



HARVARD MEDICAL SCHOOL

2012-2013

FINANCIAL AID GUIDEBOOK

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Harvard Medical School is accredited by the Liaison Committee on Medical Education of the American Medical Association and the Association of American Medical Colleges.

The 2012-13 Financial Aid Guidebook is presented by Harvard Medical School to assist students and others to understand the policies, procedures, and programs of the School's financial aid program. It should be recognized that all information in this guidebook is subject to revision. Information contained herein supersedes that previously published and is subject to change.

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ELIGIBILITY REQUIREMENTS

The goal of the Harvard Medical School financial aid program is to help students find the financial resources necessary to attend HMS. The program is rooted in the philosophy that students, with the help of their families, have the primary responsibility for financing their medical education to the fullest extent of their ability. Harvard Medical School's role is to assist the student to meet the shortfall of funds after the student and his/her family has made their maximum financial effort. All HMS funds are distributed on the basis of financial need; academic merit is *not* a consideration. Harvard Medical School administered need-based financial assistance for approximately 85% of enrolled medical students in the 2011-2012 academic year.

Nondiscrimination

Harvard Medical School does not discriminate on the basis of race, gender, color, national or ethnic origin, religion, age, sexual orientation, veteran status, or physical handicap when administering financial assistance to students. In evaluating applicants for admission, the Committee on Admission selects candidates without regard to the candidate's ability to pay for medical school.

Enrollment Status

In order to receive funds from federal loan programs, a student must be enrolled at least half-time. Virtually all HMS students are registered as full-time degree candidates; should a student's enrollment drop to less than full-time (a rare occurrence), s/he must notify the Financial Aid Office as soon as possible so that any necessary revisions can be made to the financial aid award. Federal regulations mandate that when changes to enrollment status necessitate adjustments to federal loans, the adjustments must be made within forty-five days of the date of the status change. *It is essential that whenever possible the Financial Aid Office be notified of enrollment status changes before they go into effect.*

Satisfactory Academic Progress

Federal regulations require that federal aid recipients be making satisfactory progress in their degree programs. The conditions for satisfactory progress to the M.D. degree are detailed in Section 2.19 of the Harvard Medical School Student Handbook. If at any time a student feels that his/her financial aid may be in jeopardy because of this requirement, s/he is urged to seek the advice of a Financial Aid Officer before aid has to be withdrawn. The financial aid staff will work to identify a substitute financial arrangement whenever possible. Once the student resumes making satisfactory academic progress, s/he is again eligible for federal financial aid.

Citizenship Status and the Federal Financial Aid Programs

A student's citizenship status must fall into one of the following categories to receive federal student aid from the U.S. government:

- U.S. Citizen
- U.S. National (includes natives of American Samoa or Swain's Island)
- U.S. permanent resident who has an I-151, I-551, or I-551C (Alien Registration Card)
- Foreign national holding an Arrival-Departure Record (I-94) from the U.S. Immigration and Naturalization Service showing one of the following designations:
 - "Refugee"
 - "Asylum Granted"
 - "Indefinite Parolee"
 - "Humanitarian Parolee"
 - "Cuban-Haitian Entrant" (valid only if issued before April 1, 1980)
- Other eligible non-citizen with a Temporary Resident Card (I-688)
- Foreign national with a suspension of deportation case pending before Congress.

If an applicant has only a Notice of Approval to Apply for Permanent Residence (I-171 or I-464A) s/he is not eligible for federal student aid.

International Students

Since federal financial aid programs require that the recipient be a citizen or permanent resident of the United States, the programs used to fund international student financial aid awards come from private and institutional sources. International students fill out the standard financial aid application materials and receive financial aid award determinations in a similar manner as U.S. citizens and permanent residents. International students who qualify for need-based institutional funding are first offered the Unit Loan, a combination of loans from institutional and/or private sources. There are a variety of private loan options available; students qualifying for the Unit Loan can choose one that does not require a U.S. co-signer. Supplemental, private loan programs are also available to international students who do not qualify for need-based institutional funding. Generally, these private sources require a U.S. co-signer. More information on the private loan sources available to Harvard students may be found on page 24 of this guidebook. Students inquiring about these programs should contact the Financial Aid Office for additional information.

In order to receive the necessary visa documents to study in the U.S., international students must demonstrate that they have the resources necessary to meet the expenses outlined in the student expense budget described later in this guidebook. Financial aid awards may be included as resources for this purpose.

Resources of Interest to International Students

The International Education Financial Aid Organization <<http://www.iefaf.org>> provides a free searchable database of scholarships and awards as well as a number of other resources of relevance to international students.

Canadian students are especially encouraged to apply to their provincial governments for assistance.

Combined Degree Candidates

M.D./M.P.H. Candidates

Although students in the combined M.D./M.P.H. program apply to both HMS and HSPH for admission, these students remain financial aid clients of the Harvard Medical School Financial Aid Office for the duration of their enrollment at HMS and HSPH and follow the same financial aid application guidelines as other students at HMS.

M.D./M.B.A. Candidates

Students in the combined M.D./M.B.A. program apply through the HMS Financial Aid Office for financial aid funding during years one, two, three & five of the program. In year four, students apply through the HBS Financial Aid Office for financial aid.

M.D./Ph.D Candidates

Most students in the combined M.D./Ph.D. program receive full funding that is administered through the M.D.-Ph.D. Office at Harvard Medical School and are ineligible for additional HMS aid during the years in which the student is enrolled in the M.D. portion of the program. Students who determine that they have a shortfall between their M.D./Ph.D. funding and the standard budget may apply through the HMS Financial Aid Office for student loans to meet this gap. Funds from the Federal Direct Stafford/Ford Loan Program are generally used for this purpose.

M.D./Ph.D. students who do not receive funding from the M.D./Ph.D. Program follow the regular application process outlined in this guide. Each academic year, the school that charges the student tuition is considered the school of primary enrollment and is responsible for providing financial aid services to the student. Therefore, during periods when the student is enrolled at MIT or Harvard's Graduate School of Arts and Sciences, s/he must apply for financial aid through that particular school's Financial Aid Office.

Other Combined Degree Candidates

Students interested in combined degree programs other than the M.D./M.P.H. must apply to their non-M.D. school or program for financial aid to cover any non-M.D. periods of enrollment. While combined degree students are simultaneously enrolled at both schools, each year the school of primary enrollment levies the tuition charge and provides financial aid services and funding according to its own policies and practices.

It is the student's responsibility to investigate early the financial aid deadlines, requirements, and practices of the non-M.D. school. Some schools operate on a rolling basis for awarding funds; at such schools, it is possible to meet the school's admissions application deadline but to be denied financial support because all available funds have been distributed. Students interested in combined degree programs are urged to make their academic plans early, and no later than the January before the anticipated start date at the non-M.D. school.

STUDENT RIGHTS AND RESPONSIBILITIES

Student's Rights

According to federal legislation, the student has the right to know:

- What financial aid programs are available;
 - The deadlines for submitting applications for each of the financial aid programs available;
 - How financial aid is distributed;
 - How the student's financial need was determined;
 - How much of the financial need so determined has been met;
 - An explanation of the various programs in the student's aid package;
 - The School's tuition refund policy in case the student withdraws;
 - What portion of the financial aid is loan and must be repaid and what portion is non-repayable grant/scholarship aid;
 - For loans awarded, what the interest rate is, how interest accrues and is capitalized, the total amount that must be repaid, the repayment procedures, the length of time to repay the loan, and when the repayment is to begin;
 - How the School determines satisfactory progress and the consequences if such progress is not met; and
 - That all documents submitted to the Financial Aid Office are confidential.
- Read and keep copies of all forms requiring signature;
 - Be aware of the terms of the assistance programs awarded;
 - Accept responsibility for all signed agreements including the repayment of loans according to the stated terms;
 - Notify the Financial Aid Office promptly and in writing of any changes in financial circumstances that occur after submission of the aid application;
 - Notify the Financial Aid Office promptly and in writing of any change in academic status from that of being a full-time medical student in good academic standing; and
 - Be aware of the School's refund procedures.

Student's Responsibilities

Similarly, the student's responsibilities are to:

- Read the information that the School is required to provide about policies;
- Complete all required documents accurately and submit them before the deadlines to the proper places;
- Provide correct information. In most instances, misrepresentation of information on financial aid application forms is a violation of law and may be considered a criminal offense that could result in indictment under the U.S. Criminal Code. Misrepresentation may also result in disciplinary action by Harvard Medical School;
- Supply all additional documentation, verification, corrections, and/or new information requested by the Financial Aid Office or the agency to which the application is submitted;

Fraud

If the School has reason to suspect that a financial aid applicant may have deliberately misrepresented information in connection with his/her aid application, the School may initiate disciplinary action. In the case of fraud or other criminal misconduct, referral may be made to the U.S. Department of Education's Office of Inspector General, or, if more appropriate, to a state or local authority. If evidence of misconduct is documented, the School will review the matter to determine if the student should be sanctioned or dismissed.

U.S. Income Tax Liability

Students who receive scholarships, grants, fellowships, or other forms of gift assistance in excess of the cost of tuition, mandatory fees, books, and equipment should be aware that the excess amounts are subject to taxation under current federal tax law. The fact that such income is not reported to the student on a W-2 form does not mean that these funds are not taxable. Further information is available from the Internal Revenue Service <www.irs.ustreas.gov>, as well as from most tax preparers.

Any source of funding that is contingent upon performing some kind of work or service is considered taxable income regardless of whether it is used to pay tuition.

THE FINANCIAL AID APPLICATION PROCESS

Financial aid is awarded on an annual basis. Each year a student is required to complete the financial aid application process anew in order to be considered for aid. Application materials are mailed to admitted students and to all waitlisted admissions candidates. Returning students receive instructions on the electronic financial aid process via email.

TWO PATHWAYS TO FINANCIAL AID

There are two different application options to choose from when applying for financial aid.

Option I – All Programs

This option is for students who wish to be considered for all forms of financial aid, including the Harvard Medical School Loan Programs, Harvard Medical School Scholarships, the Federal Direct Subsidized and Unsubsidized Stafford/Ford Loan Program, the Federal Perkins Loan Program, the Federal Direct PLUS Loan Program, the Federal Work Study Program and the US Department of Health and Human Services student assistance programs. Detailed descriptions of these programs can be found starting on page 15.

Students who select this option must provide the Financial Aid Office with *parental financial information from both biological parents*. In the event that a biological parent is deceased or whereabouts unknown, the applicant should submit third-party documentation of these circumstances so that s/he can be considered for a waiver of this requirement. The Petition for Waiver of Non-custodial Parent Financial Information is available in the Forms section of our website: www.hms.harvard.edu/finaid.

Option I applicants are required to submit the following materials:

- **Harvard Medical School Financial Aid Application.** Required of all applicants for Financial Aid.
- **Free Application for Federal Student Aid (FAFSA).** All aid applicants who are U.S. citizens and permanent residents must complete the FAFSA on-line at www.fafsa.ed.gov. Be sure to list "E00472" for HMS school code [Address: Harvard Univ Medical School, Boston, MA]. If prompted, please use the IRS Data Retrieval Tool. This option will streamline and expedite the processing of the student's financial aid.
- **Need Access Application.** Required of all applicants applying for HMS scholarships and low-interest loans. All student and parent sections of the Need Access application must be completed online at NeedAccess.Org. Select "Complete Your Need Access Application" to begin. Select either "New Users" or "Returning Users". Remember to select the 2012-13 Academic Year. When prompted, select the appropriate year in school and add "Harvard Medical School" in the School Selection section.
- **Need Access Non-Custodial Parents' Statement (if applicable).** Required of all applicants whose parents are divorced, separated or never married. The student's custodial parent should complete parent sections of the Need Access Application. Instructions for completing the Non-Custodial Parents' Form will be included in the Need Access Application.
- **International Student Financial Aid Application.** Required of all international applicants from nations other than Canada or US/Canadian applicants with parents living abroad (available in the Forms section of our website www.hms.harvard.edu/finaid).

- **College Scholarship Service's (CSS) Business/Farm Supplement (if applicable).** If the student, spouse, or student's parents are owners or part owners of a business or a farm (including S Corporations and Partnerships), each owner must file a Business/Farm Supplement for each business/farm owned. Print this form out and mail the completed copy directly to the HMS Financial Aid Office (form available in the Forms section of our website www.hms.harvard.edu/finaid).
- **Parent's 2011 Federal Income Tax Return and W-2/1099 Forms.** Required of all applicants for HMS scholarships and low-interest loans. Parents must submit a *signed* copy of all pages, schedules, and W-2/1099 forms to the Financial Aid Office. In cases of divorced/separated/unmarried parents, tax forms for the biological parents are required. *Be sure to write the student's name and social security number at the top of all returns.*

Option II – Federal Aid Only

This option is for students who are seeking assistance from *only* federal and private financial aid programs. Students who select this option do **not** have to provide parental information and are not considered for Harvard Medical School institutional loan programs and/or scholarship funds.

These programs include the Federal Direct Subsidized and Unsubsidized Stafford/Ford Loan Programs, the Federal Perkins Loan Program (pending availability), the Federal Direct PLUS Loan Program and the Federal Work-Study Program. Detailed descriptions of these programs can be found starting on page 15.

Option II applicants are required to submit the following materials, as described on page 5:

- Harvard Medical School Financial Aid Application
- Free Application for Federal Student Aid (FAFSA)

Award Notifications

Award decisions are made upon submission of all financial aid application materials. Award letters are sent to entering students on a rolling basis beginning in early April. Award letters are mailed to returning students in early July.

