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:** Step 2b 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](http://www.aamc.org/services/first)
Questions?