

Financial Aid at HMS

Bob Coughlin, Director of Financial Aid

Imani Anwisyte, HMS '12

Michelle-Marie Pena, HMS '14

Fatima Rodriguez, HMS '11

Topics for Discussion

- ❑ The Financial Aid Process
- ❑ The Award Package
- ❑ What Else to Expect
- ❑ Appeal Process
- ❑ Other Options/Resources Available
- ❑ Sample Packages
- ❑ Presidential Scholars Program
- ❑ Living within the HMS Budget
- ❑ Questions

The Financial Aid Process

- Two Pathways to Financial Aid
 - Option I
 - Applying for unit loan and grants
 - Parent information is required
 - Option II
 - Applying for federal loans ONLY
 - No parental information required

The Financial Aid Process (cont'd)

- Financial Aid Application must be complete before a decision will be made

Option I

- HMS Fin Aid App
- Need Access App
- FAFSA
- 1040/W-2s of Parents
- 1040 of Student

Option II

- HMS Fin Aid App
- FAFSA
- 1040 of Student

Financial Aid Process (cont'd)

- Need-based financial aid system
- Need = Budget – Calculated Family Contribution
- Need met first with loans (Unit Loan Package)
- Remaining Need met by grants
 - Ensures that students with highest need receive most scholarship support
- Financial Need *minus* Unit Loan *equals* HMS Scholarship

The Award Package

- Unit Loan Concept
 - Unit Loan is fixed at \$24,500 (will remain \$24,500 each year at HMS)

The Award Package (cont'd)

- Composition of 2011-12 Unit Loan Package
 - \$8,500 Federal Stafford Loan (6.8%, subsidized)*
 - \$5,000 Federal Perkins Loan (5%, subsidized)*
 - \$11,000 HMS Revolving Loan (5% subsidized) or Wolfson Loan (variable up to 7%, subsidized)

Note: loan terms/conditions are subject to change. The most reliable description of loan terms is the promissory note. Federal loan terms not confirmed for FY12.

The Award Package (cont'd)

- HMS Scholarship
 - Awarded if there is remaining need beyond Unit Loan
 - Covers entire remaining need, up to HMS cost of attendance budget

What if I have no calculated financial need or I am an Option II applicant?

- Federal Stafford Loan Program:
 - \$8,500 subsidized for those who meet federal need criteria (no parent data required)
 - \$36,444 additional unsubsidized
- Federal PLUS Loan Program:
 - Additional unsubsidized borrowing up to Cost of Attendance
- Private/Alternative Loan Programs
 - Additional unsubsidized borrowing up to Cost of Attendance

Questions about your award package?

- CONTACT US!
 - The Financial Aid Office is here to answer questions, provide counseling anytime
 - Financial Aid Appeal Process
 - Appeals/Petitions Reviewed in May and October
- You're not just a number at HMS!!

Financial Aid Appeal Process

- If a purely need-based award from another school reflects a substantially different family contribution, LET US KNOW!!
- If there is additional information not addressed in financial aid application, LET US KNOW!!
 - Note: Anticipated change in family financial situation ordinarily addressed mid-year (i.e., December)
- BUT...cannot change packaging policy to match a merit award offered elsewhere

Consideration of Parent Contribution

- For students who are below age 29 as of October 1, 2011, the full calculated parent contribution (PC) will be used in determining eligibility for need-based funds
- For students who are age 29 as of October 1, the calculated PC will be reduced by 25%
- For students who are age 30 as of October 1, the calculated PC will be reduced by 40%
- For students who are age 31 as of October 1, the calculated PC will be reduced by 60%
- For students who are age 32 and above as of October 1, the calculated PC will be reduced by 80%

Middle-Income Financial Aid Initiative

- Elimination of Parent Contribution (PC)
 - Parents with income levels < \$120K
 - Assets must be typical for families with these income levels
 - PC will be \$0
- Elimination of Parents' Tax-Deferred Retirement Income In Need Analysis
- Elimination of Mandatory Minimum Student Contribution (SC)

What to expect next...

