HMS Second-Year Financial Aid Update

February 2012
Today’s Agenda

- 2012-13 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

- 2012-13 Financial Aid Application
  - Deadline: May 15\textsuperscript{th}, 2011
  - Application deadlines more critical than ever – funding priority for \textit{on-time, completed} applications
    - HMS no longer collecting student tax returns (parent tax returns still required for institutional funds)
    - IRS Data Retrieval Process on FAFSA – Do it!
    - Stafford Subsidy – available next year for 3\textsuperscript{rd} year students??

- International Student Funding
  - Institutional Need-Based Funding Available
  - Discuss Non-Need-Based Funding with FAO
3rd Year Budget

- 2012-13 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 Budget will be 11 months
  (July – May)
Five Year Plans

- How much does it cost to do a research year?
- What are the financial aid implications?
Additional Costs: Five-Year Program

- Facilities Fee in final year (currently $1,375/semester)
- Additional Year UHS/Blue Cross-Blue Shield
- Additional Year of living expenses
- Financial Aid is available for all five years (primarily loan in year 5)
Sample Repayment Profiles:
Assumptions

- Interest Rate of 6.8% on all Ford/Stafford Loans after graduation*
- 4 yrs of internship/residency with interest capitalized
- Starting Salary of $140,000
- Standard 10 year repayment

* Assumes no Subsidized Stafford in 2012-13 & 2013-14
Sample Repayment Profile:
Unit Loan Borrower

- Total Borrowed: $98,000
  - $34,000 Federal Ford/Stafford
  - $20,000 Federal Perkins
  - $44,000 HMS Revolving Loan
- Repayment Begins July 2018
  - Monthly Net Income: $8,167
  - Monthly Loan Payments: $1,349
  - $1.65 repaid for each $1 borrowed
Sample Repayment Profile: Unsub Ford/Stafford Borrower

- Total Borrowed: $181,980
  - $17,000 Federal Ford/Stafford
  - $164,980 Federal Unsubsidized Ford/Stafford

- Repayment Begins July 2018
  - Monthly Net Income: $8,167
  - Monthly Loan Payments: $3,302
  - $2.18 repaid for each $1 borrowed
Ford Federal Direct Loan Program

- Stafford & PLUS loans
- Lender: DOE via the Direct Loan Servicing Center
- Servicer:
  - Direct Loan Servicing Center (ACS)
  - Federal Loan Servicing (PHEAA)
  - Great Lakes Educational Loan Services, Inc.
  - Mohela
  - Nelnet
  - Sallie Mae
- Direct Loan Servicing Center will determine who will service your loans!
Postponing Repayment

☐ Deferment

☐ Forbearance
Repayment Options

- Standard
- Extended
- Graduated
- Income Contingent
- Income Based
  - 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
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
AbundanceFounded 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
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
AAMC FIRST for Medical Education

- Financial Literacy Source for Medical Students
  - MedLoans Organizer and Calculator
    - Keep your loans current here!
  - Financial Literacy 101
  - FIRST Fact Sheets

- Available at [www.aamc.org/services/first](http://www.aamc.org/services/first)
Questions?