Each award letter recipient is required to acknowledge the aid award by signing the included acceptance statement and returning the letter to the Financial Aid Office within thirty days of the receipt of the award.

In addition, students are instructed to amend the award letter to indicate any outside financial aid awards not already listed on the letter. Similarly, if the student elects to decline any portion of the recommended loan amounts, s/he should revise the pre-printed loan amounts printed on the letter.

Students who know they will need additional loan assistance to cover some or all of the expected family contribution will have the opportunity to make their requests on their signed award letters. Ordinarily these requests will first be met with funds from the Federal Direct Unsubsidized Ford/Stafford Loan program to the extent permitted by federal borrowing limits and then if necessary with funds from the Federal Direct PLUS Loan program to the cost of attendance. Students who are not eligible for federal funds may borrow, if necessary, from supplemental private loan programs. A more detailed discussion of student loan terms and conditions can be found in the Financial Aid Resources section of this guidebook.

DETERMINING FINANCIAL NEED

All awards are made on the basis of calculated financial need. Financial need is determined by subtracting the anticipated resources of the applicant's family (as determined by a standard need analysis formula) from the estimated cost of education as reflected in the student cost-of-attendance budget estimates published by the Financial Aid Office each spring. A copy of the 2012-2013 Student Financial Aid Budget can be found in the appendix section of this guidebook.

Financial Need Equation

$$\begin{array}{r} \text{Standard Student Budget} \\ \text{MINUS Family Contribution} \\ \hline \text{EQUALS Financial Need} \end{array}$$

Need Analysis

The information provided on the FAFSA is evaluated by the federal government using its Federal Methodology need analysis formula. This formula determines the expected family contribution that is used to determine eligibility for federal student aid.

For Option I applicants, HMS applies a similar formula developed by the College Board to the family's Need Access Application data to determine an expected family contribution that is used for the purpose of awarding HMS scholarships and loans. The most recent tax year is the source of financial data used in need analysis.

For any student demonstrating financial need according to this process, the Financial Aid Office, within the constraints of available funds, will recommend financial aid to meet this need. A description of how the composition of a student's award is determined is described in the section of this guidebook entitled "Financial Aid Packaging."

The College Board web site provides an Expected Family Contribution Estimator for students who wish to get a rough estimate of what the assessed family contribution may look like. This calculator may be found at http://apps.collegeboard.com/fincalc/efc_welcome.jsp.

FAMILY RESOURCES

Potential resources available to help meet educational costs always include, but are not limited to, the calculated contribution from the student's income and personal assets, contribution from parents, and if married, contribution from spouse's income and assets. These family resources are grouped together to form the family contribution.

Student Contribution

The School expects the student to contribute to his or her educational and living expenses. A review of the student's income and assets will determine an appropriate student contribution assessment. Effective in 2007-08, no minimum student contribution from earnings is assessed for incoming students; the minimum contribution from earnings requirement for rising second-, third-, fourth-, and fifth-year students is also waived.

Students participating in the Summer Federal Work-Study Program should note that a portion of the work-study award (after adjusting for taxes and living expenses) is required to be used to fund a portion of the calculated student contribution. This portion will be determined at the end of the summer once final summer earnings are known. Federal regulations prohibit students from borrowing additional student loans to fund the Summer Work-Study component of the calculated student contribution.

If the student/spouse has accumulated assets, s/he is expected to contribute a portion of these assets towards educational expenses. The need analysis formula assesses 25-35% of the total net value of student/spouse assets as part of the calculated student contribution each year.

Parent Contribution

Option I Applicants (i.e. applicants for need-based HMS scholarships and low-interest loans) must provide parental financial information. This policy applies regardless of age, dependency, marital status, tax status or prior history of self-support.

The amount of the parent contribution is recalculated each year and can be significantly

affected by several variables. The most notable of these is the number of siblings enrolled simultaneously at a post-secondary institution at least half-time. Since the need analysis formula assumes that parental resources are evenly divided among all of these siblings, students who foresee a change in this number should be prepared for a substantial change in the expected parent contribution. This will result in a corresponding change in the amount of financial aid awarded and one's eligibility for scholarship assistance.

Consideration of Parent Contribution

Harvard Medical School requires parent financial resource information from all applicants who are applying for institutional funding. A parental contribution will be calculated using standard institutional need analysis policy. This calculated contribution may be adjusted in the following scenarios:

Middle Income Financial Aid Initiative

In an effort to assist with the cost of a medical school education, Harvard Medical School adjusts the parental contribution for its families with greatest financial need.

For students entering HMS in 2012-13: Harvard Medical School waives the parental contribution (PC) for students whose total parental incomes (including untaxed income) are \$100,000 or less and whose assets are typical for those income levels. For students whose total parental incomes (including untaxed income) are between \$100,000 - \$150,000 and whose assets are typical for those income levels, Harvard Medical School reduces the expected parental contribution as noted below. *Please note, parental financial information must still be submitted to qualify for this initiative.*

- Total Income Under \$100K: PC waived
- \$100K - \$110K: PC reduced 90%
- \$110K - \$120K: PC reduced 80%
- \$120K - \$130K: PC reduced 55%
- \$130K - \$140K: PC reduced 40%
- \$140K - \$150K: PC reduced 25%

For students who entered HMS prior to 2012-13: Harvard Medical School waives the parental contribution (PC) for students whose total parental incomes (including untaxed income) are \$120,000 or less and whose assets are typical for those income levels. For more information, please see the March 2008 announcement of this initiative at the Financial Aid Office website: www.hms.harvard.edu/finaid. Please note, parental financial information must still be submitted in order to qualify for this waiver.

Student Age Policy

For students age 29 and above as of October 1, 2012, the calculated parent contribution will be adjusted according to the following scale:

- For students who are age 29 as of October 1, 2012, the calculated parent contribution will be reduced by 25%
- For students who are age 30 as of October 1, 2012, the calculated parent contribution will be reduced by 40%
- For students who are age 31 as of October 1, 2012, the calculated parent contribution will be reduced by 60%
- For students who are age 32 and above as of October 1, 2012, the calculated parent contribution will be reduced by 80%

Self-Supporting Status

As noted above, when considering eligibility for institutional need-based scholarships and low-interest loans, Harvard Medical School requires parental information. It is important to note that failure to provide parental information means that the student is forfeiting his/her candidacy for these Harvard Medical School scholarships and low-interest loan programs.

If a student feels that his/her particular circumstances warrant a reconsideration of the required level of parent contribution, s/he may submit a petition to the Financial Aid Committee through the financial aid appeal process, as described on page 15 of this guidebook. Please note that waivers of the requirement for parent information are very rare.

Because the eligibility criteria for many federal and private financial aid programs do not take parent information into account for graduate and professional students, students can be considered for the Federal Perkins Loan, the Federal Direct Ford/Stafford Loan, the Federal Direct PLUS Loan, the Federal Work-Study Program and private supplemental loan programs without submitting parent information (see “Option II” on page 5). For federal programs with limited funding allocations such as the Federal Perkins Loan and the Federal Work-Study Program, it is important to realize that being considered for the program does not guarantee receipt of funds.

Non-Custodial Parents

In order to be considered for Harvard scholarships and loans, the student’s custodial parent must complete the parent sections of the Need Access Application. The non-custodial parent must file the Need Access Non-Custodial Parents’ Form. Each biological parent must also submit tax returns to the Financial Aid Office.

In cases where the whereabouts of a parent is unknown, there is an established history of non-support, or there are legal orders that limit the non-custodial parent’s contact with the student, the Financial Aid Committee may waive the requirement for that parent’s financial disclosure provided that the family’s situation is adequately documented. Students requesting this waiver must complete the *Petition for Waiver of Non-custodial Parent Financial Information*, available in the Forms section of our website www.hms.harvard.edu/finaid. A letter from a third-party professional (e.g., attorney, clergy, social worker, or family physician) who has personal first-hand knowledge of the family’s situation and history is required.

In the event that a biological parent is deceased or his/her whereabouts unknown, the surviving parent’s spouse, if any, is required to provide financial data as the second parent. If the surviving parent is not remarried, then only one parent’s financial information will be considered.

Replacing a Missing Parent Contribution

Students who anticipate that their parents will not provide the full expected parent contribution must plan in advance how they will finance Harvard Medical School without this assistance. Harvard Medical School policy does not ordinarily provide for replacing a missing calculated parental contribution with institutional aid; exceptions to this policy are considered by the Financial Aid Committee through the appeal process (see page 15) and are very rare.

Students may request to replace a missing family contribution with additional unsubsidized student loans (Federal Direct Unsubsidized Ford/Stafford Loan, Federal Direct PLUS Loan and/or private supplemental loans). In addition, students also have the option of using outside scholarships or Federal Work-Study earnings to meet this gap.

Spousal Contribution

The spouse of a married student is expected to contribute to the support of the student as well as to contribute to his/her own support and that of any children. The need analysis formula used for calculating the student/spouse contribution makes allowances for the household expenses when determining the portion of the couple's resources available for educational expenses.

If the available resources are insufficient to support the spouse and children, it may be possible to use unsubsidized student loan programs, Federal Work-Study earnings, and/or outside scholarship to help meet family expenses. A student in this situation should speak with his/her Financial Aid Officer for more information. Please note that Harvard Medical School scholarship and loans are not available to meet costs attributable to persons other than the student.

THE STUDENT BUDGET

Purpose and Design

Student cost-of-attendance budgets are developed each academic year by the Financial Aid Committee for use in the evaluation of financial need. The student budget has two primary purposes: 1) to give students an estimate of reasonable costs to attend the School; and 2) to establish the federally required uniform cost of attendance standard against which to measure financial need. Living expense items in the budget are modest and require the student to carefully plan their expenditures. While the published budget offers a suggested breakdown for housing, food, transportation, and personal expenses, students are free to exercise flexibility within these line items to accommodate personal preferences as long as total spending does not exceed the total living expense budget.

The standard student budgets are based on typical expenses for a single student. Costs for the student's spouse/children are not included in the standard student budget; these expenses are accounted for in the need analysis formula when determining the expected student/spouse contribution.

The standard student budgets for the academic year 2012-13 are shown in the appendix of this guidebook.

Tuition

Harvard Medical School tuition rates are reset annually and cover courses taken from July 1 through June 30 each year up to the final year of enrollment ending with graduation. Tuition is billed by semester. Eight semesters of full tuition are required for the M.D. degree. Students who opt for the 5-year M.D. program to pursue independent projects (e.g., research, enrichment activity, etc.) are assessed a reduced tuition charge (also known as the HMS Facilities Fee) for each semester of enrollment beyond the eighth; students who are required by the Academic Societies Promotions and Review Board to enroll beyond their eighth semester to fulfill degree requirements may be assessed additional tuition over and above the facilities fee.

Health Service Fee and Insurance Fee

All enrolled students must be enrolled in the health care program provided by the University Health Services (UHS) and must carry hospitalization insurance (either through Harvard's student Blue Cross/Blue Shield Insurance Plan or a comparable outside plan). The UHS fee is charged to all students and cannot be waived. A fee for the Blue Cross/Blue Shield hospitalization plan is automatically charged to all students; however, it may be waived upon request to the Student Insurance Billing Office by presenting proof of equivalent coverage under a parent's or spouse's insurance plan. The Student Insurance Billing Office is located in the Holyoke Center building on the University's Harvard Square campus in Cambridge. The telephone number is (617) 495-2008.

Disability Insurance

All students are charged a fee for a mandatory group long-term disability insurance plan. This coverage provides benefits should a student develop a disability while enrolled at HMS. It also provides a guarantee that, upon graduation, students will be able to convert the policy to individual coverage without having to re-establish medical insurability.

Books and Supplies

The budget allotment for books and supplies was developed with the assistance of a student survey that reported the costs of the most commonly purchased textbooks at HMS. New Pathway students are required to purchase their black bag and diagnostic equipment during their first year at HMS. HST students will purchase this equipment during their second year. Budgets are adjusted for these required purchases respectively.

Housing and Food Allowance

The housing component for the first year budget is based on the average cost of a rental contract in Vanderbilt Hall; for all other years, the budgets assume shared occupancy of rental units in the surrounding community. Students should consider housing options carefully; additional financial aid is

not available to single students whose living arrangements have caused them to have expenses in excess of the total standard student budget.

Note: incoming students who are able to demonstrate a compelling reason for not living in Vanderbilt Hall dormitory housing may petition to receive the off-campus housing allowance. Written petitions should be submitted to the HMS Financial Aid Office.

The food component of the student budget assumes a combination of cafeteria meals and shared grocery expenses and cooking at home.

Transportation Allowance

The transportation allowance assumes local travel by public transportation and the use of the Massachusetts Bay Transportation Authority's transit pass program. Students in the clinical years receive a monthly allowance for limited taxi service to/from hospitals to cover periods when public transportation may be unavailable. The transportation budget also includes an allowance for the cost for one round trip to a student's permanent residence.

Students are responsible for arranging their own transportation, including that of their daily commute to and from their clinical sites. These sites ordinarily are accessible by public transportation from the Medical School, and the average cost for travel to clinical sites is included in the standard student budget. Some sites may be quite a distance from the Medical School and involve added travel time and expense; students are responsible for arranging their own transportation and for paying the related costs.

Computer Purchases

The cost of purchasing a personal computer and the necessary peripherals and software that accompany it is not part of the standard student budget. However, a student may request that the Financial Aid Office apply an increase to his/her student budget to cover the cost of buying a computer for educational purposes.

