
FINANCIAL AID NEWSFLASH

JULY 2014

HMS Financial Aid Office, 25 Shattuck Street, Boston, MA 02115, 617/432-0449
financial_aid@hms.harvard.edu - www.hms.harvard.edu/finaid

*****Important Information Concerning Your Award*****

Your Award Packet: What You Need To Do Now!

Your HMS Electronic Award Letter: *The HMS Financial Aid Office is pleased to continue to provide returning HMS students the electronic process for the notification and acceptance of your 2014-15 financial aid awards! The site should be familiar to you as it is the same one used to apply for HMS financial aid. It's important to accept your awards online; no paper award letter will be mailed to you!*

Review your awards online via the My HMS Financial Aid link, accessible through the HMS Financial Aid Office website: www.hms.harvard.edu/finaid. Click My HMS Financial Aid Application, Apply for Financial Aid links. Once you log-in, follow instructions on the Accept Awards tab to accept/reduce/decline your financial aid awards.

Before accepting your awards, carefully review the Terms & Conditions agreement.

If you wish to decline any or all of the loan package, simply change the amount offered on the Accept Awards tab. Your decision to reduce/decline loans will not impact how your financial aid award is determined in future years. Be sure to plan carefully as there is no guarantee that declined loan funds can be re-awarded should you change your mind later in the year. You have the right to adjust/cancel your loan at anytime throughout the academic year. Terms of the various loan programs are discussed later in this handout.

If you are receiving outside awards that are not listed on the Accept Awards tab, complete the HMS Outside Scholarship Form (link to form provided on Accept Awards tab) and mail directly to the HMS Financial Aid Office. (Please note that if you are the recipient of assistance from any federal aid program and you fail to notify us of your outside awards, you may be subject to action under the U.S. Criminal Code and by Harvard Medical School).

Your Federal Direct Unsubsidized Loan: If you are receiving funds from the Federal Direct Unsubsidized Loan program, please take note of the following:

Your lender: Harvard University participates in the federal government's Ford Direct Loan Program. Under this program, the U.S. Department of Education is the lender for your Federal Direct Loan. Servicing of these loans is performed by one of several agencies. The Department of Education selects the servicing agency on behalf of the borrower. *There is no need to complete a separate loan application for Federal Direct Unsubsidized Loans.*

What if my family and I can't meet the difference between the total aid and the student budget?

You may wish to consider borrowing additional loan funds to help meet this gap. These loans generally accrue interest from the day funds are disbursed, but payment may be deferred until after graduation. *Keep in mind that the total of all your aid cannot exceed the student budget figure listed on your award letter. Please contact the HMS Financial Aid Office should you have questions regarding the financial implications of additional borrowing.*

Federal Direct Unsubsidized Loan (U.S. Citizens and Permanent Residents Only): If your total Federal Ford/Stafford borrowing is under the federal annual limit (\$44,944 for 1st, 2nd and 4th year students; \$47,166 for 3rd year students), you could consider increasing your total Direct Unsubsidized Loan to this limit. *To request additional borrowing via the Direct Unsubsidized program, complete the HMS Loan Adjustment Form (link to form provided on Accept Awards tab) and mail directly to the HMS Financial Aid Office.*

Federal Direct Graduate PLUS Loan (U.S. Citizens and Permanent Residents Only): The PLUS Loan program is available to students who have reached the annual or lifetime maximum loan limits in the Direct Unsubsidized Loan program. *To request additional borrowing via the Direct Graduate PLUS Loan program, complete the HMS Loan Adjustment Form (link to form provided on Accept Awards tab) and mail directly to the HMS Financial Aid Office.*

Students who are not eligible for federal funds may borrow, if necessary, from supplemental private loan programs. Please contact the HMS Financial Aid Office for more information.

How will I be billed for tuition and fees?

