

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 15th, 2011
 - Application deadlines more critical than ever – funding priority for 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 3rd 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

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

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

Questions?