For those students who are interested in purchasing a computer, the Financial Aid Office will allow a

one-time budget increase of up to \$2,500. To apply for a budget increase for a computer purchase, a student must purchase the computer and make photocopies of all of the computer specifications and sales receipts. These copies should be submitted to the Financial Aid Office along with a written request for a budget increase. Students should plan to buy all of desired equipment at one time because it will not be possible to make subsequent budget increases for additional peripheral hardware or software.

The expense of a computer purchase will generally be met first with Ford/Stafford loan funds to the extent permitted by federal regulation, and then with funds from either the Direct PLUS loan program or a supplemental private loan program. For additional information about this process, please contact the Financial Aid Office.

Child Care Expenses

In the case of a single parent or a student whose spouse works or attends school, the student may petition the Financial Aid Committee to include reasonable child care expenses in the student budget. The student would be required to submit supporting expense documentation such as canceled checks or a letter from the child care provider. If the spouse is attending school, it is necessary to provide documentation showing the extent to which the child care expenses are being covered by the spouse's financial aid award.

These documented childcare expenses are first factored into the need analysis as an allowance against student/spouse income. Any expenses that cannot be met by student/spouse income are then added to the standard student budget. This increase to the budget is ordinarily met with unsubsidized loans, Federal Work-Study earnings, and/or outside scholarships.

Married Students

Spousal income is analyzed by the need analysis methodology in such a manner that generally allows for most of a spouse's income to be used toward his/her own living expenses.

Non-Allowable Expenses

Federal regulations stipulate that student budgets may not include the costs of purchasing and maintaining an automobile, expenses related to the support of the student's parents or siblings, or funds for the repayment of a loan taken in a previous year. Relocation expenses for moving to Boston in the first year or for moving away from Boston at the end of the fourth year are also not allowable expenses for the purpose of establishing eligibility for financial aid, nor is the cost of furnishing an apartment.

Students may petition the Financial Aid Committee to adjust the student budget to accommodate reasonable, yet extraordinary, expenses such as uninsured medical/dental costs. If the petition is approved, these expenses ordinarily would be funded with unsubsidized loans, Federal work-study earnings, and/or outside scholarships. Financial Aid Committee policy ordinarily does not provide for the awarding of HMS scholarships and loans for such expenses.

FINANCIAL AID PACKAGING

The combination of aid sources offered to a student is referred to as the financial aid package.

Unit Loan Concept

The unit loan component of the financial aid package is that amount of combined loans offered to meet financial need before any HMS scholarship is offered. This means that a student's financial need must exceed the amount of the unit loan before the student is eligible for scholarship aid through Harvard. A unit loan level will be established for each entering class and will remain fixed for members of that class for the duration of their enrollment at HMS.

For the academic year 2012-13 unit loan levels are as follows:

For the class entering in August 2012: \$26,950
Students who entered in August 2011: \$24,500
Students who entered in August 2010: \$24,500
Students who entered in August 2009: \$24,500
Students who entered in August 2008: \$24,500

The unit loan for US citizens and Permanent Residents includes two components: the Federal Direct Stafford Loan and a campus-based loan. The typical distribution of the unit loan for a 2012-13 incoming student is expected to be:

\$18,850	Federal Direct Stafford Loan
\$ 5,000	Federal Perkins Loan
\$ 3,100	Campus-Based loan (i.e. LDS, HMS Revolving/Wolfson)
\$26,950	TOTAL UNIT LOAN

The typical distribution of the unit loan for students entering HMS prior to 2012-13 is expected to be:

\$ 8,500	Federal Direct Stafford Loan
\$ 5,000	Federal Perkins Loan
\$11,000	Campus-Based loan (i.e. LDS, HMS Revolving/Wolfson)
\$24,500	TOTAL UNIT LOAN

International students who qualify for unit loan funding will receive a loan level consistent with their entering class. International students entering HMS in 2012-13 will have the federal portion of their unit loan replaced with a supplemental, private loan. International students entering HMS prior to 2012-13 will have the federal portion of their unit loan replaced with additional institutional loan. This portion will be subsidized or unsubsidized in a similar manner as the unit loan package for a US citizen/permanent resident.

Harvard Medical School Scholarships

Students whose financial need exceeds the unit loan are eligible for HMS scholarship. Approximately 60% of financial aid recipients in 2011-12 qualified for HMS scholarship.

HMS scholarship support is derived from many resources, most notably the result of donor gifts. Donations to financial aid are from individuals, foundations and organizations through the establishment of endowed funds, the giving to current use financial aid funds, or through annual gifts to the HMS Alumni Fund. These funds are monitored by the HMS Office of Resource Development. HMS Scholarship recipients may be asked to write thank you notes to scholarship donors. Recipients of these funds may also be requested to provide information consisting of premedical background, residency preferences, personal and professional interests, and academic progress. Failure to comply with these requests may result in forfeiture of HMS Scholarship support.

Outside Scholarship Policy

All applicants for HMS financial aid are encouraged to seek additional sources of funding. Outside scholarships generally are first applied toward replacing the calculated parent contribution. After the parent contribution has been fully replaced, a dollar for dollar adjustment is made to the aid package. When making this adjustment, the outside scholarship will be used to decrease the loans in the aid package, beginning with institutional loans.

Only if the outside award exceeds the total amount of student loans would the HMS scholarship be decreased.

In addition to private outside scholarships, this policy also applies to HST research and teaching assistantships, Harvard College Graduate National Scholarships, HMS Linnane Scholarships and HMS National Scholarships.

Sample Award Cases

Applying the policies described above, the following shows three types of financial aid awards given in the 2012-13 academic year. Example I is for a first-year student; Example II is for a third-year student; Example III is for a fifth-year student.

Example I (First-Year Student)

Standard Budget:	\$ 76,100
less Family Contribution	\$ 30,100
Financial Need	\$ 46,000

<u>Award</u>	
HMS Scholarship	\$ 19,050
Federal Stafford Loan	\$ 18,850
Federal Perkins Loan	\$ 5,000
HMS Loan	\$ 3,100
TOTAL AID	\$ 46,000

Example II (Third-Year Student)

Standard Budget:	\$ 80,700
less Family Contribution	\$ 19,000
Financial Need	\$ 61,700

<u>Award:</u>	
HMS Scholarship	\$ 37,200
Federal Stafford Loan	\$ 8,500
Federal Perkins Loan	\$ 5,000
HMS Loan	\$ 11,000
TOTAL AID	\$ 61,700

Example III (Fifth-Year Student)

Standard Budget	\$ 31,695
less Family Contribution	\$ 9,000
Financial Need	\$ 22,695

<u>Award:</u>	
Federal Stafford Loan	\$ 8,500
Federal Perkins Loan	\$ 5,000
HMS Loan	\$ 11,000
TOTAL AID	\$ 24,500

International students would receive similar awards, with federal loan programs replaced by additional HMS loan or private loan.

It is important to note that if the students in these sample cases were unable to obtain the calculated family contribution, they would need to make up the shortfall from other resources. These resources might include unsubsidized loans or Federal Work-Study earnings.

Appeals Process

A student who feels that exceptional family circumstances have not been fully considered in the review of his/her application may discuss those concerns with his/her Financial Aid Officer. If a satisfying resolution cannot be achieved through this meeting, the student may petition for a formal hearing of his/her appeal by the Financial Aid Committee. Changes in circumstances and income must be carefully documented.

Appeals for increases to the standard student budget are rarely granted. When this is the reason for the appeal, the student expenses above the standard budget must be well-documented; receipts are required.

Students planning to file appeals should present their petitions in writing to a Financial Aid Officer no later than May 1st (incoming students) or October 1st (all students). The Financial Aid Officer will present the petition to the Financial Aid Committee, and the Committee will then render a decision on the appeal. Names will not be used when cases are discussed, and the Committee's action will remain both absolutely confidential and final.

FINANCIAL AID RESOURCES

The following is a brief description of the federal and institutional aid programs that are commonly administered by the Financial Aid Office. International students should note that they are not eligible to receive funds from any of the federal aid programs described below.

With respect to loans, borrowers are advised to refer to their promissory notes for the specific terms of a given loan, such as loan repayment and deferment. The HMS Loan Fact Sheet and Deferment Options Chart provided in the appendix of this guidebook will provide general information on grace period, deferment, and repayment provisions. **However, program terms are subject to change and the most reliable description of loan terms for an existing loan obligation is the promissory note itself.**

U.S. DEPARTMENT OF EDUCATION TITLE IV AID PROGRAMS

Harvard University participates in the William D. Ford Federal Direct Loan Program; the U.S. Department of Education is the lender. Servicing of these loans currently is performed by one of six agencies. The Department of Education selects the servicing agency on behalf of a Direct Loan borrower.

The National Student Loan Data System (NSLDS) is the U.S. Department of Education's central database for federal student aid. It receives data from schools and agencies that guaranty loans, from the Federal Direct Loan Program, and from other U.S. Department of Education programs. NSLDS provides a centralized, integrated view of Title IV loans and grants that are tracked through the entire financial aid cycle; from approval through closure. In order to use the NSLDS Student Access website, www.nsls.ed.gov, a borrower must provide his/her Social Security Number (SSN), the first two letters of the last name, date of birth, and the borrower's Federal PIN (Personal Identification Number).

Borrowers may log into the NSLDS website to determine to which loan servicer the borrower's Direct Loans have been assigned.

Direct Loan Servicers (as of March 2012)

Direct Loan Servicing Center
NSLDS Servicer Code: 00100
Phone: 800-848-0979
URL: www.dl.ed.gov

ACS Education Services
NSLDS Servicer Code: 700577
Phone: 800-508-1378
URL: www.acs-education.com

FedLoan Servicing (PHEAA)
NSLDS Servicer Code: 700579
Phone: 800-699-2908
URL: www.myfedloan.org

Great Lakes Educational Loan Services
NSLDS Servicer Code: 700581
Phone: 800-236-4300
URL: www.mygreatlakes.org

Mohela
NSLDS Servicer Code: 700500
Phone: 888-866-4352
URL: www.mohela.com

Nelnet
NSLDS Servicer Code: 700580
Phone: 888-486-4722
URL: www.nelnet.com

Sallie Mae
NSLDS Servicer Code: 700578
Phone: 800-722-1300
URL: www.salliemae.com

Federal Direct Stafford/Ford Loans

<www.directloan.ed.gov>

Federal Direct Stafford/Ford Loans are the most common source of education loan in the United States. Students apply for these loans by completing the FAFSA form; no separate loan application is required.

Federal Direct Subsidized Stafford/Ford Loans

Effective for loans made for periods of enrollment beginning on or after July 1, 2012, graduate and professional students are no longer eligible to receive Federal Direct Subsidized Ford/Stafford loans (per the Budget Control Act of 2011). At HMS, periods of enrollment vary by year in school. The chart below provides general guidance as to which students may be eligible for the Stafford subsidy for the 2012-13 academic year. Please note: in any case, eligibility is based upon demonstrated financial need.

Year in Program	Period of Enrollment	Eligible for Stafford Subsidy:
1	8/20/12 – 6/14/13	No
2	8/20/12 – 6/30/13	No
3	6/25/12 – 6/30/13	Yes
4	6/25/12 – 5/17/13	Yes
5	6/25/12 – 5/17/13	Yes

Under the Federal Direct Subsidized Stafford/Ford Loan Program, eligible HMS students may borrow up to \$8,500 per year, up to the lifetime borrowing limit of \$73,000 for undergraduate and graduate loans combined.

Origination Fees: The federal government charges an origination fee equal to 1% of the loan amount.

Interest Rates: Effective July 1, 2006, the interest rate is fixed at 6.8%. Interest is subsidized by the federal government while enrolled in school at least half-time and during periods of eligible deferment.

Grace Period: All Federal Direct Subsidized Stafford/Ford Loans carry a six month grace period that begins once the borrower ceases to be enrolled at least half-time at a qualified institution of higher education. During this grace period, interest accrues yet no loan payments are required.

Grace periods are loan-specific; thus each Stafford/Ford Loan borrowed has only one grace period. Once a grace period begins, if the borrower returns to school at least half-time before it expires, a full grace period will be available the next time enrollment ends. However, if the entire grace period is used up before studies resume, no further grace period will be available and the loan will go into

repayment immediately after half-time enrollment ends.

Deferment: Under certain conditions, Stafford/Ford loans may be eligible for deferment benefits. During periods of deferment, interest ceases to accrue on subsidized loans and the repayment of principal is not required. All Federal Direct Subsidized Stafford/Ford Loans are eligible for deferment if the borrower meets one of the following conditions:

- A student enrolled at least half-time at an institution of higher education;
- Unemployed;
- Experiencing financial hardship as defined by the U.S. Department of Education (three-year maximum);
- A graduate fellow for at least six months under an approved fellowship program;
- Enrolled in an approved rehabilitation training program;

Forbearance: During periods of forbearance, repayment of principal is not required, but interest continues to accrue on the loans. All Federal Direct Subsidized Stafford/Ford Loans are eligible for forbearance during the entire internship/residency period. Forbearance must be requested on an annual basis from the Direct Loan Servicer.

Federal Direct Unsubsidized Stafford/Ford Loans

Federal Direct Unsubsidized Stafford/Ford Loans are subject to the same terms and conditions regarding interest rates, grace period and deferments/forbearances as those established for their subsidized counterparts.

The interest on a Federal Direct Unsubsidized Stafford/Ford Loan accrues from the day the loan is disbursed and is always the responsibility of the borrower. Students can choose to let this in-school interest accrue or pay it quarterly. In order to minimize the cost of borrowing, students are encouraged to pay the quarterly interest if at all possible. Unpaid accrued interest will be capitalized (i.e. added to the outstanding principal balance) at the end of the grace period, prior to the onset of repayment.