Harvard bills by semester. ***Notification of the fall term bill will be e-mailed to you in July***, and notification of the spring term bill will be e-mailed in late fall. Your fall bill will show the fall portion of your financial aid award as an anticipated credit; ***you need only pay the difference between the billed charges and the anticipated aid***. If the anticipated aid on your bill fully covers the listed charges, it is not necessary to make a payment on that bill. Additional Direct Unsubsidized Loan, Direct GradPLUS Loan and private loans will show as anticipated aid on your account once the Financial Aid Office receives your HMS Loan Adjustment Form requesting additional loans and/or you have completed alternative loan applications.

Your loans will be credited to your account once you have signed the necessary promissory notes and/or loan checks. Early in the fall semester the HMS Financial Aid Office will notify you should you need to complete and sign loan promissory notes. You will continue to receive monthly bills from Harvard listing the loans as anticipated credits until you have signed your promissory notes and/or loan checks. Once your financial aid application is complete and any loan promissory notes have been signed, aid is disbursed. Generally, aid disbursement occurs in two equal installments: fall (September) and spring (January) terms. The majority of disbursements occur in September for fall term and February for spring term.

If you have borrowed at HMS in past years, it is likely that you may have already fulfilled the loan promissory note signing process. Many loan programs available at HMS offer a master promissory note process; once signed, the master promissory note is on file for several years and thus eliminates a loan signing process during your remaining years at HMS.

A monthly installment plan is also available. Detailed information will be sent with the first fall bill.

What if some of my financial aid award is money that I need to use for living expenses?

If your aid exceeds the outstanding charges on your bill, your account will show a credit balance once all of your aid has been disbursed. Upon request through completion of the Refund/Cash Advance Request Form available on the HMS Financial Aid Office website, the Financial Aid Office will arrange to have your credit balance refunded to you.

If you need access to your anticipated credit before your aid is fully disbursed, you may request a cash advance from the Financial Aid Office. You may receive an advance of up to \$2,000 per month (off-campus residents)/\$1,000 per month (Vanderbilt Hall residents), up to the amount of the anticipated credit balance. Returning students may apply for a refund for the fall term anytime after August 15th; refund checks are mailed to the student's local address.

Note: 3rd and 4th year students may request an additional cash advance to cover July and August expenses.

I indicated on my financial aid application that I will have a sibling enrolled in a postsecondary educational institution in 2014-15. Is there anything else I need to do?

Yes. You must complete a Sibling Enrollment Verification Form for each sibling enrolled at least half-time in a postsecondary educational institution in 2014-15. **Complete this form after your sibling has enrolled for the Fall 2014 semester; completion of the form will require certification by the Registrar of the school attended by your sibling.** A link to this form is available in the Accept Awards tab. The form is also available in the Forms and Calendar section of the HMS Financial Aid Office website. The deadline to return this form is October 1, 2014. *Note: Financial Aid awards will not be disbursed until this form has been received by the HMS Financial Aid Office.*

What if I need to speak with a staff member about my circumstances?

Please feel free to call the Financial Aid Office. Due to the high volume of calls received, we may have to take down your name and number and return your call within a few days. You may wish to schedule an appointment with a financial aid officer (surnames A-K: Sarah Carey; surnames L-Z: Yolanda Paul) if you feel that your circumstances require special attention.

If you applied for financial aid in the past, keep in mind that there are several reasons why your award may differ significantly from what you received in past years. If you had a sibling in college or graduate school last year who has not re-enrolled for 2014-15, the expected parent contribution will be higher. If your parents' financial situation has changed substantially in the past year, your family contribution will differ from that of past years.

Can I appeal this award?

The award decision stated on the award letter should be considered final for the entire year. Students who wish to appeal the decision may petition for reconsideration. You must initiate the process by scheduling an appointment with your financial aid officer in September (surnames A – K: Sarah Carey; surnames L – Z: Yolanda Paul). Because the Financial Aid Committee reviews appeals cases in October, your petition and accompanying documentation must be filed no later than October 1st. If there are changes in your

circumstances after October, the Committee will review your petition on an ad hoc basis. If the Committee decides that an adjustment to your award is warranted, it will be made using whatever funds are available at the time.

Is there any way to reduce my debt?

