Financial Aid at HMS

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Topics for Discussion

- The Financial Aid Process
- The Award Package
- What Else to Expect
- Appeal Process
- Other Options/Resources Available
- Scholarship Distribution
- Presidential Scholars Program
- Living within the HMS Budget
- Questions
The Financial Aid Process

- Two Pathways to Financial Aid
  - Option I
    - Applying for institutional aid: unit loan and grants
      - Parent information is required
  - Option II
    - Applying for federal loans ONLY
      - No parental information required
The Financial Aid Process (cont’d)

- Financial Aid Application must be complete before a decision will be made

**Option I**
- HMS Fin Aid App
- Need Access App
- FAFSA
- 1040/W-2s of Parents

**Option II**
- HMS Fin Aid App
- FAFSA
Financial Aid Process: Option I

- *Need-based* financial aid system
- Need = Budget – Calculated Family Contribution
- Need met first with loans (Unit Loan Package)
- Remaining Need up to Tuition/Fees met by grants
  - Ensures that students with highest need receive most scholarship support
- Financial Need *minus* Unit Loan *equals* HMS Scholarship
The Award Package: Option I

- Unit Loan Concept
  - Unit Loan is fixed at $33,050 (will remain $33,050 each year at HMS)
The Award Package: Option I (cont’d)

- Composition of 2015-16 Unit Loan Package*
  - $22,300 Federal Direct Loan (6.21%, unsubsidized)
  - $5,000 Federal Perkins Loan (5%, subsidized)
  - $5,750 HMS Revolving Loan (5% subsidized) or Wolfson Loan (variable up to 7%, subsidized)
  - Non US Citizens/Perm Res: federal loan portion replaced with private loan

* Loan terms/conditions are subject to change. Direct Loan interest rate based upon 2014-15 rate. The most reliable description of loan terms is the promissory note.
* Federal Perkins loan scheduled to expire in 2015-16. If this occurs, eligibility will be for the 2015-16 academic year only.
The Award Package: Option I (cont’d)

- HMS Scholarship
  - Awarded if there is remaining need beyond Unit Loan
  - Covers entire remaining need, up to tuition & fees
  - Available for four years of traditional MD curriculum
Sample Award Package:
HMS Scholarship Recipient

- $22,300 Federal Direct Unsubsidized Loan
- $ 5,000 Federal Perkins Loan
- $ 5,750 HMS Revolving or HMS Wolfson Loan
- $xx,xxx HMS Scholarship (up to remaining need)

Note: The HMS Financial Aid Office does not package additional loans against parent or student contribution; students are eligible to borrow unsubsidized loans against these figures
Sample Award Package: Unit Loan Only

- $22,300 Federal Direct Unsubsidized Loan
- $5,000 Federal Perkins Loan
- $5,750 HMS Revolving or HMS Wolfson Loan

Note: The HMS Financial Aid Office does not package additional loans against parent or student contribution; students are eligible to borrow unsubsidized loans against these figures.
What if I have no calculated financial need or I am an Option II applicant?

- $47,167 Federal Direct Unsubsidized Loan

Note: The HMS Financial Aid Office awards the maximum Direct Unsubsidized Loan amount; additional loans up to Cost of Attendance are available in the Direct Graduate PLUS loan program.
Award Package: Additional Info

- Award package does not fund up to Cost of Attendance, unless there is a $0 parent and $0 student contribution.
- Students may borrow additionally up to Cost of Attendance through additional unsubsidized loans.
- Students are encouraged to **reduce** loan borrowing awarded!
- *Students planning to fund their medical education primarily through loan sources are encouraged to discuss the implications of this plan with the HMS Financial Aid Office.*
Questions about your award package?

- CONTACT US!
  - The Financial Aid Office is here to answer questions, provide counseling anytime
  - Financial Aid Appeal Process
  - Appeals/Petitions Reviewed in April and October

- You’re not just a number at HMS!!
Financial Aid Appeal Process

- If a purely need-based award from another school reflects a substantially different family contribution, LET US KNOW!!