For students in medicine and certain other health professions, the Federal Direct Unsubsidized Stafford/Ford Loan annual borrowing limits are determined by the number of months covered by the standard student budget. For students on 12-month budgets, the annual limit will be \$47,167 less the amount of any Subsidized Stafford/Ford Loan borrowed. Students on 11-month budgets are eligible for the original \$44,944 less the amount of Subsidized Stafford/Ford Loan borrowed. Students on 10-month budgets are eligible for the original \$42,722 less the amount of Subsidized Stafford/Ford Loan borrowed. In either case, the student's total aid (Subsidized and Unsubsidized Stafford/Ford loans plus all other aid) can never exceed the standard student budget.

The maximum aggregate Federal Direct Unsubsidized Stafford/Ford loan limit is \$224,000 less any Subsidized Stafford/Ford Loans borrowed.

Master Promissory Notes for Federal Direct Stafford/Ford Loans will be made available for signing in August and September of the first year that a student borrows via HMS. The loan funds will be credited directly to the borrower's Harvard term bill account within a few days after loan signing; subsequent disbursements will automatically be credited at the start of each term.

Federal Direct Graduate PLUS Loans

Due to the high borrowing limits allowed under the Federal Direct Unsubsidized Stafford/Ford Loan program, most HMS students will not need to borrow additionally from either federal, fixed rate loan programs or from private, market-rate loan programs. However, the Graduate PLUS loan is a Federal Direct Loan Program that is offered to graduate students who have reached the annual or lifetime maximum Ford/Stafford loan limits. This loan program serves the function of a private loan, and it also has the benefits of a federal loan program, such as deferment, forbearance, consolidation, and death and disability cancellation. The Direct Graduate PLUS loan program offers a six-month post-enrollment deferment period that begins once the student ceases to be enrolled at least half-time. In addition, options to postpone the repayment of a Direct Graduate PLUS loan during a residency program are available. Borrowers must

pass a credit check, and as with other federal loan programs, will need to complete a master promissory note to receive the loan funds.

Origination Fees: The federal government charges an origination fee equal to 4% of the loan amount.

Interest Rates: Effective July 1, 2006, the interest rate is fixed at 7.9%.

Post-Enrollment Deferment Period: Effective July 1, 2008, Graduate PLUS loans are eligible to receive a six-month post-enrollment deferment period that begins once the student ceases to be enrolled at least half-time.

Deferment/Forbearance: Same as the Federal Direct Unsubsidized Stafford Loan.

Debt Limits: Annual maximum equal to student budget less other aid received. No cumulative debt limit.

Federal Carl D. Perkins Loan (formerly known as the National Direct Student Loan)

A Federal Perkins Loan is a low-interest (5 percent) loan program for students with exceptional financial need. Harvard University serves as the lender, and the funding for the program comes from an allocation of government funds combined with matching funds from Harvard. Unlike the Stafford/Ford loan programs, borrowers repay this loan to the Harvard University Student Loan Office.

Students who have the greatest calculated financial need receive first priority for a Federal Perkins Loan. The actual amount of the loan is determined by the Financial Aid Office each year, up to a maximum annual limit of \$8,000. The lifetime borrowing limit for the Perkins program is \$60,000, including all outstanding balances from undergraduate and graduate borrowing.

There is no separate application for the Federal Perkins Loan; all students who file a FAFSA form will automatically be considered for this program. Students awarded Perkins funding begin the loan origination process by signing and returning the HMS financial aid award letter. Master Promissory Notes for Perkins loans will be made available for

signing in August and September of the first year that a student borrows a Perkins loan at HMS. The loan funds will be credited directly to the borrower's Harvard term bill account within a few days after loan signing; subsequent disbursements will automatically be credited at the start of each term.

Interest Rates: Federal Perkins Loans carry a 5% interest rate. No interest is charged during in-school enrollment, the grace period, and any periods of deferment. Interest begins to accrue upon the completion of the grace period.

Grace Period: All Federal Perkins Loans have a nine-month grace period which begins as soon as the borrower ceases to be enrolled on at least a half-time basis.

Deferment: During periods of deferment, interest ceases to accrue on the loans and the repayment of principal is not required. All Federal Perkins Loans are eligible for deferment if the borrower is:

- A student enrolled at least half-time at an institution of higher education;
- Unemployed;
- Experiencing financial hardship as defined by the U.S. Department of Education;

Post-Deferment Grace: Loans issued after September 30, 1980 are eligible for a six-month grace period following any granted period of deferment.

Forbearance: If a borrower is temporarily unable to meet the repayment schedule for a Perkins Loan and is not eligible for a deferment, s/he can request a forbearance for a limited and specific period. During periods of forbearance, repayment of principal is postponed or reduced, but interest continues to accrue on the loans. Forbearance is granted on an annual basis and the borrower must submit a request in writing to the school that awarded the loan.

Federal Work-Study Program (FWS)

The Federal Work-Study Program provides an opportunity for students to earn a part of the cost of their education. The federal government, through Harvard, provides a wages subsidy to employers who hire participating students. This makes participants more attractive as employment prospects.

The program encourages community service work and work related to the participant's course of study. There are options to pursue both on and off campus work. If the student works on campus, the employer is usually the school that the student is attending. If the student works off campus, the employer is usually a private non-profit organization or a public agency.

A student's work must be in the general public interest. It may not be primarily for the benefit of members in a limited membership organization. It may not involve sectarian instruction or other religious activities of a church; and it may not involve the construction, operation, or maintenance of any portion of a facility used for sectarian instruction or religious worship. Finally, FWS jobs must be free of partisan political involvement. Students may not work for the Department of Education, a member of the Congress, or in any position that includes lobbying the government.

To qualify as an off-campus Work-Study employing agency, an organization must be either a federal, state or local government agency, or a private, non-profit organization within the US. The only permissible employment outside of the US is in a US government facility such as an embassy or military base. The FWSP covers 100% of the wages of students serving as reading and math tutors for elementary school children. Non-profit agencies serving the needs of low-income individuals contribute 10% or 25% plus fringe. All other non-profit agencies contribute the standard 30% plus fringe. Privately-owned, for-profit companies are eligible for participation in the program provided the work is directly related to the student's career goals. The company must also document an inability to hire the student without the FWSP subsidy and contribute 50% of the student's total FWSP earnings plus fringe.

The allowable wage range for graduate students for the academic year 2012-13 is \$12.50 - \$18.15 per hour. Employers are generally permitted to set the wage rate for their jobs in accordance with fair labor practices. Work-Study participants are paid through the Harvard payroll systems; employers are then billed for their share of the student's total earnings, which generally ranges from 30% to 50% of wages paid. Students are eligible to work up to 20 hours per week while classes are in session and up to 40 hours per week during vacation periods.

Students apply separately to participate during the term-time and summer Federal Work-Study employment periods. Application forms are available from the HMS Financial Aid Office. Eligibility is based on financial need as determined by an analysis of the student's FAFSA data.

A summer FWS award recipient must plan to be enrolled at HMS for the following fall semester. A portion of the gross summer work-study earnings (after adjusting for taxes and living expenses) is required to be used to fund a portion of the calculated student contribution for the following academic year. The exact amount is determined at the end of the summer after actual earnings are known. Federal regulations prohibit students from borrowing additional student loans to fund the Summer Work-Study component of the calculated student contribution.

For term-time Work-Study, the Work-Study award will normally replace, dollar for dollar, loans in the student's award package, beginning with institutional loan. Alternatively, students may request that the award be used to replace a missing parent contribution.

Once the student is approved to participate in the Federal Work-Study program, s/he is responsible for finding a suitable position. The Financial Aid Office maintains a listing of employment opportunities for students looking for work-study employment. Students may also wish to look for job suggestions at the HMS Scholars in Medicine Office, the HMS Office of Educational Resources, the Vanderbilt Hall Business Office, and the Harvard University Student Employment Office <www.seo.harvard.edu>.

Once the student notifies the Financial Aid Office that s/he has secured a position, the Financial Aid Officer will determine the Federal Work Study award level and direct the student to the Harvard University Student Employment Office website for instructions to complete online referral forms.

US DEPARTMENT OF HEALTH AND HUMAN SERVICES TITLE VII AID PROGRAMS

Scholarships for Disadvantaged Students (SDS) & Loans for Disadvantaged Students (LDS)

Congress authorized the SDS Program and its companion loan program, the LDS Program, in 1990. To be considered for these programs, students must meet the federal definition of disadvantaged, either coming from a family whose income falls below specified benchmarks or demonstrating a background of economic, social, and/or educational disadvantage that hinders the pursuit of a medical education. Students who believe they qualify for these programs should identify themselves by answering the appropriate questions on the online HMS financial aid application.

Awards are made by the Financial Aid Office following the start of the academic year after reviewing the entire pool of eligible candidates. Funding is very limited and not all eligible students can be assisted. The size of awards varies, and the assistance is used to replace portions of the student's existing loan package. Students who think their background is particularly compelling are welcome to discuss their eligibility with their Financial Aid Officer.

The Loan for Disadvantaged Students (LDS) carries the following terms:

Interest Rate: All LDS loans carry an interest rate of 5%. No interest accrues during in-school enrollment, the grace period, and periods of deferment.

Grace Period: LDS loans have a twelve-month grace period that begins once the student ceases to be enrolled at least half-time.

Deferment: During periods of deferment, interest ceases to accrue on the loans and the repayment of principal is not required. LDS Loans are eligible for deferment if the borrower is:

- In a program of advanced professional training, including internship, residency, and up to 2 years of fellowship;
- Serving full-time as a member of a uniformed service (three-year maximum);
- A full-time volunteer under the Peace Corps Act (three-year maximum);
- Engaged in a full-time educational activity at a school that is eligible for participation in the LDS program.

The LDS program does not require the borrower to fill out a loan application; the student need only sign and return the financial aid award letter to begin the loan origination process. Master Promissory Notes for LDS loans will be made available for signing in September. The loan funds will be credited directly to the borrower's Harvard term bill account within a few days after loan signing; subsequent disbursements will automatically be credited at the start of each term.

INSTITUTIONAL AID PROGRAMS

Harvard Medical School Scholarships

Students qualify for HMS scholarship when their calculated financial need exceeds the unit loan amount established for their particular entering class. Financial need is the only criterion used to determine the amount of HMS scholarship a student receives. This program is funded from endowed funds, current fundraising, and unrestricted income.

General Restricted Scholarships

HMS shares certain endowed scholarship funds with other units of the University. The Harvard University Committee on General Scholarships administers these multi-school funds. The HMS Financial Aid Office will nominate eligible HMS Scholarship recipients for these funds on the basis of the information provided on the Restricted Fund Survey that is submitted in the fall of the first year.

If an HMS Scholarship recipient is selected to receive a general scholarship, the general scholarship funds ordinarily will be used to fund a portion of the student's regular HMS Scholarship award. Thus being selected for a general scholarship changes only the source of funds for the student's scholarship award; the total amount awarded ordinarily remains unchanged.

Harvard Medical School Revolving Loan - (HMSRL)

The Harvard Medical School Revolving Loan is funded by the income from several endowment funds and the repayments made to the fund by previous borrowers. This loan is used to fund the campus-based segment of the unit loan for selected students.

The HMSRL program does not require the borrower to fill out a loan application; the student need only sign and return the financial aid award letter to begin the origination process. Master Promissory Notes for HMSRL loans will be made available for signing in August and September of the first year that a student borrows an HMSRL loan at HMS. The loan funds will be credited directly to the borrower's Harvard term bill account within a few days after loan signing; subsequent disbursements will automatically be credited at the start of each term.

Interest Rate: Harvard Medical School Subsidized Revolving Loans carry an interest rate of 5%. No interest is charged during in-school enrollment and the grace period.

Harvard Medical School Unsubsidized Revolving Loans carry an interest rate of 6.8%. Interest accrues from the day the loan is disbursed. In order to minimize the cost of borrowing, students are encouraged to pay the interest if at all possible prior to the end of the grace period. Unpaid accrued interest will be capitalized (i.e., added to the outstanding principal balance) at the end of the grace period, prior to the onset of repayment.

Grace Period: All HMS Revolving Loans have a six-month grace period that begins once the student ceases to be enrolled at least half-time.

Deferment: During periods of deferment, interest ceases to accrue on subsidized HMSRL loans and the repayment of principal is not required. All HMS Revolving Loans are eligible for deferment if the borrower is one of the following:

- A student enrolled at least half-time student at an institution of higher education;
- A graduate fellow under an approved fellowship program;
- Enrolled in an approved rehabilitation training program (one-year maximum);
- A member of the U.S Armed Forces (three-year maximum);
- A volunteer under the Peace Corps or Domestic Service Act of 1973 (three-year maximum);
- An officer in the Commissioned Corps of the U.S Public Health Service (three-year maximum);
- Conscientiously seeking, but unable to find employment over a twelve-month period;
- Temporarily totally disabled or has a spouse who is temporarily totally disabled (three-year maximum).

Forbearance: If a borrower is temporarily unable to meet the repayment schedule for the HMSRL and is not eligible for a deferment, s/he can request a forbearance for a limited and specific period. During periods of forbearance, repayment of principal is postponed or reduced, but interest continues to accrue on the loans. Forbearance is granted on an annual basis and the borrower must submit a request in writing to the Harvard University Student Loan Office.