There are a few common ways that students reduce their debt levels:

Keep your living expenses down. Many students find that the living expense estimates used in calculating the student budget are quite generous. By living frugally, you may find that you can reduce your dependence on loans significantly.

Consider term-time employment. The Federal Work-Study program uses federal funds to help finance part-time employment opportunities for students. Many work-study positions are available on campus and complement the MD curriculum. Term-time work-study applications will be available from our office at the end of August. We will start awarding work-study funds at the beginning of September on a first-come, first-served basis.

Apply for outside scholarships. The Financial Aid Office has a small resource library with reference books on external sources of scholarship support for medical students. Students are also encouraged to access free internet scholarship search services, such as Fastweb, available at www.finaid.org.

What else do I need to do?

To complete the financial aid process, you will need to do the following when you arrive on campus in the fall:

Entrance Interview (first-time borrowers only): All first-time student borrowers are required to attend a group session scheduled with the financial aid staff early in the fall semester. During this meeting, you will be introduced to the repayment terms of your particular student loans, and we will provide you with projections of your future earnings and loan payment obligations.

Loan Signing (first-time student borrowers):

First-time Direct Unsubsidized, Perkins, LDS, Direct GradPLUS, HMS Revolving and HMS Wolfson Loan borrowers must complete an electronic master promissory note for each loan program awarded before loan funds can be disbursed. First-time borrowers will receive detailed instructions in the fall when electronic promissory notes are available for completion. These loans made to repeat borrowers will automatically disburse at the beginning of each semester.

For Additional Information: Additional information regarding financial aid policies and procedures is available on the HMS Financial Aid web site: www.hms.harvard.edu/finaid. The 2014-15 HMS Financial Aid Guidebook, located under the 'Publications' link, provides detailed information concerning the financial aid process.

Special Features of the HMS Financial Aid Program

- All HMS students are considered equally meritorious; all awards are based solely on demonstrated financial need.
- The HMS grant budget is consistently ranked in the top 5 among US medical schools.
- In 2007 HMS eliminated the mandatory \$1,500 minimum student contribution for all students applying for institutional funding.
- In 2008 HMS implemented the Middle Income Financial Aid Initiative, reducing the parental contribution for its families with greatest need.
- In 2008 HMS eliminated the use of parent tax deferred retirement income from the institutional need analysis.
- The average debt (including undergraduate loans) for the HMS graduating class of 2013 was \$104,107. This average compares favorably with the national medical school average of \$169,901, the national private medical school average of \$181,058 and the averages at those medical schools most similar to Harvard.
- In 2003 HMS launched a pilot program that provides loan repayment subsidies to highly indebted young alumni working in modestly compensated public service positions. Funding for this program currently is available through 2016.
- In 2006 HMS launched a pilot program that provides debt relief to graduating students who have an intention of pursuing careers in public service. Funding for this program currently is available through 2016.
- In 2011 HMS launched a pilot program that provides debt relief to graduating students who have an intention of pursuing careers in global health delivery. Funding for this program currently is available through 2015.

FINANCIAL AID CALENDAR FOR ACADEMIC YEAR 2014-2015

| | |
|------------------------|---|
| September, 2014 | First-year loan counseling/financial literacy sessions held. <i>(mandatory for all first-time borrowers at HMS)</i> |
| September, 2014 | Master promissory note loan signing <i>(students will be emailed instructions).</i> |
| September, 2014 | HMS scholarship information survey sent to all students. |
| October 1, 2014 | Deadline for submitting written petitions appealing 2014-15 financial aid decision. |
| December 1, 2014 | All Federal Direct Unsubsidized, GradPLUS and private supplemental loan applications for the 2014-15 academic year should be in process no later than this date. |
| January 1, 2015 | Earliest date that the federal processor will accept 2015-16 FAFSA forms for processing. Families should file tax returns and FAFSA forms as soon as possible after January 1 st . |
| January/February, 2015 | Second-year loan counseling/financial literacy presentations held. |
| February, 2015 | Educational debt history sheets mailed to third-year students. |
| March, 2015 | New 2015-16 Financial Aid Application materials will be available. |
| March, 2015 | Financial planning seminar held <i>(intended for graduating students).</i> |
| March – May, 2015 | Loan exit counseling sessions held. <i>(mandatory for all graduating students who borrowed loans while at HMS)</i> |
| March, 2015 | 2015-16 financial aid application instructions mailed to accepted incoming students. |
| April 1, 2015 | Evaluation and mailing of financial aid awards to incoming students begins on a rolling basis. |
| April 15, 2015 | Deadline for submission of financial aid application materials from newly admitted students for the 2015-16 academic year. |
| May 15, 2015 | Deadline for submission of financial aid application materials from continuing students for the 2015-16 academic year. |
| May 28, 2015 | GRADUATION |
| July – August 2015 | Financial aid award letters for 2015-16 sent to continuing students. |