- Award notifications mailed on a rolling basis once financial aid application is complete
 - Sign and return acceptance of awards to FA Office
 - Reflect adjustments on award letter (i.e., outside scholarships, increased loan request)
 - Award information will be available online at 'My HMS Financial Aid' when ready:
www.hms.harvard.edu/finaid

What to expect next (cont'd)...

- E-mail notification of fall term bills
 - Indicates term bill charges (tuition, fees, dorm)
 - Anticipated aid (scholarship, loans)
 - Balance due (charges minus anticipated aid)
 - Notification e-mailed to your official Harvard E-mail address (provided to you by June)
 - NOTE: The HMS Online Financial Aid Application is based on the email address on file with AMCAS as of March 1, 2011
 - Email address will change to your official HMS email address in June
- Fall Cash Advance: May apply after August 15th (1st day of Orientation) if a portion of your financial aid will be used to cover living expenses
 - Form available online at www.hms.harvard.edu/finaid

Subsequent Years

- Reapply for financial aid each year
- If family financial situation remains the same, award will not change dramatically
 - Change in siblings' university enrollment could have an impact

Historical Trends...

- Average loan indebtedness of medical students nationally, Class of '10:
app. \$148K public; app. \$172K private
- Average loan indebtedness,
HMS Class of '10: \$113,900
Class of '10 Unit Loan Total: \$98,000
- Loan Figures include pre-medical school debt
as well as dual/joint degree debt

Other Financing Options

- Outside Scholarships
 - Web-based scholarship searches (www.finaid.org)
 - Scholarship Reference Book in HMS F.A.O.
 - Email notifications from FAO throughout year
- Internships/Research/Employment
 - Scholars in Medicine Program
 - Federal Work-Study Program
- Additional loan borrowing

Outside Scholarship Policy

- Outside awards replace
 - Parent contribution and student loans, then
 - HMS scholarship

So how does it all work?

- Examples of financial aid packages
- How to live on the HMS budget
 - Perspectives from current students

HMS Cost of Attendance

- Tuition & Fees: \$51,043
- Vanderbilt Hall: \$8,220
- Other Expenses -- food, books, travel, misc (estimate): \$13,737
- Total 2011-12 Budget: \$73,000
 - *Note: HST Student Budget: \$72,250*
- Budget breakdown provided in admission packet

Example: \$20,000 Family Contribution

- Richard Stone is from a family of four. Richard's father is a physician and his mother is a homemaker; his sister is a college freshman. The family's annual income is \$200,000; the equity in their home is worth \$255,000 and they have \$15,000 in savings and investments. Richard does not have any resources of his own.

Cost of Attendance: \$73,000

Less calculated PC: \$20,000

Less calculated SC: \$0

Equals Financial Need: \$53,000

Richard's Financial Aid Package is:

□ HMS Scholarship: \$28,500

□ Unit Loan Package: \$24,500

□ Total Aid: \$53,000

Example: \$0 Family Contribution

- Susan Taylor's parents are married. Her father is a teacher and her mother is part-time realtor. The family's annual income is \$95,000. They have \$15,000 in savings and \$75,000 in home equity. Susan has \$5,000 in her own savings account.

Cost of Attendance: \$73,000

Less calculated PC: \$0*

Less calculated SC: \$750

Equals Financial Need: \$72,250

Susan's Financial Aid Package is:

□ HMS Scholarship: \$47,750

□ Unit Loan Package: \$24,500

□ Total Aid: \$72,250

NOTE: Since Susan's parents total income is less than \$120K, no PC will be expected.

Example: \$22,500 Family Contribution

- Wesley Bowman is married. His spouse is a human resource specialist who earns \$35,000 a year. They have \$2,500 in savings. Wesley's parents are married. His father is an engineer and his mother is an asst professor. The family's annual income is \$140,000. They have \$30,000 in savings and \$70,000 in home equity. Wes has no siblings.

