

*College of Physicians and Surgeons*  
*PROGRAM IN PHYSICAL THERAPY*  
**FINANCIAL AID HANDBOOK**  
**ACADEMIC YEAR 2011-12**

**T**HE OFFICE OF STUDENT FINANCIAL PLANNING administers financial aid for the College of Physicians and Surgeons, the College of Dental Medicine, the Institute of Human Nutrition, and the Programs in Occupational and Physical Therapy. We serve as a resource and as a link to your funding sources. It is important that you become an “educated consumer” and learn all that you can about available options, apply on time, and follow up if funds you applied for do not arrive. Keep in mind that financial aid programs are subject to change due to new legislation and regulations.

All of our staff is prepared to answer routine questions. In addition, all postgraduate dental students are assigned to one of our Financial Aid Officers who will determine need and award financial aid packages, and work closely with you throughout dental school.

Check our website periodically for up-to-date information and helpful links [www.cumc.columbia.edu/student/finaid](http://www.cumc.columbia.edu/student/finaid).

We are located in Room 139 of the Black Building. We are open from 9am to 5pm, on Mondays, Tuesdays, Thursdays, and Fridays. On Wednesdays we are open from 12pm to 5pm.

**W**HAT IS FINANCIAL AID? Students in the Physical Therapy program are eligible for “external loans”: Federal Staffords (subsidized and unsubsidized), Federal Graduate PLUS, Federal Work Study and private alternative loans. There are Merit Scholarships available that are awarded through admissions and a small amount of Perkins loans. There are no “need based” (scholarships or grants) available directly from the school.

**W**HAT KIND OF FINANCIAL AID IS AVAILABLE? Students in the Physical Therapy program are eligible only for “external loans”; Federal Staffords (subsidized and unsubsidized), Federal Graduate PLUS, Federal Work Study and private alternative loans. There are Merit Scholarships available that are awarded through Admissions but there is no “need-based” assistance (scholarships or loans) available directly from the school.

**H**OW DO I APPLY? To establish eligibility for Subsidized and Unsubsidized Federal Stafford, and Federal Graduate PLUS, Federal Work Study and Perkins loans, **complete the FAFSA**, student sections only. No parental information is required. If you are **married**, your spouse’s financial information is also required.

International students do not need to complete a FAFSA. An **international student** in the United States with an F1 or F2 student visa, with a J1 or J2 exchange visitor visa, or with a G-series or H-series visa **is not eligible for need-based student aid from federal or state sources**. If you acquire permanent resident status prior to graduation, you will become eligible for "external" state and federal assistance. Please note that a "Notice of Approval to Apply for Permanent Residence" (I-171 or I-464) does not make you eligible for federal student aid.

**WHEN SHOULD I APPLY?** - All students should submit the FAFSA by **April 15<sup>th</sup>** (or within 2 weeks after acceptance, whichever is later if you are an entering student). **If all your application materials are complete, you should expect to hear from us at the beginning of June.**

In addition, you must notify us about any new income (scholarships, personal loans, etc.) that becomes available after filing your applications, or if siblings or spouse reported as expected to enroll as full-time students for 2011-12 do not do so. This obligation extends throughout the entire academic year.

Your Financial Aid Officer will review changes in your financial circumstances throughout the year to determine if there is a change in your eligibility for funds.

**APPLICATION MATERIALS** - Please keep copies of all your application materials!  
**All forms, with the exception of the FAFSA, should be submitted to our office.**

\* Forms on our website are available in "fill-in" PDF format.

**Once you receive your CU ID, you will be able to log into NetPartner to check the status of your application materials and to see if any additional documents have been requested.**

1. The **Free Application for Federal Student Assistance (FAFSA)** - This is the federal application required for all applicants who are U.S. citizens or permanent residents and who wish to establish eligibility for financial aid offered by the United States Department of Education (Title IV)- Stafford and Graduate PLUS loans.

**FAFSA on the Web** is a free U.S. Department of Education website where you can complete a FAFSA online. The website is [www.fafsa.ed.gov](http://www.fafsa.ed.gov). You can also apply by using a paper form, but we recommend that you do the web application because the reject rate is <2% compared to about 14% for the paper application.