| HMS LOAN FACT CHART | <u>INSTITUTIONAL & PRIVATE FUNDS</u> | | | <u>FEDERAL FUNDS</u> | | | |
|---|--|---|--|---|--|--|--|
| PROGRAM NAME | <u>HMS REVOLVING LOAN</u> | <u>HMS WOLFSON</u> | <u>PRIVATE LOANS</u> | <u>PERKINS</u> | <u>LDS</u> | <u>DIRECT UNSUBSIDIZED</u> | <u>DIRECT GRAD PLUS</u> |
| LENDER | Harvard | Harvard | Private | Harvard | Harvard | US Dept. of Education | |
| INTEREST RATE | Sub: 5% Fixed Unsub: 6.8% Fixed | Prime + 1% Fixed 2 months prior to end of grace period, not to exceed 7% | See Harvard Private Loan isite for comparison of programs (link below) <i>Note: the HUECU Private loan is the only source available without a US co-signer</i> | 5% Fixed | 5% Fixed | 6.21% Fixed | 7.21% Fixed |
| INTER. ACCRUES SCHOOL: GRACE: DEFERMENT: | Sub: No, Unsub: Yes Sub: No, Unsub: Yes Sub: No, Unsub: Yes | No No No | See Harvard iSite | No No No | No No No | Sub: No, Unsub: Yes Sub: Yes*, Unsub: Yes Sub: No, Unsub: Yes *Loans made 2012-13 | Yes Yes Yes |
| GRACE PERIOD | 6 months | Up to 5 years of internship/residency | See Harvard iSite | 9 months | 12 months | 6 months | 6 months (post- enrollment deferment) |
| REQUIRED PAYMENTS DURING REPAYMENT | <ul style="list-style-type: none"> • Minimum \$50/month • Maximum 10 yrs. to repay | <ul style="list-style-type: none"> • Minimum \$50/mont • Maximum 10 yrs. to repay | See Harvard iSite | <ul style="list-style-type: none"> • Minimum \$40/month • Maximum 10 yrs. to repay | <ul style="list-style-type: none"> • Minimum \$15/month • Maximum 10 yrs. to repay | <ul style="list-style-type: none"> • Standard (10 yrs.) • Extended (12-25 yrs.) • Graduated • Income-Contingent • Income-Based • Pay As You Earn | <ul style="list-style-type: none"> • Standard (10 yrs.) • Extended (12-25 yrs.) • Graduated • Income-Contingent • Income-Based • Pay As You Earn |
| PREPAY PENALTIES | None | None | See Harvard iSite | None | None | None | None |
| ALLOWABLE CANCELLATIONS | <ul style="list-style-type: none"> • Death • Total Disability | <ul style="list-style-type: none"> • Death • Total Disability | See Harvard iSite at: http://universitysfs.harvard.edu | <ul style="list-style-type: none"> • Death • Total Disability • ACTION • Peace Corps • Full-time teacher in low- | <ul style="list-style-type: none"> • Death • Total Disability • Failure to complete | <ul style="list-style-type: none"> • Death • Total Disability | <ul style="list-style-type: none"> • Death • Total Disability |

| | | | | | | | |
|--|--|--|---|--|---|--|--|
| | | | <i>Click: 'Financial Aid at Harvard', 'Private Loans', '2014-15 Private Loans' links.</i> | income school <ul style="list-style-type: none"> • Full-time teacher of Disabled children • Staff in Head Start Program | Medical School w/ Special Conditions | | |
|--|--|--|---|--|---|--|--|