Cost of Attendance: \$73,000

Less calculated PC: \$22,500

Less calculated SC: \$0*

Equals Financial Need: \$50,500

Wes's Financial Aid Package is:

□ HMS Scholarship: \$26,000

□ Unit Loan Package: \$24,500

□ Total Aid: \$50,500

NOTE: Since Wes's spouse earns less than \$40K, no contribution from income will be expected.

Example: Option II Candidate

- Stacey Wu has worked and lived independently from her parents for several years. She has decided to apply for financial aid without providing parental financial disclosure. Stacey understands that under this option, she is eligible only for federal and private loans. She has accumulated \$30,000 in her own savings.

Cost of Attendance: \$73,000
Less calculated SC: \$ 6,000
Equals Financial Need: \$67,000

Stacey's Financial Aid Package is:

- Sub Ford/Stafford Loan: \$ 8,500
- Unsub Ford/Stafford Loan: \$36,444
- Total Aid: \$44,944

Note: Stacey would be eligible for additional unsub PLUS and/or private loan borrowing

What to do now...

- ❑ Avoid/eliminate credit card debt and keep your credit history clean
- ❑ Think about ways to live frugally

Presidential Scholars Program

- HMS Public Service Initiative
 - Purpose: to relieve a portion of the loan obligation of graduating students intending to pursue careers in public service
 - Ex: Primary care, family medicine, practice and/or research that promotes public health or health policy, commitment to underserved communities, international medicine (in resource poor settings)
 - Eligibility requirements: graduating HMS students. Priority given to students who have educational debt >\$98,000
 - Loan debt reduced at time of graduation

Program continuation based upon availability of funds. Program terms/conditions subject to change. Current funding anticipated to be available through FY15.

Presidential Scholars Program

- HMS Loan Repayment Assistance Program:
 - Purpose: to provide debt-relief scholarships to HMS alumni with modest incomes and high debt-to-income ratios

- Eligibility Requirements:
 - HMS graduates who have completed their residency/fellowship training
 - Preference for alumni pursuing public service careers
 - Available to HMS alumni with high educational debt repayment and income levels below \$140,000
 - No service commitment

AbundanceFound Global Health Loan Forgiveness Program

- Designed to relieve a portion of the loan obligation of graduating students intending to pursue careers in global health delivery
 - 20% award disbursed immediately following graduation
 - 40-80% award disbursed upon completion of at least one year of work centered in global health delivery
 - Priority given to students with educational debt >\$98,000

Program continuation based upon availability of funds. Program terms/conditions subject to change. Current funding anticipated to be available through FY15.

So....Can You Reduce Your Debt?

- Outside Scholarships
- Loan repayment programs are available!
 - NIH Loan Repayment Programs
 - www.lrp.nih.gov
 - National Health Service Corp LRP
 - <http://nhsc.bhpr.hrsa.gov/loanrepayment>
 - HRSA Faculty Repayment Program
 - <http://bhpr.hrsa.gov/dsa/flrp/>
 - Links to Programs available at HMS Financial Aid Office website – Loan Forgiveness
 - www.hms.harvard.edu/finaid

You're *NOT* Just a Number



You'll Know Them...
and They'll Know *you!*



Living on the Budget

- ❑ Not too Shabby...
- ❑ What About Housing?
- ❑ What about Food?
- ❑ What about Books?

- ❑ You *will* have enough money for fun!!



Beyond the Financial Aid Package

- My classmates, my classmates, my classmates!
- Community
- Personal Attention
- Opportunities
- Great experiences!!



Take Home Points

1. You are not just a number
2. If you have concerns, come talk to them!
3. Remember, our financial aid packages are based on calculated “Need”



*Medical education
is an investment in
your intellectual
capital with great
future returns*