- If there is additional information not addressed in financial aid application, LET US KNOW!!
  - Note: Anticipated change in family financial situation ordinarily addressed mid-year (i.e., December)

- BUT…cannot change packaging policy to match a merit award offered elsewhere or different need-based policy elsewhere
Consideration of Parent Contribution

- For students who are below age 29 as of October 1, 2015, the full calculated parent contribution (PC) will be used in determining eligibility for need-based funds.
- For students who are age 29 as of October 1, the calculated PC will be reduced by 25%.
- For students who are age 30 as of October 1, the calculated PC will be reduced by 40%.
- For students who are age 31 as of October 1, the calculated PC will be reduced by 60%.
- For students who are age 32 and above as of October 1, the calculated PC will be reduced by 80%.
Middle-Income Financial Aid Initiative

- Elimination or Reduction of Parent Contribution (PC)
  - Parents with income levels < $100K: PC will be $0
  - Parents with income levels $100K - $150K:
    - $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%
  - Assets must be typical for families with these income levels
Middle-Income Financial Aid Initiative

- Elimination of Parents’ Tax-Deferred Retirement Income In Need Analysis
- Elimination of Mandatory Minimum Student Contribution (SC)
What to expect next…

- Award notifications mailed on a rolling basis once financial aid application is complete
  - Sign and return acceptance of awards to FA Office
  - Reflect adjustments on award letter (i.e., outside scholarships, loan reductions, increased loan request)
  - Award information will be available to view online at ‘My HMS Financial Aid Application’ when ready:  [www.hms.harvard.edu/finaid](http://www.hms.harvard.edu/finaid)
What to expect next (cont’d)…

- E-mail notification of fall term bills
  - Indicates term bill charges (tuition, fees, dorm)
  - Anticipated aid (scholarship, loans)
  - Balance due (charges minus anticipated aid)
  - Notification e-mailed to your official Harvard E-mail address (provided to you by June)
    - NOTE: The HMS Online Financial Aid Application is based on the email address on file with AMCAS as of March 4, 2015
    - Email address will change to your official HMS email address in June

- Fall Cash Advance: May apply after August 3rd (1st day of Orientation) if a portion of your financial aid will be used to cover living expenses
  - Loan Counseling Requirements should be completed before requesting advance
What to expect next (cont’d)…

- E-mail notification from Financial Aid Office during summer
  - Sign loan promissory notes
  - Complete financial literacy exercises

- E-mail notification regarding black bag diagnostic equipment purchase
  - Books/Supplies component of budget covers this cost in 1st year budget (Pathways) and 2nd Year budget (HST)
Subsequent Years

- Reapply for financial aid each year
- If family financial situation remains the same, award will not change dramatically
  - NOTE: Change in siblings’ university enrollment could have an impact
    - Sibling Enrollment Verification form due each fall
Other Financing Options

- Outside Scholarships
  - Web-based scholarship searches (www.finaid.org)
  - Scholarship Reference Book in HMS F.A.O.
  - Email notifications from FAO throughout year

- Internships/Research/Employment
  - Scholars in Medicine Program
  - Federal Work-Study Program

- Additional loan borrowing
Outside Scholarship Policy

- Outside awards replace
  - Parent contribution and student loans, then
  - HMS scholarship
So how does it all work?

- Cost of Attendance figures
- Examples of financial aid packages
- How to live on the HMS budget
  - Perspectives from current students
HMS Cost of Attendance

- Tuition & Fees: $59,875
- Housing: $11,725
- Other Expenses -- food, books, travel, misc (estimate): $15,575
- Total 2015-16 Budget: $87,175
  - Note: HST Student Budget: $86,425
- If waiving Harvard Blue-Cross/Blue Shield Health Insurance, budgets will be $84,785 and $84,035 (HST)
- Budget breakdown provided in admission packet
Parental Income Levels of HMS Scholarship Recipients

- Less than $50K: 118 recipients
- $50K - $100K: 118 recipients
- $100K - $150K: 87 recipients
- $150K - $200K: 43 recipients
- $200K+: 43 recipients

2014-15 Average HMS Scholarship Award: $43,925
Example: $30,000 Family Contribution

Richard Stone is from a family of five. Richard’s father is a physician and his mother is a homemaker; his sister is a college freshman and his brother is in high school. The family’s annual income is $220,000; the equity in their home is worth $225,000 and they have $25,000 in savings and investments. They also own another property with equity of $85,000. Richard does not have any resources of his own.

Cost of Attendance: $87,175
Less calculated PC: $30,000
Less calculated SC: $0
Equals Financial Need: $57,175

Richard’s Financial Aid Package is:
- HMS Scholarship: $24,125
- Unit Loan Package: $33,050
- Total Aid: $57,175
Example: $0 Family Contribution

- Susan Taylor’s parents are married. Her father is a teacher and her mother is a realtor. The family’s annual income is $95,000. They have $15,000 in savings and $75,000 in home equity. Susan has $5,000 in her own savings account.

