



## Financial Aid Frequently Asked Questions 2019-20

### Q. How can I finance my MBA?

A. There are several ways to finance your education at LFGSM. The finance options available are Federal Student Loans, VA benefits and private loans.

### Q. What types of student loans are available and who is eligible?

A. The Federal Direct Student Loan Program offers **Unsubsidized** (interest accrues while in school) **Stafford** loans. These loans are available regardless of income or financial need. Students are eligible for up to the cost of attendance, minus any additional aid, such as company tuition reimbursement, with maximum of \$20,500 per academic year.

*Certain basic federal requirements apply:*

1. *Student must be a citizen or an eligible non-citizen*
2. *Male students must have satisfied the selective service requirement*
3. *Student must not currently be in default on any federal loans*

• Under the unsubsidized loan program, interest can be paid (at least a partial payment is highly recommended), or payment may be deferred until the student goes into repayment 6 months after graduation or withdrawal. Note that interest starts to accrue right away, and continues to accrue during this 6 month 'grace period'. If interest payment is deferred, the student will have the opportunity to pay accumulated interest upon going into repayment. ***Interest left unpaid at that point will be capitalized and become part of the loan amount.***

If a student still has unmet need after Stafford funds have been exhausted, the Federal Direct Student Loan Program also offers the **Grad PLUS** loan. To apply, a student must not have "adverse" credit<sup>3</sup>. If a student's credit score is lower, a co-signer would be required.

**Private educational ("alternative")** loans are an option, as are **private bank** loans for education. These are both based on an individual's credit history. Contact the Financial Aid Office for further information on any of these loan programs.

### Q. What is the current interest rate for a student loan?

A. The current fixed interest rate for the Unsubsidized Loan is 6%. There is also a loan processing fee charged by the lender of 1.066%.

### Q. I thought PLUS loans<sup>3</sup> were for parents.

A. Yes, but eligibility has been expanded to graduate students whose need is not fully met by a Stafford loan. The Direct Lending Grad PLUS interest rate is 7%, and there is a 4.264% loan origination fee. Repayment of principal and interest begins 6 months following graduation or exit from the program. The application requirements are the same as for the Stafford loan, but **also include not having an adverse credit history<sup>3</sup>.**

### Q. When can I apply for a Stafford loan?

A. To be eligible for a Stafford loan you must be accepted for admission, or currently enrolled at LFGSM and making satisfactory academic progress. Loans may be applied for at any time while you are attending class. Your loan cannot be processed once you are no longer attending class.

### Q. What is the latest date to apply for a Stafford loan?

A. You need to allow at least two weeks before the end of your last term of enrollment to complete the application process.

**Q. Can I take out a loan to help me pay for just one term?**

A. Certainly. You may get a student loan as a one-time option, **or** to cover any amount due after tuition reimbursement; to pay for a global focus; or to finance one entire academic year. You may finance the total MBA program, but loans are specific to a particular academic year. You will need to file an updated FAFSA to begin the loan process for a succeeding academic year. (NOTE: *certain maximum yearly limits apply.*)

**Q. I want to apply for a Stafford loan. What is the FAFSA?**

A. FAFSA stands for Free Application for Federal Student Aid. Filling out a FAFSA is not a loan application, but a required preliminary step. It is an analysis of your income, assets, age, family size and other components and calculates your ability to contribute toward your educational costs for that year as a number called the Expected Family Contribution (EFC). Your EFC does not affect the amount you are eligible to borrow. That is determined by your financial aid budget. **NOTE:** You are NOT expected to contribute the value of your EFC towards tuition.

**Q. When do I submit the FAFSA?**

A.. The FAFSA may be filed at any time, but because a student must be **currently attending class** at the time their loan is originated per federal regulations, be sure to begin the process at least two weeks before the end of your last term of enrollment. Because LFGSM is a graduate school with financial aid application throughout the academic year, the deadline dates that appear on the FAFSA do not usually apply. The web site to file electronically is [www.fafsa.ed.gov](http://www.fafsa.ed.gov).

**NOTE: The FAFSA must be updated yearly using current income tax information. For 2019-20, this is your 2017 Federal Tax Return, which can be imported from the IRS when completing the FAFSA.**

**Q. Does it cost anything to file the FAFSA?**

A. No, it is the *Free* Application for Federal Student Aid. **Be sure you go to [www.fafsa.ed.gov](http://www.fafsa.ed.gov) website.** (If you go to a .com or .us website you will be charged a significant fee by a private party just to have your information forwarded to the .ed.gov site.)

**Q. How long does it take to apply for Financial Aid?**

A. You should allow three weeks. The application process begins with the student filling out the FAFSA. Please refer to the [Student Loan Checklist](#) for a list of the required pre-loan documents. Once all of the pre-loan documents have been completed, the Financial Aid Office will then determine your eligibility and issue an Award Letter that you will use to request loan proceeds.