At this same website, you can complete a **Renewal FAFSA** if you applied for federal student aid last year. Most of the information will appear on the screen, and you will only have to add some new information and update information that has changed since 2009-10 (for example, family size or income). Be sure to print out a copy of your **FAFSA on the Web** application before you submit it.

If you do not already have a federal financial aid PIN, you can **request a PIN at [www.pin.ed.gov](http://www.pin.ed.gov)**. This is your electronic signature for FAFSA and Renewal FAFSA on the Web. It can also be used to access your Title IV federal student aid history online at [www.nslds.ed.gov](http://www.nslds.ed.gov).

Read the instructions carefully when you complete the FAFSA or the Renewal FAFSA. Most mistakes are made because students don't follow instructions. Pay special attention to any questions on income as most errors occur in this area.

**Note:** *There is a private company whose website is [fafsa.com](http://fafsa.com). They charge a fee if you complete the FAFSA on line with them. There is no charge for filling a FAFSA, so be sure to go to the correct website.*

If you have already sent in your FAFSA and **Columbia University Title IV Code 002707** was not one of the schools you originally listed, go online to [www.fafsa.gov](http://www.fafsa.gov) to add us.

2. **IRS Forms** - We require signed and dated copies of 2010 IRS forms, the 1040, 1040A, or 1040EZ and **all** supporting schedules and statements) for all persons supplying information on the FAFSA (student, spouse) by **April 18, 2011**.
- 3.\* If you do not have to file a tax return for 2010, please go to our website and download the **"Why I Did Not File a Tax Return"**, complete it and return it to our office.
4. **Permanent Resident Card** - If you do not hold U.S. citizenship but have been accorded "permanent resident" status, you must submit a copy of both sides of your Permanent Resident Card (I-151, I-551, or I-551C) to our office. If you have an Arrival-Departure Record (I-94), you may be eligible for Stafford loans. Please check with us. If you have a Notice of Approval to Apply for Permanent Residence (I-171 or I-464), you are not eligible for federal student aid.
5. **Federal Direct Stafford Student Loan and Federal Direct Graduate PLUS (Grad PLUS) Applications** - All new students should complete a **Master Promissory Note (MPN)** for Stafford Loans. If you will also be applying for the Federal Direct Graduate PLUS loan you will need to do a separate MPN. Go to the Direct Lending website at [www.StudentLoans.gov](http://www.StudentLoans.gov) to complete the MPNs online. If you are a continuing student who borrowed from these programs last year you will not have to complete another MPN. You will also need to complete the Entrance Counseling online at the same website. You do this once for both loans.

**Please note the following: there is no place on the MPN to request loan amounts:**

a) Your financial aid award letter will include **recommended** amounts to borrow from the Federal Direct Stafford Loan program (Subsidized and Unsubsidized), and may also include recommended amounts from the Federal Direct Grad PLUS program.

You should review your financial aid award letter and return the Financial Aid Acceptance Form within two weeks after receipt of the letter.

**We will transmit Stafford originations to the Department of Education in mid-July. If you haven't submitted the Financial Aid Acceptance Form by the time we are ready to transmit originations, your information will be electronically submitted for the Stafford loan amounts shown in your award letter. We cannot, however, originate Grad PLUS loans until you tell us how much you want to borrow.** You have the right to cancel these loan amounts or to subsequently change them. However, please be advised that changes may cause a delay with disbursement.

- b) If you decide to replace what we calculate to be the “family contribution” or need funds to cover additional expenses, or if you will not need all of the loans in your package, you have to work with your Financial Aid Officer to make the necessary adjustments.
6. **Married Students** should contact their financial aid officer to discuss any budgeting concerns.
  - 7.\* **Single students with expenses greater than the published budget** should submit itemized budgets to our office for review. **Rents that exceed our average budgets may be approved for extra borrowing BUT only to a predetermined maximum. “The Rent Adjustment Form” (found on our website) and a copy of your lease will be required before any adjustments to your budget is made.** Check with your Financial Aid Officer before committing to additional housing expenses that you cannot cover with personal funds.
  8. **Commuting students** should submit information separately about both their commuting and living expenses.
  - 9.\* **Verification Worksheet** - To confirm the accuracy of data reported by financial aid applicants and their families, the federal government has a regulatory process called **Verification**. Verification applies to applicants for the Federal Direct Stafford Loan, Federal Perkins Loan, Grad PLUS and Federal Work-Study programs.