Cost of Attendance: $87,175
Less calculated PC: $0*
Less calculated SC: $750
Equals Financial Need: $86,425

Susan’s Financial Aid Package is:

- HMS Scholarship: $53,375
- Unit Loan Package: $33,050
- Total Aid: $86,425

NOTE: Since Susan’s parents total income is less than $100K, no PC will be expected.
Example:  $15,000 Family Contribution

- Wesley Bowman is married. His spouse is a human resource specialist who earns $35,000 a year. They have $2,500 in savings. Wesley’s parents are married. His father is an engineer and his mother is a professor. The family’s annual income is $135,000. They have $10,000 in savings and $50,000 in home equity. Wes has no siblings.

Cost of Attendance:  $87,175

[Calculated PC:  $25,000]

Actual PC (reduced 40%):  $15,000

Less calculated SC:  $0*

Equals Financial Need:  $72,175

Wes’s Financial Aid Package is:

- HMS Scholarship:  $39,125
- Unit Loan Package:  $33,050
- Total Aid:  $72,175

NOTE: Since Wes’s parents earn less than $150K, they qualify for the Middle Income Initiative. Also, since Wes’s spouse earns less than $40K, no contribution from income will be expected.
Example: Option II Candidate

☐ Stacey Wu has worked and lived independently from her parents for several years. She has decided to apply for financial aid without providing parental financial disclosure. Stacey understands that under this option, she is eligible only for federal and private loans. She has accumulated $30,000 in her own savings.

Cost of Attendance: $87,175  Stacey’s Financial Aid Package is:
Less calculated SC: $6,000  ☐ Direct Unsub Loan: $47,167
Equals Financial Need: $81,175  ☐ Total Aid: $47,167

Note: Stacey would be eligible for additional unsub Grad PLUS and/or private loan borrowing
What to do now…

- Avoid/eliminate credit card debt and keep your credit history clean
- Think about ways to live frugally
HMS Public Service Initiative

- **Purpose:** to relieve a portion of the loan obligation of graduating students intending to pursue careers in public service
- **Ex:** Primary care, family medicine, practice and/or research that promotes public health or health policy, commitment to underserved communities, international medicine (in resource poor settings)
- **Eligibility requirements:** graduating HMS students. Priority given to students who have educational debt >$98,000
- **Loan debt reduced at time of graduation**

*Program continuation based upon availability of funds. Program terms/conditions subject to change. Current funding anticipated to be available through FY16.*
Presidential Scholars Program

- **HMS Loan Repayment Assistance Program:**
  - **Purpose:** to provide debt-relief scholarships to HMS alumni with modest incomes and high debt-to-income ratios

- **Eligibility Requirements:**
  - HMS graduates who have completed their residency/fellowship training
  - Preference for alumni pursuing public service careers
  - Available to HMS alumni with high educational debt repayment and income levels below $140,000
  - No service commitment

*Program continuation based upon availability of funds. Program terms/conditions subject to change. Current funding anticipated to be available through FY16.*
AbundanceFound Global Health Loan Forgiveness Program

- Designed to relieve a portion of the loan obligation of graduating students intending to pursue careers in global health delivery
  - 20% award disbursed immediately following graduation
  - 40-80% award disbursed upon completion of at least one year of work centered in global health delivery
  - Priority given to students with educational debt >$98,000

Program continuation based upon availability of funds. Program terms/conditions subject to change. Current funding anticipated to be available through FY15.
So….Can You Reduce Your Debt?

- Outside Scholarships
- AAMC FIRST Program: [www.aamc.org/first](http://www.aamc.org/first)
- Scholarship programs available
  - National Health Service Corp (NHSC)
    - [www.hrsa.gov/loanscholarships](http://www.hrsa.gov/loanscholarships)
- Loan repayment programs are available!
  - NIH Loan Repayment Programs
  - National Health Service Corp (NHSC)
  - HRSA Faculty Repayment Program
  - Links to Programs available at HMS Financial Aid Office website – Loan Forgiveness
    - [www.hms.harvard.edu/finaid](http://www.hms.harvard.edu/finaid)
You’re **NOT** Just a Number
You’ll Know Them…
and They’ll Know **YOU**!
Living on the Budget

- Not too Shabby…
- What About Housing?
- What about Food?
- What about Books?
- You **will** have enough money for fun!!
Beyond the Financial Aid Package

- My classmates, my classmates, my classmates!
- Community
- Personal Attention
- Opportunities
- Great experiences!!
Take Home Points

1. You are not just a number
2. If you have concerns, come talk to them!
3. Remember, our financial aid packages are based on calculated “Need”
Medical education is an investment in your intellectual capital with great future returns.