Harvard Medical School 2014-2015 M.D. Student Cost of Attendance Budgets

| EXPENSES | Year 1 Class of '18 10 1/2 Months (Aug-June) | Year 2 Class of '17 10 1/2 Months (Aug-June) | Year 3 Class of '16 12 Months (July -June) | Year 4 – Grad Class of '15 11 Months (July-May) | Year 4 – Not Grad Class of '16 12 months (July – June) | Year 5 Class of '15 11 Months (July-May) |
|---|---|---|---|--|---|---|
| TUITION | 54,200 | 54,200 | 54,200 | 54,200 | 54,200 | 5,400 |
| MATRICULATION FEE | 100 | | | | | |
| UNIV HEALTH SERVICE FEE | 992 | 992 | 992 | 992 | 992 | 992 |
| BC/BS INSURANCE FEE* | 2,366 | 2,366 | 2,366 | 2,366 | 2,366 | 2,366 |
| DISABILITY INS. FEE | 68 | 68 | 68 | 68 | 68 | 68 |
| ED MATERIALS FEE | 425 | 425 | | | | |
| BOOKS & SUPPLIES | **2,901 | **1,893 | 1,202 | 1,189 | 1,189 | 1,189 |
| LIVING EXPENSES*** <i>Suggesting Breakdown: Housing</i> | ***20,410 9,000 | ***24,210 12,650 | ***27,090 13,800 | ***25,515 12,650 | ***26,190 13,800 | **25,515 12,650 |
| <i>Food</i> | 5,280 | 5,280 | 5,760 | 5,280 | 5,760 | 5,280 |
| <i>Misc. Expenses (clothing, recreation, laundry, utilities, other)</i> | 4,675 | 4,675 | 5,100 | 4,675 | 5,100 | 4,675 |
| <i>Local & Clinical Transportation</i> | 825 | 975 | 1,800 | 1,650 | 900 | 1,650 |
| <i>Long Distance Travel</i> | 630 | 630 | 630 | 1,260 | 630 | 1,260 |
| LOAN FEES | 238 | 216 | 202 | 90 | 90 | 90 |
| NATIONAL BOARD FEE | | 580 | 1,230 | 580 | | 580 |
| TOTALS (with BC/BS Insurance Fee) | **81,700 | **84,950 | 87,350 | 85,000 | 85,095 | 36,200 |
| TOTALS (without BC/BS Insurance Fee) | **79,334 | **82,584 | 84,984 | 82,634 | 82,729 | 33,834 |

*Students who choose to waive the Harvard BC/BS Insurance Fee will have this budget item removed from their cost of attendance budget.

**New Pathway students purchase their black bag and diagnostic equipment during their first year; HST students purchase equipment during their second year, therefore, the first year budget for HST students will be \$750 less than the figure listed above, and the second year budget will be \$750 more.

***A suggested breakdown of various living expenses is indicated. This itemization is only a guideline, and students should plan a budget and economize to ensure that their actual expenses do not exceed the total allowable living expense budget.

The housing allowance for first year students (Class of '18) is based on the average cost of a Vanderbilt Hall residence contract. Students with spouses, partners, or dependents, or students choosing not to live in dormitory housing, may request an off-campus housing allowance from the HMS Financial Aid Office. For returning students the housing allowance assumes that students are sharing rental units in the community.

Step2b Clinical Exam fee is included in the third year student budget. The travel expenses associated with the exam are included in the final year budget (fourth year grad or fifth year).

OPTION: The federal government will permit students to borrow an unsubsidized Direct loan to purchase a computer, printer & software for school. Students interested in this option should speak with a financial aid staff member prior to the purchase. Students are limited to one such purchase during their tenure at HMS. The one-time purchase maximum is \$2,500.