**If you are selected for Verification**, you can download the Verification Worksheet for 2011-12 from our website. It must be returned to our office no later than **three weeks** from the date you are notified that you must complete the form (see below for late penalties). The completed Worksheet plus all required documentation must be reviewed by your Financial Aid Officer before a Federal Direct Stafford loan and Grad PLUS loan can be approved for further processing and before Federal Work-Study and Federal Perkins funds can be awarded.

Please note also that if you or your spouse receives untaxed benefits, the Verification process requires documentation from the appropriate agency.

If you submit subsequent applications for additional federally-regulated aid after you have filled out a Verification Worksheet, federal regulations require that you “update” your household size, and number of household members in a postsecondary school.

**Important:** If the required information has not been submitted by the stated deadline then:

- The Office of Student Financial Planning will consider your application for aid **withdrawn**. You may reactivate it by supplying the information.
- In any case, if you miss the deadline and your financial aid is delayed because of this, you will be responsible for all late charges assessed on your school account.

**H** **OW DO WE DETERMINE FINANCIAL NEED?** Financial “need” is defined as the difference between anticipated expenses and financial resources. The ability of the family to contribute to the cost of the student’s education is calculated by a federally-approved

needs analysis system called Federal Methodology (FM). This system is used to determine your eligibility for financial aid programs. When a student's expected family contribution does not cover the cost of education-related expenses, financial need has been demonstrated.

Every application is individually reviewed by a Financial Aid Officer. Students with special family circumstances are encouraged to discuss their situation with a Financial Aid Officer.

**D** **ETERMINATION OF ACADEMIC YEAR EXPENSES** – You can refer to the single student budgets at the end of the Handbook.

A student's budget is computed only for enrolled periods- August between first and second year is not an enrolled period, so plan your finances carefully. The length of the academic year varies from class to class. Once you begin your second year, your academic periods run consecutively.

**Adjustments to student budgets** may be made for the following items, where applicable:

- ✓ Student Health Service and/or Medical Insurance Premium for married students/students with dependents.
- ✓ If you waive the "Medical Insurance Plan Premium" your budget will be reduced by an equal amount and your financial aid package will be adjusted accordingly.
- ✓ Medical/dental care costs - Medical care costs in excess of the benefits provided by the Health Sciences Student Health Service Program or non-elective dental costs that exceed \$200 per year will be considered, if documentation is provided.
- ✓ Educational debt repayment - consideration is given if repayment of principal and/or interest is compulsory during enrollment. (No adjustments will be made for in-school interest on "unsubsidized" loans such as Federal Unsubsidized Stafford or interest on private/alternative loans or loans from individuals).
- ✓ Life insurance premiums - for students with dependents.
- ✓ Child care for a single parent or when spouse is working outside the home.
- ✓ International Student Fee - \$50 assessed each semester by the International Affairs Office.
- ✓ Married student expenses are reviewed on an individual basis. Factors given consideration in estimating costs are spouse's educational status (is he or she a full-time or part-time student?), spouse's employment status, and spouse's expenses (including spouse's educational debt repayment). Be sure to discuss your situation with your financial aid officer when applying for financial aid.

#### PLEASE NOTE!

Other expenses will be considered if they are necessary and related to attendance at physical therapy school, **BUT**, you should not incur expenses that exceed the standard budget unless: a) you can cover them with assistance from family or friends, or b) if you will need financial aid to cover them, you have **first** cleared the expenditure(s) with your Financial Aid Officer. Be prepared with itemized documentation of any additional charges. Due to the current housing shortage, we may be able to approve broker's fees and higher rent, **BUT** only to a predetermined maximum. Potentially refundable deposits cannot be funded with educational loans.

In most cases you will have to pay for additional expenses by accessing higher cost alternative loans, so it is to your advantage to **"think frugally"**.

