford/Stafford Loan:*
  - *first capitalization typically occurs six months after borrower leaves school*
  - *borrowers receive quarterly interest statements*
  - *borrowers have the option to pay interest prior to capitalization*



# *Federal Direct Ford/Stafford Loan*

- *2013-14 Interest Rate: fixed, 5.41%\**
- *Grace Period: 6 months*
- *Borrowing Limits:*
  - *Up to \$44,944 (or cost of attendance minus other aid) for first year HMS students*

*\*Interest rate for each year will be determined in that given year (T-bill + 3.6%), then fixed for life of loan. Cap: 9.5%*



# *Federal Direct Ford/Stafford & PLUS Loans*

- *Loans will be managed by one of several servicers*
- *Servicer randomly selected:*
  - *Aspire Resources, Inc.*
  - *CornerStone*
  - *COSTEP*
  - *Dept. of Education Student Loan Servicing Center (ACS)*
  - *EDGEducation Loans*
  - *EdManage*
  - *ESA/Edfinancial*
  - *FedLoan Servicing (PHEAA)*
  - *Granite State - GSMR*
  - *Great Lakes Educational Loan Services, Inc.*
  - *KSA Servicing*
  - *MOHELA*
  - *Nelnet*
  - *OSLA Servicing*
  - *Sallie Mae*
  - *VSAC Federal Loans*

*\*Denotes current list of servicers as of 8/13*



# *Federal Perkins Loan*

- *Interest Rate: fixed, 5%*
- *Grace Period: 9 months*
- *Borrowing Limits:*
  - *\$5,000/year annual borrowing limit\**
  - *Subsidized*

*Note: Annual amounts subject to change  
depending upon availability of funding*

# *Loan for Disadvantaged Students (LDS)*

- *Awarded to students from disadvantaged backgrounds as defined by the U.S. Department of Health and Human Services*
- *Interest Rate: fixed, 5%*
- *Grace Period: 12 months after graduation and through residency*
- *Borrowing Limits:*
  - *Currently replaces Unit Loan\**
  - *Subsidized*

*Note: Annual amounts subject to change depending upon availability of funding*

# Harvard Loans

- *HMS Revolving Loan*
  - *Interest Rate: fixed, 5%*
  - *Grace Period: 6 months*
  - *Subsidized (for all first year students)*
- *HMS Wolfson Loan*
  - *Interest Rate: prime + 1%, fixed at 2 months prior to end of grace period, max rate of 7%*
  - *Grace Period: up to 60 months (during residency)*
  - *Subsidized*

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# *Other Loans*

- *Federal DIRECT Grad PLUS*
  - *Harvard University Employees Credit Union (HUECU) Private Loan*
  - *Other Private Loans*
- 
- *Terms and conditions to be discussed during individual appointments*

# *Customer Service*

*Federal Direct Ford/Stafford Loans:*

- *Direct Loan Servicing Center*

*PO Box 530260  
Atlanta, GA 30353  
1-800-848-0979*

*Note: Will work directly with servicer once assigned*

*Your account number is your social security number.*

- *Federal Perkins, LDS and Harvard Loans:*

- *Harvard Student Loan Office*

- *1033 Mass Ave  
Cambridge, MA 02138  
1-800-315-7192*

*Your account number is your Harvard University ID number.*



# *National Student Loan Data System (NSLDS)*

- *U.S. Dept of Education's central database for Stafford/Ford, Grad PLUS and Perkins loans*
- *Allows borrowers to track loan balances and identify servicers of loans*
- *Federal PIN required to access site:*  
[www.nslds.ed.gov](http://www.nslds.ed.gov)



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# *To Do List*

- *Loan Signing – Master Promissory Note(s)*
- *AAMC Medloans Organizer and Calculator*
- *Individual Loan Counseling w/ HMS Financial Aid Officer*
- *Refund Requests*
- *Deferral of pre-HMS student loans*
- *HMS Scholarship Information Survey*