All HMS Revolving Loans are eligible for forbearance during the following times:

- Periods of serious financial difficulty;
- Up to 24 months of internship/residency training.

HMS Wolfson Loan

The Wolfson Loan is another HMS institutional loan fund. The fund was established from the bequest of the late Dr. Louis Wolfson. A graduate of Tufts Medical School, Dr. Wolfson had an interest in helping medical students. In the two years before his death, Dr. Wolfson made generous contributions to the medical schools of Harvard, Boston University and Tufts for student loans. Thus, a substantial annual gift in perpetuity for student loans has been assured in Dr. Wolfson's name.

The Wolfson program does not require the borrower to fill out a loan application; the student need only sign and return the financial aid award letter to begin the origination process. Master Promissory Notes for Wolfson loans will be made available for signing in August and September of the first year that a student borrows a Wolfson loan at HMS. The loan funds will be credited directly to the borrower's Harvard term bill account within a few days after loan signing; subsequent disbursements will automatically be credited at the start of each term.

Interest Rate: The Wolfson Loan interest rate will be fixed at the annual percentage rate of the prime lending rate as published in the Wall Street Journal two months prior to the expiration of the grace period + 1%, not to exceed 7%. Interest will not be charged during in-school enrollment and the grace period.

Grace Period: All Wolfson Loans have a six-month grace period that begins once the student ceases to be enrolled at least half-time.

Deferment: During periods of deferment, interest ceases to accrue on the loan and repayment of principal is not required. All Wolfson Loans are eligible for deferment if the borrower meets one of the following requirements:

- A student enrolled at least half-time at an institution of higher education;
- Engaged as an intern, resident or postgraduate fellow (54 month limit).

Forbearance: If a borrower is temporarily unable to meet the repayment schedule for the Wolfson Loan and is not eligible for a deferment, s/he can request a forbearance for a limited and specific period. During periods of forbearance, repayment of principal is postponed or reduced, but interest continues to accrue on the loans. Forbearance is granted on an annual basis and the borrower must submit a request in writing to the Harvard University Student Loan Office.

OTHER CAMPUS-BASED PROGRAMS

HST Research and Teaching Assistantships

HMS students in the Health Sciences and Technology (HST) Program are simultaneously enrolled as graduate students at the Massachusetts Institute of Technology (MIT). As such, they are able to participate in MIT's graduate research and teaching assistantship programs. Teaching and research assistants work in a laboratory or assist in the teaching of a course, and are compensated with a tuition grant and monthly stipend.

In 2011-12, a full-time research assistant received approximately \$20,230 in tuition plus stipend payments. Stipends are paid directly to the student on a monthly basis and payroll taxes are deducted. The tuition credit is transferred from MIT to HMS, where it is credited to the student's HMS term bill at the end of the semester. The teaching assistantship program also offers a stipend and tuition credit to its recipients; compensation rates vary.

As with outside scholarships, funds received from the HST assistantship programs result in a dollar for dollar adjustment to the student's aid package. When making this adjustment to the aid package, the HST funding is first applied toward replacing the calculated parent contribution. After the parent contribution has been fully replaced, remaining funds will be used to decrease the loans in the aid package, beginning with institutional loan. Only if HST funds exceed the total amount of student loans would the HMS scholarship then be decreased.

Recipients of HST funding should notify the Financial Aid Office as soon as their placement is confirmed so they can plan appropriately for the resulting adjustments to the aid package.

M.D./M.P.H. Program

The combined M.D./M.P.H. program has been established for students interested in population aspects of health, community health, preventive medicine, health policy and management, international health, and occupational and environmental health. The program ordinarily requires five years of full-time study at both the Harvard School of Public Health and Harvard Medical School.

M.D./M.P.H. students are considered financial aid clients of Harvard Medical School throughout the duration of the program regardless of course enrollment patterns; they follow the same financial aid application guidelines as HMS M.D. program students. Interested students should contact the Financial Aid Office for more specific information about tuition charges and financial aid awarding policies.

M.D./M.B.A. Program

Students who wish to obtain a M.B.A. in addition to a medical degree may apply for admission to the M.D./M.B.A. program. Students in the combined M.D./M.B.A. program apply through the HMS Financial Aid Office for financial aid funding during years one, two, three & five of the program. In year four, students apply through the HBS Financial Aid Office for financial aid.

M.D./Ph.D. Program

Students who wish to obtain a Ph.D. in addition to a medical degree may apply for admission to the M.D./Ph.D. Program. This program is competitive, and funding arrangements for students admitted to the Program vary. M.D./Ph.D. students may study at the Harvard Medical School, the Harvard Graduate School of Arts and Sciences, and the Massachusetts Institute of Technology. Most students receive full funding under this program, and are not eligible for additional HMS aid. Students who determine that they have a shortfall between their M.D./Ph.D. funding and the standard budget may apply for student loans to meet this gap. Funds from the Federal Direct Stafford/Ford Loan Program are generally used for this purpose.

M.D./Ph.D. students who do not receive funding from the M.D./Ph.D. Program follow the regular

application process outlined in this guide. Each academic year, the school that charges the student tuition is considered the school of primary enrollment and is responsible for providing financial aid services to the student. Therefore, during periods when the student is enrolled at MIT or Harvard's Graduate School of Arts and Sciences, s/he must apply for financial aid through that particular school's Financial Aid Office.

HMS Research Fellowships

Extensive research opportunities for students are available in the Medical School Quadrangle, throughout Harvard University, within the Harvard teaching hospitals, and at the Massachusetts Institute of Technology. A database of enrichment opportunities is maintained by the HMS Scholars in Medicine Office to keep students informed about new and ongoing opportunities at HMS and beyond. Each Academic Society also has a designated Research Fellow who helps students identify their research interests, find appropriate laboratories, develop research proposals, and present proposals to the HMS Committee on Student Research. The Committee evaluates the proposals and then either agrees to fund the proposal or gives feedback as to how it can be strengthened for resubmission.

Each summer, many HMS students participate in the HMS Summer Research Fellowship Program, receiving joint funding from the Scholars in Medicine Office and the laboratories in which they work. The Office also co-funds part-time, year-long student research projects. Many students who began with summer research projects continue throughout the academic year; several pursue the five year M.D. option, applying for a year of full-time funded research through the Howard Hughes Medical Institute, American Heart Association, or other Harvard and outside facilities.

Funding students receive from the Scholars in Medicine Office for research projects conducted during a period of enrollment must be disclosed to the Financial Aid Office and incorporated into the student's aid package. In cases where the student has already been funded up to the total amount allowed in his/her current student budget, a dollar for dollar adjustment must be made to the aid package to prevent the student from being over-

funded. When making this adjustment to the aid package, the Scholars in Medicine funding is first applied toward replacing the calculated parent contribution. After the parent contribution has been fully replaced, remaining funds will be used to decrease the loans in the aid package, beginning with the institutional loan. Only if the Scholars in Medicine funding exceeds the total amount of student loans and parent contribution would HMS scholarship then be decreased.

OTHER LOAN PROGRAMS

Harvard University Private Loans for Graduate and Professional Students iSite

Harvard University seeks proposals from lenders offering non-federal education loans through an open Request for Proposal (RFP) process. The RFP was designed so that Harvard could provide information to its graduate and professional students on private loan products that have competitive rates and other borrower benefits. Please review the Harvard University private loans iSite for more information:

<http://isites.harvard.edu/icb/icb.do?keyword=k59562>

Massachusetts Medical Society Loan

Upon recommendation by the HMS Financial Aid Office, the Massachusetts Medical Society makes loans of \$5,000 per year to third- and fourth-year medical students. This loan is not included in the initial financial aid packages prepared by the Financial Aid Office; third and fourth year students considering additional borrowing may contact the Office to express interest in this program.

Loan recipients are required to pay interest at the rate of 1% per year while in Medical School and during the first three years following graduation, 2% for the next two years and 6% during the subsequent four years. Payment towards loan principal begins in the first year after graduation. The percentage of principal due increases annually, with a payment of principal and interest due on June 30th of each year.

The Society requires a separate application form and the loan is subject to final approval by the Directors of the Society's Charitable and Educational Fund. Loan recipients must attend a special loan signing session in the fall to sign the

promissory note and to pick up the loan check *in person*. The Society disburses the loan in a single check made payable to the recipient.

Residency Loans

Medical residency loans may be available to help medical students in their graduating year meet the costs associated with a required medical residency. These costs include both residency interview & travel expenses, as well as relocation expenses to the residency program. Students may apply for these loans beginning in their graduating year, up to several months following graduation. Application time length, amount of loan, interest rate, and loan conditions vary by lender. Please contact the Financial Aid Office for more information on these loans.

PRIVATE OUTSIDE SCHOLARSHIPS COORDINATED BY THE HMS FINANCIAL AID OFFICE

Joseph Collins Foundation Scholarship

The Joseph Collins Foundation offers a limited number of scholarships for medical students who demonstrate financial need, intend to specialize in neurology, psychiatry, or general practice, and who demonstrate an accomplishment in cultural pursuits (art, music, theater, writing, etc.). Candidates must be nominated by the Financial Aid Office. In 2011-2012, new recipients received an award of \$20,000, renewable for each year of medical school.

Preference is given to second-year students and the Collins Foundation ordinarily prefers nominees who plan to obtain the M.D. degree over four years without interruption. The Financial Aid Office will solicit nominees for the Collins Scholarship from the student body in January of each year.

National Medical Fellowships (NMF)

<<http://www.nmfonline.org/>>

NMF offers scholarships to African American, American Indian, Mexican American, Alaska Natives, Native Hawaiian and Mainland Puerto Rican first- and second-year students who are U.S. citizens and demonstrate financial need. For more information, please contact the NMF at 347 Fifth Avenue, Suite 510, New York, NY 10016. Telephone: 212-483-8880.

FEDERAL PROGRAMS WITH A COMMITMENT OF FUTURE SERVICE

F. Edward Hebert Armed Forces Health Professions Scholarship Program (AFHPSP)

The Armed Forces Health Professions Scholarship Program is intended to recruit personnel to alleviate the shortage of physicians serving military personnel and their dependents. The program is offered through the Air Force, Army, and Navy. The program offers support to medical students for their tuition and required fees, and provides a monthly stipend for living expenses. The stipend is subject to state and federal taxes and must be reported on the recipient's tax returns. In addition, each year the student is required to spend 45 days on Active Duty for Training (ADT) with full pay and allowances.

The minimum service obligation incurred by participants in AFHPSP is three years; a year of obligation is required for each year the student receives financial support. Participants must apply for residency programs in military facilities. Residents are selected for military or civilian programs based on the future needs of the military. Time spent in graduate and post-graduate training is not credited towards the fulfillment of a program obligation for AFHPSP or ROTC.

To be eligible for participation in military scholarship programs, a student must be a U.S. citizen who is enrolled in, or who is in receipt of a firm letter of acceptance from medical school. The student must meet the eligibility requirements for appointment in the U.S. Armed Forces. Students must complete the application process through the military branch that interests them.

Since the AFHPSP provides support that covers most of the expenses in the standard budget, students generally do not apply for additional financial aid. Students who determine that they have a shortfall between their AFHPSP funding and the standard budget may apply for student loans to meet this gap. Funds from the Federal Direct Stafford/Ford Loan Program are generally used for this purpose.

National Health Service Corps (NHSC) Scholarship Program

<<http://nhsc.hrsa.gov/>>

The National Health Service Corps Scholarship Program was created to address the shortage of health professionals in certain areas in the United States. Scholarship recipients receive 12 monthly stipends, a single payment to cover books, supplies, and equipment for the year, and payment to the School of tuition and required fees for the year. The scholarship may be renewed through graduation without additional competition.

For each year of support, participants owe one year of future service providing primary care services in a Health Professional Shortage Area (HPSA) as assigned by the NHSC. The minimum obligation is two years. These assignments are most often as salaried civilian employees of community-based systems of primary health care.

These awards are targeted for students who intend to train and practice in primary care specialties. To request an application, call (800) 221-9393.

DISBURSEMENT OF FINANCIAL AID

Harvard Loans and Scholarships

Federal and institutional loans are credited to the student term bill when the student signs the necessary promissory note(s). Federal Direct Stafford/Ford, Perkins, LDS and Institutional Loans are originated using a master promissory note (MPN). Borrowers need only sign one MPN for each loan program during their time at HMS; subsequent loans will be automatically disbursed once the borrower returns a signed copy of his/her financial aid award letter to the Financial Aid Office and has submitted all required financial aid documentation.

First-time borrowers at HMS must complete online loan counseling and attend both in-person group and individual loan counseling sessions. Borrowers must sign a certification as proof of such consultations before their loans can be disbursed.

HMS scholarships are also disbursed in two installments, half in the fall and half in the spring. The scholarship is credited directly to the term bill and the student does not need to sign any documentation other than the financial aid award letter. Should a student receive HMS Scholarship in excess of tuition and fees charged to the Harvard term bill, either the stipend will be applied to the term bill or a separate stipend check will be mailed or directly deposited into a bank account depending on individual arrangements with the Student Billing Office.

Outside Loans and Scholarships

Disbursement procedures for outside scholarships vary widely from agency to agency. Sometimes the check is mailed to the Financial Aid Office, in which case the student may be notified to come to the Office to endorse the check. If the student's term bill account shows an outstanding balance, then the scholarship will be credited to the term bill. If the agency sends a scholarship check directly to the student, then s/he is responsible for ensuring that the funds are used to pay any outstanding balance remaining on the term bill.

Students must notify the Financial Aid Office of receipt of any outside scholarship awarded.