## **H**OW YOU CAN FACILITATE THE FINANCIAL AID PROCESS

- Apply in a timely manner. Meet all deadlines.
- Follow up quickly if what you expect to occur doesn't occur as planned.
- Respond promptly to "Missing Information Letters".
- Carefully review your Financial Aid Award Letter and promptly confirm the amounts recommended for Stafford Loans. Contact our office if there is anything you do not understand or if your financial situation has changed and this change is not reflected in your award.
- Promptly complete the appropriate application(s) or forms for any Federal Staffords, Federal Graduate PLUS, or alternative loan programs you intend to use.
- **You should come to campus with enough money to cover expenses until financial aid funding is available to you for educational and living expenses.** Even if your total cost of education is covered by grants and/or loans, you may not have immediate access to these funds upon arriving on campus. Loan disbursements **must** be processed through your student account before you can request a refund. We now receive disbursements from most lenders electronically but a few still require your endorsement on a paper check. This means that the best you can expect, assuming you applied on time and your loan disbursements have been received prior to registration, is to be able to apply for a refund at registration. It then takes five or more working days before a refund can be mailed to you, or if you sign up for direct deposit, put into your bank account.
- **BE PROACTIVE!** Our office can help you understand the financial aid process and provide information about the best programs available to you. But, **it is your responsibility to:**
  - a) apply on time and complete all necessary paperwork;
  - b) respond promptly to any requests from our office, outside agencies, or lenders;
  - c) learn enough about how the financial aid process works to know what to expect from all players;

- d) follow up with our office, lenders, or outside agencies if there is something you don't understand or if you experience an unusual delay or suspect a problem of any kind.

**T**HE FINANCIAL AID PACKAGE AND AWARDING POLICIES - Once your demonstrated financial need is ascertained, a Financial Aid Officer will construct a "package" or list of funds you can use to supplement the family contribution in order to pay for school. The relative amount of each component of the package (grants/scholarships, and loans) is determined by the availability of funds and eligibility guidelines within each program. Packaging policies are modeled such that the most favorable program dollars are awarded to those with the greatest need.

To meet demonstrated need, a financial aid package is developed using institutional, federal, and private loans and scholarships, prioritized in the following order:

1. Personal Resources
2. A Merit Scholarship Award that you received from the Physical Therapy Program
3. Federal Direct Subsidized Stafford
4. Federal Direct Unsubsidized Stafford
5. Federal Perkins
6. Federal College Work-Study (optional)
7. Supplemental Loan Sources (Federal Direct Graduate PLUS or private/alternative loans)

**M**ERIT BASED SCHOLARSHIPS – These program scholarships are awarded to students based on outstanding undergraduate academic achievement. The program's Admissions Committee determines the minimum grade point average for the scholarship on a yearly basis. The amount of the scholarship award varies from year to year depending on program support, Alumni giving, and other donations by friends of the program. The scholarship is renewed yearly under the condition the recipient maintains a 3.350 cumulative average in the DPT program.

**I**NTERSCHOOL FELLOWSHIPS - A number of fellowships are awarded directly by the University Provost's Office and are available only to students who meet specific criteria. **If you meet any of the following criteria, please write to our office explaining how you qualify, no later than June 1, 2011. If you are accepted after this date and feel you are eligible for these fellowships, please contact our office to see if we can still submit nominations.**

**Ellis** Residents of the state of Vermont, or graduates from a college or university in the state of Vermont.

**Hollingworth** Graduates of the University of Nebraska, with preference given to women.

**Nichoplas** Male students of Greek extraction or male students born in Greece and graduated from any Greek college or university.

**Poder** Candidates must speak Estonian.

**Upton** Children of employees of the Houghton Mifflin Company, Lexington, Massachusetts.

**EXTERNAL SCHOLARSHIPS** - Several books and lists of external scholarships and loan sources are available for review in our office. A bibliography of these books can be found on our website. You are encouraged to use these source books, as well as the recommended web sites, to assist in your efforts to obtain support for your studies. We particularly recommend the book, *Foundation Grants to Individuals*, and the web site: [www.finaid.org](http://www.finaid.org).