# *Loan Signing*

- *Sign your award letter and return to the Financial Aid Office (if you haven't already)*
- *Federal Direct Ford/Stafford Loans Master Promissory Note*  
*<https://studentloans.gov>*
- *Federal Perkins, HMS Revolving, HMS Wolfson, LDS Promissory Notes*  
*<https://www.ecsi.net/promk4>*
- *Financial Aid Office will email you when the loan signing process is available to complete*

*See Financial Aid Newsletter for detailed instructions. You will need to have your FAFSA PIN number handy in order to complete this process.*

# *Truth In Lending Act (TILA)*

- *US federal law designed to protect consumers in credit transactions*
- *Includes all non-Title IV educational loans (i.e., HMS institutional and federal LDS loans)*
- *Disclosure of terms in 3 statements (w/award letter and at prom note signing)*
- *Disclosure statement indicates maximum possible amount a student can borrow in loan program; this DOES NOT mean the amount you are borrowing and/or IS NOT necessarily the amount you are eligible to borrow!*

# *AAMC Medloans Organizer and Calculator*

- *Organizer and Calculator is a secure and personalized, one-stop online loan management resource tool*
- *Available at [www.aamc.org/first](http://www.aamc.org/first)*
- *Enter your 2013-14 (and previous, if any) loan information in the Medloans Organizer and Calculator*
- *Allow 20-30 minutes to complete*
- *PRINT OUT summary of your loans (by academic year) and bring to your individual loan entrance interview session*

# *Individual Loan Counseling*

- *REQUIRED!*
- *Review of your individual financial aid award and loan debt*
  - *Keep a file with all your fin aid docs*
- *Appointments begin September 9<sup>th</sup>*
- *Call or email Lillian Johnson to schedule an appointment: 432-0449 or [financial\\_aid@hms.harvard.edu](mailto:financial_aid@hms.harvard.edu)*



# *Living Expense Refunds*

- *If your disbursed financial aid exceeds your total term bill charges, you are entitled to a refund of the credit balance*
- *Go to the HMS Financial Aid web-site and complete a Refund Request Form, available at:*  
*<http://www.hms.harvard.edu/finaid>*  
*Click on the 'Forms & Calendar' link*
- *Sign up for direct deposit of your refund check!*
- *No refunds processed until individual loan counseling appointment has occurred and Master Promissory Note(s) is/are signed!*
- *Refunds will become available by end of September*
- *NOTE: You must fill out a Refund Request Form for EACH semester!*
  - *Note: HST RAsip can affect loan/term bill balance*



# *Pre-HMS Loans*

- *Contact your lender(s) to see if your loans feature an in-school deferment provision.*
- *Depending on the lender, you may need to file a written deferment request as often as every six months. Registrar's Office confirms enrollment.*
- *If your prior loans have never entered active repayment, they typically will retain their full grace periods once you leave HMS. Check with your lenders for details.*
- *Prior Federal Direct Loans are automatically deferred once a new Direct Ford/Stafford Loan is processed.*
- *We suggest that you call the Direct Loan Servicing Center to confirm.*



# *HMS Restricted Fund Information Sheet*

- *Survey sent to all HMS students in September*
- *Enables HMS Financial Aid Office to assign HMS Scholarship awards to appropriate funds*
- *Completion Required of ALL students (not just those on scholarship)*
- *Office of Resource Development (ORD) may request bio info/thank you note from HMS scholarship recipients*

*Failure to comply with these requests may result  
in forfeiture of your HMS Scholarship!*

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# *After Graduation...*

- *Internship/Residency*
  - *Deferment*
  - *Forbearance*
- *Repayment Plans*
- *Sample Repayment Scenarios*
- *Loan Forgiveness Programs*

# *Forbearance & Deferment*

- *Forbearance: An arrangement to postpone or reduce a borrower's monthly payment amount for a limited and specified period, or to extend the repayment period. The borrower is charged interest during forbearance.*
- *Most educational loans are eligible for forbearance during part or all of internship & residency.*
- *Deferment: the temporary postponement of loan payments. During deferment interest does not accrue on subsidized loans.*
- *Perkins, Wolfson, and LDS loans offer deferment under certain conditions. If eligible, you may receive limited deferment during internship & residency training.*