Federal Work-Study

Students should submit time cards online each week in order to receive their pay checks the following week. For on-campus work-study, the time cards are submitted to the Payroll Office of the employing department. Off-campus work-study students submit their time cards to the Harvard University Student Employment Office, Cronkhite Center, 86 Brattle Street, Cambridge, MA 02138.

Both on-campus and off-campus work-study students indicate where they want to receive their checks by completing a Paycheck Address Form when starting employment. Students can elect to pick up the check at their on-campus places of employment, have them deposited directly into their bank accounts, or have them mailed to their home addresses.

Term Bill Refund Checks

The student term bill lists itemized charges and credits throughout the academic year. If the total amount of loan proceeds, scholarships, and payments exceeds the total charges on the term bill, the student may request a refund of the credit balance and use this refund to meet non-billed educational expenses such as books, supplies, non-Harvard housing, and food.

Students who expect to have a credit balance once all anticipated aid is disbursed may apply for a cash advance against the future credit. Aid recipients may receive up to one advance per month, not to exceed the monthly living expense allowance included in the student budget.

To obtain a refund check, the student must complete a Refund Check Request Form, available in the HMS Financial Aid Office or online in the Forms section of the Financial Aid Office website at www.hms.harvard.edu/finaid.

All refund requests are processed by the Financial Aid Office staff within five business days. Checks are issued by the Student Billing Office and mailed to the address that the student indicates on the request form.

Students should plan carefully so that they don't fall short of funds during the academic year. Financial aid funds are expected to last until the end of the academic year. The student expense budget cannot be increased for students who find themselves out of money due to improper budgeting.

REFUND POLICY

If a student withdraws or goes on a leave of absence after the semester has begun, tuition and housing charges may be prorated. Loan recipients must notify the Financial Aid Office of the enrollment status change and are required to have an exit interview counseling session.

The following statement serves as the current refund policy for Harvard Medical School. The refund policy applies when a student:

- Does not register for the period of attendance for which aid was awarded;
- Withdraws from school; or
- Fails to complete the period of enrollment for which aid was provided.

The HMS Registrar may reduce a percentage of the tuition charges based on when the student withdraws (see Section 6.03 of the HMS Student Handbook for details).¹ The Financial Aid Officer will revise the standard budget to reflect the adjustments to tuition and housing charges as well as prorations to other costs, and will calculate an adjusted award.

If the student's award package included any federal funds other than Federal Work-Study and the leave of absence or withdrawal occurs in the first 60% of the semester, federal regulations require that a portion of the student's federal aid be returned to the aid programs. The portion of aid to be returned is determined by a federally-mandated calculation based on the number of days remaining in the semester, and the refund due to the aid programs is credited in the following order:

1. Outstanding balances on Federal Unsubsidized Stafford/Ford Loans
2. Outstanding balances on Federal Subsidized Stafford/Ford Loans
3. Outstanding balances on Federal Perkins Loans
4. Outstanding balances on Federal Graduate PLUS Loans
5. Other Title IV aid programs, if applicable
6. Financial aid programs sponsored by the US Department of Health and Human Services

For a more detailed discussion of how the refund calculation process works, please schedule an appointment with your Financial Aid Officer.

Notes:

¹HMS will determine the student's last date of attendance even if the student does not follow the official withdrawal/leave process.

LOAN COUNSELING SERVICES

Medical students often need to take on a significant amount of educational loan debt to finance their medical education. Harvard Medical School has a vigorous loan counseling and financial literacy program and is concerned about the high level of borrowing. The Financial Aid Office offers each student an opportunity to discuss the terms of the loans and to be counseled on debt management strategies. The following is an outline of the loan counseling services offered at HMS.

First-Year Students

Mandatory group loan counseling meetings are held at the beginning of the fall semester. In addition, required individual loan entrance counseling sessions are held during the months of August and September. At these meetings, Financial Aid Officers will discuss the terms and repayment schedules of the student loan programs and the rights and responsibilities of the borrower. Students are given individual projections of their educational debt at graduation. The Financial Aid staff guides participants through budgeting strategies to help minimize borrowing levels.

Second-Year Students

Second-year loan counseling group meetings are held at the beginning of the second semester. The group meetings are scheduled during the lunch hour or in the early evening and last approximately 60 minutes. In addition to reviewing the student's debt-to-date, Financial Aid Officers update students about issues which affect their educational debt. Budgetary management tips are discussed and there are demonstrations of financial planning web resources.

Third-Year Students

The Financial Aid Office generates loan summary reports for third-year students and mails them to student local addresses.

Fourth-Year Students

Loan Exit Interviews: Mandatory loan exit interviews are held during the months of March, April and May prior to May graduation. The purpose of the interview is to disclose the loan repayment schedule, discuss budgeting strategies and loan terms, answer questions and concerns of the student, etc. All graduating students who received any type of loan while at HMS must attend an interview.

Financial Management Seminar: An annual Senior Financial Management Seminar presentation is offered during the spring prior to graduation. The seminar features financial services professionals who are able to assist individuals in handling their finances and making investment choices for the future. The entire student body is invited, although the content is geared towards the new medical school graduate.

Students Taking A Leave of Absence

Students taking a leave of absence from HMS lasting longer than six months are also required to have an exit interview as their loans will enter repayment during this time.

Miscellaneous

Students may make an appointment with their Financial Aid Officer at any time to discuss financial aid issues. The Office has a small library of resource directories to help students in their search for external sources of aid.

The Financial Aid Information Page

This is a free and comprehensive web site including a guide to student financial aid resources. It includes an overview of financial aid policies and procedures, a glossary of terminology, search engines for outside scholarships, calculators to compute required loan payments, annotated bibliographies of financial aid resource materials, and direct links to over 1,000 external financial aid sites. The URL address for this site is <www.finaid.org>.

FIRST for Medical Education

FIRST (Financial Information, Resources, Services and Tools) for Medical Education is a program sponsored by the Association of American Medical Colleges to aid members of the academic medicine community navigate the complexities of student debt. The goal of the program is to help medical student borrowers expand their financial literacy, make smart decisions about student loans, and manage their debt wisely. Students are encouraged to participate in Financial Literacy 101, a series of online financial management modules that address crucial topics designed for the unique financial needs of busy medical students. Direct your web browser to <www.aamc.org/first> for more details.

MedLoans Organizer and Calculator

This resource, introduced by the AAMC's FIRST for Medical Education program, is the only online loan repayment calculator customized for medical school students. This exciting tool allows student borrowers to organize their loans, manage and save loan information in one secure location, view and explore loan repayment options, and create unique loan scenarios with the scratch pad feature. Access the MedLoans Organizer and Calculator at www.aamc.org/first. Instructions for entering HMS loan data in the MedLoans Organizer and Calculator are available in the Forms section of the HMS Financial Aid Office website:

www.hms.harvard.edu/finaid. *Note: As part of the HMS financial literacy program, all MD students borrowing educational loans at HMS are required to enter and update their HMS loan information annually through the AAMC Medloans Organizer.*

DEBT MANAGEMENT

Average Indebtedness of HMS Graduates

<u>Grad Class</u>	<u>Avg. Debt</u>	<u>Avg Pmt. (monthly)</u>	<u>Range of Debt</u>
2008	\$115,546	\$1,342	\$2,950 to \$301,978
2009	\$103,663	\$1,204	\$1,547 to \$249,664
2010	\$113,943	\$1,323	\$2,535 to \$276,409
2011	\$104,890	\$1,218	\$10,230 to \$235,023

(The average monthly payment was calculated assuming that all loans had a 7% interest rate with a 10-year repayment schedule.)

Debt Prior to Matriculation

Most pre-medical educational loans can be deferred while studying full-time at HMS. (Refer to the HMS Loan Fact Sheet and the Deferment Options Chart in the appendix of this guide for more guidance). In order to defer eligible loans, the student must request a deferment form from his/her lender and bring it to the HMS Registrar's Office for completion of the School Certification section. The student must continue to make any required loan payments until the certified deferment form is received by their lender and the student is notified that the deferment has been approved. A deferment form must be filed at least once per year with each lender; some lenders may require more frequent filing.

Students are responsible for any consumer debts incurred prior to matriculation at HMS. Credit card debt, car loans, and other outstanding bills must be taken care of by the student; additional financial aid cannot be awarded to pay these debts.

A negative credit rating may cause ineligibility for some student aid programs. If a student cannot obtain

a loan because of a negative credit rating, HMS funds are not available to replace that loan. It is important for students to be diligent about correcting and protecting their credit rating.

Loan Reduction Strategies

1. Seek outside scholarships. Many private foundations and organizations make awards to medical students on a competitive basis. For example, Rotary Clubs in your home town may raise money for scholarships. The Financial Aid Office recommends that you begin by using one of the free scholarship search engines available on the internet (www.finaid.org). The Financial Aid Office has a small collection of resource directories, and students are encouraged to take the time to examine them.
2. Consider term-time employment. You may apply for term-time work-study and get a dollar for dollar adjustment on the loan package. The Federal Work-Study Program is beneficial to employers since it costs them far less to employ work-study students, and the program allows students to work in a job that is related to his/her field of study.

You may also wish to consider non-Federal Work-Study employment. Earnings can be used to voluntarily reduce loans.
3. Be mindful of your expenses. If you keep your living expenses below the standard budget upon which your financial need was calculated, you can subtract your savings from loans awarded to you.
4. Ask family for help. Your parents or relatives may be able to provide you with additional support in the form of a gift or an interest free loan.
5. Use a little more of your savings this year. If you have to take out additional loans, it is better to do so as close to graduation as possible to minimize the effect of interest accrual.

Before deciding on whether or not to accept or request additional loan funds, students should consider the following:

- Will this loan be from a different and consequently new source than loans already incurred? If so, how will this affect the repayment?
- Will the size of the required repayments affect previous commitments or future life choices?

Managing Debt after Graduation

By graduation day, most students have accumulated substantial student loan debt in order to pay for their education. New graduates need to plan carefully for loan repayment. The relationship between monthly income and the amount of the monthly loan payment will require the graduate to make thoughtful choices about spending.

Keeping careful records can assist in this endeavor. It is the borrower's responsibility to be cognizant of the terms and conditions of the loan(s), to make loan payments on time, and to honor the commitment to pay the loan(s). As part of the HMS financial literacy program, all MD students borrowing educational loans at HMS are required to utilize the MedLoans Organizer and Calculator, an online loan tracking system available through the Association of American Medical Colleges. The MedLoans Organizer and Calculator is available via the AAMC website at www.aamc.org/first. Additional information on this resource can be found on page 31 of this guidebook.

Budgeting

A loan recipient must develop a behavior of careful budgeting and an attitude of thrift in order to keep student loan borrowing to a minimum and also to manage his/her finances prudently during the loan repayment years. Careful budgeting requires a person to a) plan; b) exercise control; and c) review the budget periodically to make possible adjustments.

To assist with living on a budget starting today, you will find two budgeting worksheets in the appendix of this guide. The first is a more simplified one that will help you to begin budgeting successfully while you are still a student. The other is more detailed and can be used in the future once your financial situation

becomes more complex. Alternatively, students are encouraged to utilize the online budget worksheet available through the Association of American Medical Colleges. The online budget worksheet is located in the Exercises section of Financial Literacy 101 and is available via the AAMC website at www.aamc.org/first. Additional information on this resource can be found on page 31 of this guidebook.

Prepayment

You may prepay all or any part of a loan principal any time without penalty. Since interest accrues daily on the outstanding principal during the repayment period, prepayment will reduce the total interest you will pay over the life of the loan. Send prepayments directly to your lender, and be sure to enclose a note explaining that the payment should be applied to the loan principal. Should you wish to pay a loan in full, contact your lender for a payoff figure, which will include the principal balance plus interest projected through the payoff date. About two months after your loans are paid in full, your original signed promissory notes will be returned to you.

Note: To cancel all or a portion of a loan awarded in the current year, please submit a signed letter to the Financial Aid Office indicating your intention.

Grace Period and Deferment

As discussed earlier in this guidebook, most loan programs feature a grace period that begins when the student ceases to be enrolled at least half-time at an institution of higher education. (Refer to the HMS Loan Fact Sheet in the appendix for specific grace period provisions).

The grace period is intended to give the borrower an opportunity to find employment and get ready for repayment. Most lenders use the grace period to contact the borrower with specific information about the forthcoming repayment period. However, loans are due when the grace period expires regardless of whether the lender has contacted the borrower.

Under certain conditions, the borrower may defer or postpone the repayment of student loans. During the deferment period, principal payments (and interest payments under some loan programs) are postponed.

To claim a deferment on student loans, a certified deferment form must be submitted to the lender(s) each year that a deferment is requested. The form is available from the lender, must be certified by the hospital supervisor of the residency program, and returned to the lender. The timely filing of the form is important since it must be done before the expiration of the grace period. The borrower must keep up with loan payments until the lender receives the certified deferment form and the borrower is notified that the deferment has been approved.

Since the grace and deferment periods do not require the borrower to make loan payments, it allows one the chance to save money. Furthermore, if the borrower is able to accumulate savings in the bank, it will act as a cushion if an emergency arises during the beginning years of repayment. Borrowers are cautioned that they should not increase their debt during this time.

Whether or not a given loan has any provisions for an interest-free deferment depends on the date the particular loan was actually authorized. Federal regulations that govern the terms and conditions of their loan programs are constantly in flux and, as a result, there is often a lot of confusion. The information that follows attempts to summarize the most relevant deferment options that currently exist on the most common loans borrowed by HMS students. You can also consult the chart of deferment options provided in the appendix to this guide to find a more complete list of deferment options. However, please note, as stated earlier in this guide, the most accurate place to find the specific terms, conditions, and provisions associated with a given loan is always the original promissory note that you signed at the time the loan was issued.