We expect that **all** eligible students will apply for grants that are administered by their states of legal residence.

**New York State Tuition Assistance Program (TAP)** – This program is currently not being funded for graduate students.

**Students from other states** should investigate the availability of scholarship programs in their home state. Appended to this document is a comprehensive list of state higher education agencies to which students may write for further information.

**SERVICE SCHOLARSHIPS** - Service scholarships are available from the New York City Board of Education and from The Burke Rehabilitation Hospital.

The **New York City Board Of Education** provides scholarships for both first and second year students. This service scholarship pays for one year of tuition in exchange for twenty-four months of service after graduation as an Occupational Therapist in a public school at the regular salary. These service scholarships are renewable for the second year of study contingent upon funding. The application is available on our website. Further information may be obtained by calling the Board of Education at (718) 391-8391 or writing to:

NYC Department of Education  
Office of School Health/Office of Related and Contractual Services  
28-11 Queens Plaza North, 4<sup>th</sup> Floor  
Queens, NY 11101

The **Burke Rehabilitation Hospital** offers a Scholarship Assistance Program to assist in paying the final year tuition expenses for students who are currently enrolled in an Occupational Therapy Program. In order to apply, applicants must be eligible to receive a New York State limited permit in occupational therapy in 2011, and be eligible and available to begin employment at Burke before the end of 2011.

Scholarship awards to selected students will be **\$6000.00**. Occupational Therapy students graduating in **2012** or those who meet the stated eligibility requirements should submit the application and requested information by **October 1, 2011**.

If you are interested in this program, please call Sofi George, Coordinator at (914) 597-2345 or email [Kcamacho@Burke.org](mailto:Kcamacho@Burke.org).

**FEDERAL COLLEGE WORK-STUDY PROGRAM** – This program provides an opportunity for full time students who are US citizens or permanent residents to earn a part of the cost of their educational expenses. Funds provided to the University by the Federal Government subsidize a portion of the wages paid to the students.

Students interested in FWS opportunities should complete the FAFSA form and check with us regarding eligibility.

**ENTRANCE AND EXIT INTERVIEWS** - We are required to provide an "entrance interview" for all first-time borrowers at our school, even if you have previously borrowed from the same program(s) at another school. This session is conducted during Orientation Week each year for new students.

During your final semester, attendance at an "exit interview" will be required before graduation if you have taken **any** educational loans while in attendance in the Occupational Therapy Program.

The purpose of both entrance and exit interviews is to provide a framework for debt management. Debt management helps you understand how student loans will affect finances, goals, and lifestyle, now and in the future. The exit seminar will also include review of various topics in personal finance.

To assist you with debt management, once a year we will send you an up-to-date summary of your prior educational debts.

New students and first-time borrowers can complete the required "Entrance Interview" forms online after receiving detailed instructions with your award letter. New students are still required to attend the Entrance Seminar during Orientation. Similarly, students who have borrowed federal loans must complete the required "Exit Interview" forms when they graduate, drop below part-time status, or withdraw from the University. New students will still be required to attend the "Entrance" seminar during orientation.

**NATIONAL STUDENT LOAN DATA SYSTEM** - The National Student Loan Data System (NSLDS) is the U.S. Department of Education's central database for student aid. It receives data from schools, agencies that guaranty loans, the Direct Loan program, lenders and loan servicers. NSLDS provides a centralized, integrated view of Title IV loans, tracked through their entire cycle - from aid approval through final payment. Title IV loans include Federal Stafford (subsidized and unsubsidized), Federal Perkins, Federal Consolidation, Federal Direct Consolidation, and Federal Graduate PLUS loans.

If you are a U.S. Citizen or Permanent Resident and have borrowed any Title IV loans, we strongly recommend that you log on to the NSLDS web site at [www.nslds.ed.gov](http://www.nslds.ed.gov). If you filed your FAFSA electronically, you already have a PIN. This website requires the same PIN. You can also log on to request a PIN if you have forgotten it or never received one.