# *Repayment Options*

## *FEDERAL FORD/STAFFORD LOAN*

- *Standard: fixed amount for 10 years*
- *Extended: fixed amount extended over 12 to 25 years*
- *Graduated: 10 years to repay, however, the payment amount increases gradually over the life of the loan*
- *Income Contingent/Income Based/Pay As You Earn: monthly payment is based on the borrower's adjusted gross income. Maximum repayment period is 20 yrs (PAYE)/25 yrs (ICR/IBR)*
  - *Public Service Loan Forgiveness*

# *Repayment Options*

*FEDERAL LDS*

*FEDERAL PERKINS*

*HMS REVOLVING*

*HMS WOLFSON*

- *Standard: fixed amount for 10 years*

*All educational loans can be prepaid  
without penalty.*

# *Sample Repayment Profiles: Assumptions*

- *Interest Rate of 5.41% on all Ford/Stafford Loans after graduation\**
- *4 yrs of internship/residency with interest capitalized*
- *Starting Salary of \$140,000*
- *Standard 10 year repayment*

*\* Interest rate subject to change for loans in future years*





# *Sample Unit Loan Borrower*

- *Total Borrowed: \$113,200*
  - *\$80,800 Federal Unsubsidized Stafford*
  - *\$20,000 Federal Perkins*
  - *\$12,400 HMS Revolving Loan*
- *Repayment Begins July 2021*
  - *Monthly Net Income: \$8,167*
  - *Monthly Loan Payments: \$1,586*
  - *\$1.85 repaid for each \$1 borrowed*



# *Sample Ford/Stafford- Only Borrower*

- *Total Borrowed: \$181,999*
  - *\$181,999 Federal Unsubsidized Stafford*
- *Repayment Begins July 2021*
  - *Monthly Net Income: \$8,167*
  - *Monthly Loan Payments: \$2,660*
  - *\$1.75 repaid for each \$1 borrowed*

# *Loan Repayment Programs*

- *HMS Loan Forgiveness Programs*
  - *Presidential Scholars Public Service Initiative*
  - *AbundanceFound Global Health Program*
  - *Loan Repayment Assistance Program*
- *State/National Loan Repayment Programs*
- *Description of Programs Available at [www.hms.harvard.edu/finaid](http://www.hms.harvard.edu/finaid)*

*(Note: funding for HMS loan forgiveness programs currently available through 2015 and 2016; it is uncertain whether these programs will be renewed beyond this time)*

# *Financial Aid Resources on the Web*

*Financial Aid Information Page*

[www.finaid.org](http://www.finaid.org)

*College Board*

[www.collegeboard.com](http://www.collegeboard.com)

*US Department of Education*

[www.ed.gov](http://www.ed.gov)

*Loan Forgiveness Programs*

[www.hms.harvard.edu/finaid](http://www.hms.harvard.edu/finaid)

*IRS Publication 970 – Tax  
Benefits for Students*

[www.irs.gov](http://www.irs.gov)

*Association of American  
Medical Colleges*

[www.aamc.org/first](http://www.aamc.org/first)

*(Budget Worksheet and  
MedLoans Organizer)*

*Direct Loan Servicing On-Line*

[www.studentloans.gov](http://www.studentloans.gov)

*William D. Ford Federal Direct  
Loan*

[www.ed.gov/directloan](http://www.ed.gov/directloan)

*Department of Education  
Student Guide*

[www.ed.gov/studentguide](http://www.ed.gov/studentguide)



# *HMS First Year Budget*

*Tuition and Fees: \$55,771*

*Books and Supplies: \$2,160 or \$2,910*

*Room and Board: \$14,030*

*Miscellaneous Expenses: \$4,620*

*Transportation: \$ 1,455*

*Loan Fees: \$189*

*Total Budget: \$78,225 or \$78,975*

*Budget for students who waive Harvard BC/BS  
Health Plan will be \$2,190 less*



*QUESTIONS?*