Federal Direct Subsidized and Unsubsidized Stafford/Ford Loans

- No internship/residency deferment is offered for this program. However, forbearance options are available as described below.
- Fellowship Deferment - All Stafford/Ford loans qualify for deferment while participating in an approved graduate fellowship program. To qualify for this deferment:
 1. You must hold at least a bachelor's degree from an institution of higher education and have been recommended by an institution of higher education for acceptance into the graduate fellowship program.
 2. The graduate fellowship program must include sufficient financial support to allow full-time study for at least six months; require a written statement from applicants explaining their objectives before awarding financial support; require graduate fellows to submit reports, projects, or other evidence of progress; and accept an applicant's study at a foreign university for completion of the fellowship program.

*Please remember that only subsidized loans qualify for interest-subsidized deferment. Unsubsidized loans always accrue interest, even during periods of deferment.

Perkins Loans

- No internship/residency deferment is offered for this program. However, forbearance options are available as described below.
- Fellowship Deferment – Available only for loans that were issued after 7/1/93. Requirements are similar to those for the Stafford/Ford Loan fellowship deferment.

LDS Loans

- These loans are eligible for interest-subsidized deferments for the full duration of internship/residency and for up to two years of fellowship training.

HMS Revolving Loans

- No internship/residency deferment is offered for this program. However, forbearance options are available as described below.

HMS Wolfson Loans

- Borrowers are eligible to receive up to 54 months of interest-subsidized deferments for internship/residency and postgraduate fellowship training.

Federal Direct PLUS Loans

- Deferment and forbearance provisions are identical to those of the Federal Unsubsidized Stafford/Ford Loan Program.

Forbearance

If a borrower is temporarily unable to meet the repayment schedule for a particular loan and is not eligible for a deferment, s/he can request a forbearance for a limited and specific period. During periods of forbearance, repayment of principal is postponed or reduced, and interest continues to accrue on the loans. Forbearance is granted on an annual basis and the borrower must submit a request in writing to the lender. During periods of forbearance, repayment of principal is not required but interest continues to accrue on the loans. Borrowers must either pay this interest during the forbearance period or arrange for it to be capitalized, i.e. added to the outstanding principal balance. The following is a list of the different types of forbearance currently available for selected loan programs:

Hardship

In the case of extreme financial hardship, forbearance may be offered at the lender's discretion. Virtually all lenders are willing to consider such hardship forbearances. They are usually granted for no more than six-months at a time.

Internship/Residency

- Federal Direct Stafford/Ford Loans – Federal regulation requires that Stafford/Ford lenders must approve forbearance requests from borrowers participating in a medical internship or residency program. Borrowers may renew this mandatory forbearance until the residency is completed. As with other forbearances, interest will continue to accrue on the outstanding principal, irrespective of whether or not the loans were originally subsidized.
- HMS Revolving – Upon request borrowers are entitled to twenty-four months of forbearance during their internship/residency years. After this forbearance is exhausted, borrowers experiencing difficulty with loan repayment may request consideration for a hardship forbearance.
- HMS Wolfson – Upon request borrowers are eligible to receive up to 54 months of internship/residency deferment and post graduate fellowship training deferment. A certified deferment form must be submitted annually to the Harvard University Student Loan Office.

Repayment

It is never too early to begin to think about how you are going to repay your educational loans. Before choosing a particular repayment schedule, it is first helpful to consider what your salary will be. Based on this, you can develop a preliminary budget to determine how much money you will have available for living expenses after meeting all of your student loan obligations. In general, your goal should be to choose a repayment plan that maximizes flexibility while minimizing cost. Although options may vary from lender to lender, there are several basic types of repayment schedules. Keep in mind that the longer you take to repay a loan, the more interest that you will pay over the life of the loan. All repayment options allow for prepayment of the loan; making voluntary extra payments will reduce your cost of borrowing.

Standard repayment allows the borrower a period of ten years to repay his/her loans. Under a standard plan, annual payments are fixed for the life of the loan.

Extended repayment is similar to standard repayment, but gives the borrower a longer period of time repay--anywhere from 12 to 25 years, depending on the size of the outstanding principal balance. Annual payments are fixed and depend on the number of years selected by the borrower. Stretching out the number of years in repayment provides lower required monthly payments in the short-run; however, usually the borrower will pay more in interest since the loan is being financed over a longer period of time.

Graduated repayment allows the borrower a period of 10 years to repay the loan. The annual repayment amount varies, increasing in size every two years over the life of the loan. This allows the borrower to have lower required payments in the early stages of repayment when annual income is usually at its lowest, with higher payments required later in repayment when income has presumably increased.

Income contingent repayment allows the borrower to have his/her required monthly payments to be based on actual adjusted gross income, family size and level of educational indebtedness. Thus, required repayment amounts under this option adjust as income rises and falls. The maximum repayment period cannot exceed 25 years. This option usually is not available to all borrowers. In most cases, a borrower must meet certain criteria to be eligible to repay his/her debt under these terms.

Income-based repayment allows the borrower to have his/her required monthly payments to be based on actual adjusted gross income and family size. Thus, required repayment amounts under this option adjust as income rises and falls. If payments do not cover the interest that accrues, the government pays or waives the unpaid interest on subsidized Stafford/Ford loans for the first three years of income-based repayment. The maximum repayment period cannot exceed 25 years. This option usually is not available to all borrowers. In most cases, a borrower must meet certain criteria to be eligible to repay his/her debt under these terms.

Public Service Loan Forgiveness Program

This program, effective July 1, 2009, discharges the remaining federal Stafford/Ford/PLUS debt after 10 years of full-time employment in public service. The borrower must have made 120 payments on or after October 1, 2007 in the Direct Loan's repayment program in order to qualify.

Finally, most lenders, regardless of whether or not they offer a formal list of repayment choices to their borrowers, will negotiate with their borrowers to determine an alternative repayment plan should the borrower experience difficulty while repaying their loans. Lenders do not want their borrowers to default on their loans and will work with borrowers who take the initiative to contact them proactively to inform them about any problems they may be experiencing.

Delinquency and Default

Delinquency occurs when the borrower fails to make an installment payment when due or to meet other terms of the promissory note. A penalty charge is assessed when a loan payment is late by 60 days. The delinquency is also reported to credit reporting bureaus.

In many instances, borrowers inadvertently find themselves in delinquency status: although they intend to defer their loans, the necessary deferment forms have not been received by the lender prior to the payment due date. *Borrowers must make all scheduled loan payments until they are notified by lenders that their deferments have been approved.*

Default follows delinquency when the borrower fails to repay the loan according to the terms of the promissory note. Typically a loan is placed in default after 180 days of delinquency. The default is reported to the national credit bureaus and stays on the borrower's record for as long as seven years. This derogatory credit finding can delay or prevent the borrower from getting other types of consumer credit such as a home mortgage, car loan, or credit card. Furthermore, the defaulter's federal and state income tax refunds and personal assets may be seized, and salary checks may be garnished. Late charges, and court and attorney fees may also be assessed.

Defaulters are ineligible for future student loans or federal financial aid should they decide to return to school, and will not be eligible for loan deferments.

If a borrower finds that s/he is in danger of delinquency or default, it is imperative to contact the lender immediately. The lender may be willing to grant a forbearance allowing the borrower to establish a plan to successfully repay the loan.

Loan Ombudsman Office

The Department of Education Loan Ombudsman works with student loan borrowers to resolve loan disputes and problems. This office is available to help borrowers manage disputes with schools and lenders concerning Title IV federal loan programs:

Direct Loans –Subsidized and Unsubsidized Ford Direct Student Loans, Direct PLUS Loans, and Direct Consolidation Loans;

Federal Family Education Loans- Subsidized and Unsubsidized Stafford Loans, FFEL PLUS Loans, and FFEL Consolidation Loans;

Guaranteed Student Loans, SLS Loans, and Federal Perkins Loans.

The Ombudsman’s contact information is as follows:

Joyce DeMoss
FSA Ombudsman
US Department of Education
830 First Street, NE
Fourth Floor
Washington, DC 20202-5144
Phone: (877) 557-2575
Website: www.fsahelp.ed.gov

Credit Agencies

Lenders report their loan payment statuses to national credit bureaus such as Experian, Equifax, and TransUnion. If a borrower is delinquent with a loan payment or has defaulted on a debt obligation, her/his credit rating will be tarnished. This means that s/he will most likely have difficulty obtaining alternative student loans, a home mortgage, car loan, or credit cards. Whenever possible, a derogatory credit finding should be cleared before applying for loans or

any type of credit. Student loan lenders can provide information on how to rehabilitate a delinquent or defaulted loan.

Students may wish to periodically obtain copies of their credit reports by contacting one of the major credit reporting agencies. Contact any of the following agencies for additional information:

Experian (800) 682-7654
Equifax (800) 685-1111
Trans Union (800) 888-4213

HMS Loan Forgiveness/Repayment Programs

Harvard Medical School offers loan forgiveness and repayment programs in two forms: (1) the HMS Loan Repayment Assistance Program and (2) the HMS Public Service Initiative for graduating students. Details of these programs are listed below.

HMS Loan Repayment Assistance Program (LRAP)

The HMS LRAP program is designed to provide debt-relief scholarships to young alumni with modest income and high debt-to-income ratios. By helping to address the financial challenges that can dissuade HMS alumni from accepting employment in public service positions, this program is intended to expand the range of job options that HMS graduates can consider in the critical early years of their careers. HMS graduates who have completed residency/fellowship training and whose gross income is below the typical starting salary for a general practitioner (currently \$140,000) are eligible to apply. Funding for this program currently is available through 2015. More information is available in the Loan Forgiveness section of the HMS Financial Aid website: www.hms.harvard.edu/finaid.

HMS Public Service Initiative

The HMS Public Service Initiative is a debt-relief scholarship program targeted to graduating HMS students who have an intention of pursuing careers in public service. Awards are provided to qualifying recipients at time of graduation. Funding for this program currently is available through 2015. More information is available in the Loan Forgiveness section of the HMS Financial Aid website: www.hms.harvard.edu/finaid.

National Loan Repayment Programs

The following is a list of the several major loan repayment programs. Please contact the agencies directly to request current information on terms and conditions. A more comprehensive listing of repayment programs is available on the website of the Association of American Medical Colleges at Website: http://services.aamc.org/fed_loan_pub

Disadvantaged Health Professions Faculty Loan Repayment Program (HRSA)

US Department of Health and Human Services
Health Resources and Services Administration
Bureau of Health Professions/Division of Student Assistance

Faculty Loan Repayment Program
HRSA, Bureau of Health Professions
5600 Fishers Lane
Rockville, MD 20857

Phone: (800) 221-9393

E-mail: flrpinfo@hrsa.gov

Website:

<http://www.hrsa.gov/loanscholarships/repayment/faculty>

Physicians from disadvantaged backgrounds who sign a contract agreeing to serve for two years as a full-time faculty member at a participating school, may have up to \$20,000 of debt repaid for each year of faculty service.

NHSC State Repayment Program

The NHSC provides funds directly to states to operate loan repayment programs. Federal and State governments provide a dollar-for-dollar match to repay qualifying educational loans for eligible participants. For information about state programs, refer to the website of the Association of American Medical Colleges at:

http://services.aamc.org/fed_loan_pub

Indian Health Service Loan Repayment Program (IHS)

Indian Health Service
Loan Repayment Program
801 Thompson Avenue, Suite 120
Rockville, MD 20852

Phone: (301) 443-3396

Fax: (301) 443-4815

Website:

<http://www.ihs.gov/jobscareerdevelop/dhps/lrp>

Participants sign a minimum two-year service commitment with the Indian Health Service (IHS) to provide full-time clinical service at a designated priority site. The IHS repays outstanding government and commercial health professions educational loans of up to \$20,000 annually. The IHS also provides an allowance to help cover the increased Federal, State, and local income taxes generated by these repayments.

National Health Services Corps (NHSC) Loan Repayment Program

Website:

<http://nhsc.hrsa.gov/loanrepayment/index.html>

The National Health Service Corps (NHSC) Loan Repayment Program provides \$60,000 for 2 years of full-time employment or \$30,000 for 2 years of half-time time employment, tax free, to primary care medical, dental and mental health clinicians in exchange for service at an approved site in a Health Professional Shortage Area. Upon completion of the service commitment, clinicians may be eligible to apply for (HPSA) additional support for extended service.

National Institutes of Health Research Loan Repayment Programs

- *NIH AIDS Research Loan Repayment Program (AIDS-LRP)*
- *NIH Clinical Research Loan Repayment Program*
- *NIH Clinical Research Loan Repayment Program for individuals from Disadvantaged Backgrounds (CR-LRP)*
- *NIH Contraception and Infertility Research Loan Repayment Program*
- *NIH General Research Loan Repayment Program (General-LRP)*
- *NIH Health Disparities Research Loan Repayment Program*
- *NIH Pediatric Research Loan Repayment Program*

Patricia Cole, Director
Loan Repayment Programs
U.S. Department of Health and Human Services
National Institutes of Health
Division of Loan Repayment
2 Center Drive
Room 2E24, MSC 0230
Bethesda, Maryland 20892-0230
Phone: (301) 496-2555
Fax: (301) 480-2625
E-Mail: ugsp@nih.gov
Website: <http://www.lrp.nih.gov/>

These programs repay up to \$35,000 per year towards each participant's outstanding eligible educational debts. Participants must sign two year contracts (three year contracts for General LRP). Some programs require participants to be NIH employees; other programs require participants to be employees of a domestic nonprofit or US government entity. Participants may apply for additional one-year renewal contracts and continue to receive loan repayment benefits, if approved.