**Q. What is an FSA ID?**

A. An FSA ID is a username and password that can be used to login to certain Federal Student Aid websites, such as the FAFSA. Refer to <https://fsaid.ed.gov/npas/pub/faq.htm> for more details.

**Q. Do I have to fill out the FAFSA each year?**

A. Yes. You will need to fill out the 2019-20 FAFSA with information from your 2017 federal income tax return.

**Q. When I filed my FAFSA, my Student Aid Report (SAR) said I wasn't eligible for a Pell grant. Does this mean I can't get a loan?**

A. Pell grants are strictly for undergraduates, so none of our students qualify for them. Our students do qualify for Stafford loans<sup>1</sup> up to their Cost of Attendance minus any tuition reimbursement, scholarship award, or other aid. **Students may also apply for a federal Graduate PLUS loan<sup>3</sup> if any unmet need remains after Stafford funds have been depleted.**

**Q. Can I request a loan for more than my tuition?**

A. Yes, all of our students who qualify are eligible for Stafford loans<sup>1</sup> up to their Cost of Attendance<sup>2</sup> minus any tuition reimbursement, scholarship award or other aid up to **a maximum of \$20,500** per academic year. **It is recommended that students borrow conservatively to avoid unnecessary, possibly burdensome, debt.** To estimate monthly payments, visit <https://studentloans.gov/> and click on Managing Repayment>Repayment Estimator.

**Q. Can anything change the loan amount I qualify for?**

A. Yes. Schedule changes and/or scholarships awards can affect your loan eligibility. *Funds that have already been disbursed might have to be returned to your lender, either partially or in full. Additional funds, if available, might need to be requested.* It is important to notify the Financial Aid Office of *any change in the number of classes taken in a term or if you decide on any international option.* **Remember, you are responsible for your student account and for communicating changes to the Financial Aid Office.**

**Q. Will I receive a loan check?**

A. No, loan funds are received electronically by LFGSM and credited against your outstanding school charges. Any credit balance after tuition is paid is refunded to you, unless you indicate otherwise.

**Q. How will I know when money is received in to my student account?**

A. An email will be sent to you each time your loan funds are applied to your student account. You will possibly receive a monthly statement showing an “amount due” before your funds come in – please do not put your tuition on a credit card at this time. Your funds will be received shortly and you will not receive a finance fee based on the amount pending.

**Q. I will need additional funds to enable me to attend school. How do I request and receive this?**

A. If you have requested more than the cost of tuition, LFGSM will issue you a credit balance refund approximately two weeks after the date funds were posted to your LFGSM student account. To set up Direct Deposit for student refunds, email a copy of your voided check to [BankInfo@lfgsm.edu](mailto:BankInfo@lfgsm.edu).

**Q. If the school sends me a refund, what can I do with it besides use it for personal expenses?**

A. You have two other options:

1. The funds can be returned via a personal check payable to LFGSM to be re-deposited into your account for the next academic year.
2. Excess funds can be returned to Direct Lending to be credited towards your loan. See *Repaying Your Loans* at <https://studentloans.gov/>. Returned funds will be applied toward outstanding interest first.

**Q. Can I pay off my loan while still in school?**

A. Yes. There are no prepayment penalties. See *Managing Repayment* at <https://studentloans.gov/>.

**Q. I might want to consolidate my loans when I graduate. How do I do this?**

A. The main benefits of consolidation are a single payment and the ability to extend your length of repayment longer than 10 years (which also increases the amount of interest paid). To estimate monthly payments and total interest paid see *Managing Repayment>Repayment Plans & Calculators* at <https://studentloans.gov/>.

**Q. How can I keep track of my loans?**

A. You can view your entire loan history at <https://www.nslds.ed.gov>. It is also recommended that you create a login/profile with your loan servicer. If you need help figuring out your federal loan servicer, please contact the Financial Aid Office.

**Q. I'm still paying on other education loans. Is there a way for me to defer payments while I'm at LFGSM?**

A. Yes, but keep in mind that LFGSM does not have authority to grant deferments; that authority lies with the servicer holding the loan. Student loans are automatically deferred while a student is attending school. LFGSM participates in the National Student Clearinghouse, and student enrollment status is reported to them by term. Deferment means that your lender will not initiate automatic debit or send you a bill. But you are certainly able to send a payment at any time to your lender. Note that interest continues to accrue while your loans are in deferment.

**Q. How do I contact Financial Aid?**

A. The LFGSM Financial Aid Office can be reached by contacting:

847.574.5264

[finaid@lfgsm.edu](mailto:finaid@lfgsm.edu)

<sup>1</sup>**NOTE:** certain basic federal requirements must be met and maximum yearly limits apply.

<sup>2</sup>**Cost of Attendance** consists of tuition, plus a living/transportation allowance of \$2,027 per 8-week term.

<sup>3</sup>**For the GradPLUS loan,** adverse credit criteria include: 90 days delinquency; bankruptcy; default on prior student loans; collections; and tax liens. A lack of credit history or insufficient credit history is not considered adverse credit.

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