FINANCIAL AID ADMINISTRATION

The Financial Aid Committee is one of the Standing Committees of the Faculty of Medicine. Its membership consists of faculty members appointed by the Dean for a three-year renewable term, student representatives elected by each entering class for a four-year term, and ex-officio members from the administration. The Financial Aid Committee establishes policy and hears student appeals.

The Financial Aid Office is part of the Program in Medical Education reporting to the Dean for Medical Education and is located on the second floor of Gordon Hall. The office is open Monday through Friday from 9 A.M. to 5:00 P.M. Students are welcome to schedule appointments to discuss personal financial planning with us.

Robert D. Coughlin
Director of Financial Aid

Sarah T. Carey
Financial Aid Officer

Yolanda M. Paul
Financial Aid Officer
Student Disabilities Services Coordinator

Lillian C. Johnson
Coordinator of Financial Aid

Robert G. Dluhy, M.D.
Chairperson
Financial Aid Committee

Appendices

Harvard Medical School 2012-2013 Student Cost of Attendance Budgets

EXPENSES	Class of '16 10 1/2 Months (Aug-June)	Class of '15 10 1/2 Months (Aug-June)	Class of '14 12 Months (July -June)	Class of '13 11 Months (July-May)	5 Yr. M.D. Class of Various 11 Months (July-May)
TUITION	49,875	49,875	49,875	49,875	2,900
MATRICULATION FEE	35				
UNIV HEALTH SERVICE FEE	930	930	930	930	930
BC/BS INSURANCE FEE	2,168	2,168	2,168	2,168	2,168
DISABILITY INS. FEE	63	63	63	63	63
ED MATERIALS FEE	425	425			
BOOKS & SUPPLIES	**2,904	**1,874	1,199	1,199	1,199
LIVING EXPENSES***	***19,615	***22,515	***25,240	***23,815	***23,815
<i>Suggesting Breakdown: Housing</i>	8,470	11,220	12,240	11,220	11,220
<i>Food</i>	5,170	5,170	5,640	5,170	5,170
<i>Misc. Expenses (clothing, recreation, laundry, utilities, other)</i>	4,565	4,565	4,980	4,565	4,565
<i>Local & Clinical Transportation</i>	780	930	1,750	1,600	1,600
<i>Long Distance Travel</i>	630	630	630	1,260	1,260
LOAN FEES	85	85	85	85	85
NATIONAL BOARD FEE		535	1,140	535	535
TOTALS	**76,100	**78,470	80,700	78,670	31,695

**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 '16) is based on the average cost of a Vanderbilt Hall residence contract. Students with spouses, partners, or dependents 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 fourth year budget.

OPTION: The federal government will now permit students to borrow an unsubsidized Stafford/Ford 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.

FINANCIAL AID CALENDAR FOR ACADEMIC YEAR 2012-2013

September, 2012	First-year loan counseling/financial literacy sessions held. <i>(mandatory for all first-time borrowers at HMS)</i>
September, 2012	Master promissory note loan signing <i>(students will be emailed instructions).</i>
September, 2012	HMS scholarship information survey sent to all students.
October 1, 2012	Deadline for submitting written petitions appealing 2012-13 financial aid decision.
December 1, 2012	All Federal Direct Ford/Stafford, PLUS and private supplemental loan applications for the 2012-13 academic year should be in process no later than this date.
January 1, 2013	Earliest date that the federal processor will accept 2013-14 FAFSA forms for processing. Families should file tax returns and FAFSA forms as soon as possible after January 1 st .
January/February, 2013	Second-year loan counseling/financial literacy presentations held.
February, 2013	Educational debt history sheets mailed to third-year students.
March, 2013	New 2013-14 Financial Aid Application materials will be available.
March, 2013	Financial planning seminar held <i>(intended for graduating students).</i>
March – May, 2013	Loan exit counseling sessions held. <i>(mandatory for all graduating students who borrowed loans while at HMS)</i>
March, 2013	2013-14 financial aid application instructions mailed to accepted incoming students.
April 1, 2013	Evaluation and mailing of financial aid awards to incoming students begins on a rolling basis.
April 15, 2013	Deadline for submission of financial aid application materials from newly admitted students for the 2013-14 academic year.
May 15, 2013	Deadline for submission of financial aid application materials from continuing students for the 2013-14 academic year.
May 30, 2013	GRADUATION
July – August 2013	Financial aid award letters for 2013-14 sent to continuing students.

**10 GOOD HABITS
FOR A SOUND FINANCIAL FUTURE**

- 1. Limit your use of credit cards, save them for emergencies.**
- 2. Cut up all but one of your credit cards, you only need 1!**
- 3. Get in the habit of saving even if you can only save \$5 per month.**
- 4. Budget your money just as carefully as you budget your time; put yourself on a monthly budget and stick to it.**
- 5. Keep accurate records of your total debt and minimize it.**
- 6. You may not be offered as much money as you expect when you graduate, so plan accordingly by estimating now what your discretionary (after-tax) income will be after school.**
- 7. Not all loans are alike, know the differences and borrow wisely.**
- 8. Don't start living the lifestyle of a health professional until you've completed your training!**
- 9. Plan now for the financial future you want.**
- 10. You're making an investment in your future, make sure the benefits of the investment exceed all of the costs.**

INTEREST CONVERSION FACTOR TABLE

120, 180, AND 240 MONTHLY PAYOFF OF PRINCIPAL & INTEREST

Interest Rate	10 Years 120 Payments/ Month/\$1000	15 Years 180 Payments/ Month/\$1000	20 Years 240 Payments/ Month/\$1000
5.0	10.61	7.91	6.60
5.5	10.53	8.17	6.88
6.0	11.10	8.44	7.17
6.5	11.36	8.71	7.46
6.8	11.51	8.88	7.63
7.0	11.61	8.99	7.76
7.5	11.87	9.27	8.06
8.0	12.13	9.56	8.37
8.25	12.26	9.70	8.52
8.5	12.40	9.85	8.68
9.0	12.67	10.14	8.99
9.5	12.94	10.44	9.32
10.0	13.22	10.75	9.65
10.5	13.49	11.05	9.98
11.0	13.78	11.37	10.33
11.5	14.12	11.68	10.67
12.0	14.35	12.00	11.01
12.5	14.64	12.33	11.36
13.0	14.93	12.65	11.72
13.5	15.23	12.98	12.07
14.0	15.53	13.32	12.44
14.5	15.83	13.66	12.80
15.0	16.13	14.00	13.17

To calculate the monthly loan repayment amount for a loan with a 10-year repayment, use the following system: For a loan principal of \$10,000 at 6.8 percent interest, move the decimal point in the loan amount three places to the left to adjust for thousands. Thus, \$10,000 becomes 10. Find 6.8 in the Interest Rate Column and look across to the corresponding number in the Payment/Month Column for 10 years. Multiply 10 x 11.51. The resulting number is the amount to be paid per month for 120 months. (10 x 11.51 = \$115.10 per month for 10 years). The standard repayment period for student loans is 10 years.

To calculate the total amount paid over the repayment period, multiply the product obtained above by the total number of months in the repayment period.

Example: \$115.10 per month (for 10 years) x 120 months = \$13,812

LOAN REPAYMENT WORKSHEET

(to be used in conjunction with the chart on the preceding page)

*Note: An online loan record management system is available via the
AAMC's MedLoans Organizer and Calculator available at www.aamc.org/first*

Name of Loan	Total Amount Awarded	Subsidized or Unsubsidized (S or U)	Interest Rate	Interest Conversion Factor	Amount of Monthly Payment	Payments Begin	Total Amount Repaid
TOTALS							

Student Budget Worksheet

*Note: An online loan budget worksheet is available via
AAMC's Financial Literacy 101 program at www.aamc.org/first*

YOUR TOTAL FINANCIAL RESOURCES

<u>ITEM</u>	<u>MONTHLY AMOUNT</u>	<u>ANNUAL AMOUNT</u>
Grants, Scholarships	_____	_____
Sub. Fed. Stafford Loan (net)	_____	_____
Unsub. Fed. Stafford Loan (net)	_____	_____
Other Loans (e.g. Fed. Perkins)	_____	_____
Summer/Acad Year Earnings (net)	_____	_____
Investment Income	_____	_____
Savings/Other Assets	_____	_____
Spouse Earnings (net)	_____	_____
Parent Contribution/Gifts	_____	_____

YOUR LIVING EXPENSES

Tuition	_____	_____
Books/Supplies/Instruments	_____	_____
Charge Card Payments	_____	_____
Rent/Mortgage	_____	_____
Utilities (electric,gas,water,etc)	_____	_____
Telephone (local/longdistance)	_____	_____
Insurance(all types)	_____	_____
Groceries	_____	_____
Meals Away From Home	_____	_____
Household Supplies	_____	_____
Clothes	_____	_____
Laundry/Dry Cleaning	_____	_____
Subway/Bus	_____	_____
Auto Payment	_____	_____
Gas/Oil/Auto Maintenance	_____	_____
Parking/Tolls	_____	_____
Travel/Vacation	_____	_____
Medical/Dental/Medication	_____	_____
Child Care	_____	_____
Recreation/Entertainment	_____	_____
Cable TV/Subscriptions	_____	_____
Hair Care/Grooming Supplies	_____	_____
Cigarettes/Alcohol	_____	_____

BALANCE SHEET		
TOTAL RESOURCES	_____	_____
Minus		
TOTAL EXPENSES	_____	_____
Equals		
SURPLUS/DEFICIT	_____	_____

DETAILED MONTHLY BUDGET WORKSHEET

*Note: An online loan budget worksheet is available via
AAMC's Financial Literacy 101 program at www.aamc.org/first*

LIABILITIES:

Educational Loans	\$ _____
Mortgage Payment or Rent	\$ _____
Real Estate Taxes	\$ _____
Interest on Mortgage	\$ _____
Vacation Home Mortgage	\$ _____
Taxes	\$ _____
Interest	\$ _____
Automobile Loan	\$ _____
Personal Loans	\$ _____
Charge Accounts	\$ _____
Other	\$ _____
Total Liabilities	\$ _____

INCOME TAXES:

Federal	\$ _____
State	\$ _____
Local	\$ _____
Total Taxes	\$ _____

SOCIAL SECURITY:

You	\$ _____
Spouse	\$ _____
Total Social Security	

CIVIL SERVICE:

You	\$ _____
Spouse	\$ _____

OTHER BENEFIT PROGRAM PLANS:

You	\$ _____
Spouse	\$ _____
Total Benefit Program Plans	\$ _____

SAVINGS AND INVESTMENTS:

Payroll Deductions	\$ _____
Credit Union	\$ _____
Mutual Funds	\$ _____
Stocks & Bonds	\$ _____
Real Estate	\$ _____
Annuities	\$ _____
Face Amount Certificates	\$ _____
Other	\$ _____
Total Savings & Investments	\$ _____

INSURANCE:

Life Insurance	\$ _____
Health Insurance	\$ _____
Disability Income	\$ _____
Auto Insurance	\$ _____
Home Owners Ins.	\$ _____
Other	\$ _____
Total Insurance	\$ _____

CONTRIBUTIONS:

Religious	\$ _____
Charitable	\$ _____
Total Contributions	\$ _____

TRANSPORTATION:

Gas and Oil	\$ _____
Maintenance & Repair	\$ _____
License	\$ _____
Public Transport.	\$ _____
Parking & Tolls	\$ _____
Total Transportation	\$ _____

HOUSEHOLD EXPENCES

Food	\$ _____
Clothing	\$ _____
Doctor & Eye Care	\$ _____
Dentist	\$ _____
Prescription Drugs	\$ _____
Personal Care	\$ _____
Gas, Electricity	\$ _____
Maintenance & Repair	\$ _____
Home Furnishings	\$ _____
Telephone	\$ _____
Water	\$ _____
Rec., Hobbies, Ent.	\$ _____
Ed., Books, & Mags	\$ _____
Vacation & Travel	\$ _____
Children's Allowances	\$ _____
Gifts	\$ _____
Miscellaneous	\$ _____
Total Household	\$ _____

OTHER EXPENSES

_____	\$ _____
_____	\$ _____

TOTAL MONTHLY EXPENSES

\$ _____

HMS LOAN FACT CHART	INSTITUTIONAL & PRIVATE FUNDS			FEDERAL FUNDS			
PROGRAM NAME	<u>HMS REVOLVING LOAN</u>	<u>HMS WOLFSON</u>	<u>PRIVATE LOANS</u>	<u>PERKINS</u>	<u>LDS</u>	<u>DIRECT STAFFORD/FORD</u>	<u>DIRECT 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	6.8% Fixed	7.9% 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 	<ul style="list-style-type: none"> • Standard (10 yrs.) • Extended (12-25 yrs.) • Graduated • Income-Contingent • Income-Based
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://isites.harvard.edu/icb/icb.do?keyword=k59562	<ul style="list-style-type: none"> • Death • Total Disability • ACTION • Peace Corps • Full-time teacher in low-income school • Full-time teacher of Disabled children • Staff in Head Start Program 	<ul style="list-style-type: none"> • Death • Total Disability • Failure to complete Medical School w/ Special Conditions 	<ul style="list-style-type: none"> • Death • Total Disability 	<ul style="list-style-type: none"> • Death • Total Disability