The NSLDS site is a particularly useful tool if you are not sure who owns or services educational loans taken prior to your matriculation here and you will need to file "student" deferments for these loans. The website shows the type of each federal loan you've borrowed, such as a Stafford loan or Perkins loan. For each loan listed, you'll see the date you took out the loan, the amount originally borrowed, the amount you owe now, the interest rate and the amount of interest that has accumulated. You'll also find the status of each, such as whether the loan is in repayment, paid in full or in default.

Please note that this web site will not include any private loans you may have borrowed while enrolled at your college or university, nor will it include other "alternative" loans. In addition, it will not include any federal loans administered by the Department of Health & Human Services (HPSL, LDS, NSL or HEAL).

Other educational loans not tracked on NSLDS may be found on your credit reports. Once a year you are entitled to free credit reports from each of the three major credit bureaus, Experian, Equifax, and Trans Union. Go to [www.annualcreditreport.com](http://www.annualcreditreport.com) and follow the instructions.

**CREDITWORTHINESS** - Good credit often determines who can borrow and who cannot. Federal Stafford loans are not credit-based. To borrow in excess of the annual Stafford limits, however, you must apply for a Federal Graduate PLUS, or a private "alternative" loan, and these loans require that you be "credit ready" or "creditworthy." Without good credit and access to the Federal Graduate PLUS or alternative student loans, you may not be able to afford a career in the health professions.

All lenders of "alternative loans" (loans that accrue interest while you are in school), other than the Unsubsidized Stafford loan, use creditworthiness as one of the criteria for determining eligibility. Therefore, if you have a poor credit rating, it is imperative that you rectify past problems before matriculation. This is particularly true if you will be borrowing in excess of the maximum available from the Federal Subsidized and Unsubsidized Stafford Loan program. **If you are denied access to loans because of bad consumer credit or problems with prior educational loans, you may not be able to finance your education.**

In addition, certain "alternative" loans may require creditworthy co-makers. Lenders may apply two tests before approving a co-maker: (1) does he or she have a good credit rating, and (2) does he or she have an appropriate debt to income ratio that would lead a lender to assume that if called upon, your co-maker could afford to repay the loan. Co-makers are only called upon for repayment if you do not repay.

Good credit requires a continuous pattern of prompt payments, no current payment delinquencies, and no negative items such as collections, repossessions or foreclosures. A good credit history means that you are "creditworthy." Some students have not yet established a credit history, and, for educational loans, this is equal to good credit. It is known as "credit-ready." Future health service professionals are considered to be very good credit risks.

Bad credit, on the other hand, reflects delinquent or slow payments, current delinquencies or other negative items. The credit criteria used to review/approve student loans can include the following: (1) absence of negative credit; (2) no bankruptcies, foreclosures, repossessions, charge-offs, or open judgments; (3) no prior educational loan defaults unless paid in full or making satisfactory progress in repayment; and (4) absence of excessive past due accounts, i.e.

no 30-, 60-, or 90-day delinquencies on consumer loans or revolving charge accounts within the past two years.

Since lenders are required to report student loans to at least one credit bureau, your credit could be bad because of failure to keep deferments current or to make required payments. Bad credit will not only deny you access to loans for education, you will not be able to finance a car, a home, a practice, or much of anything else. Your credit rating must be protected at all costs, and that means making wise decisions and knowing where problems might arise.

If you feel there is even a slight chance that you may have a credit problem, you should discuss the situation with your financial aid officer and immediately take whatever steps necessary to clear your record.

Please see our website for more information about the importance of good credit and how to check your credit rating.

**L OANS** - After you apply for financial aid, your Financial Aid Officer will notify you in an award letter about your eligibility for specific loans. Upon request our office can provide information on loan terms and repayment options.

See our web site for more information about estimating monthly repayment amounts for loans with interest rates from 3% and up, and with varying repayment terms of up to 30 years.

We strongly urge you to seek loans from family members and from other outside sources, since more favorable interest rates and repayment schedules may be possible.

Loans described below include federal loans, institutional loans, and private alternative loans.

**T RUTH IN LENDING ACT (TILA) & REGULATION Z**- Regulation Z implements Title X of the HEOA (Higher Education Opportunity Act) which amended TILA. It adds disclosure and timing requirements that apply to creditors making private education loans, which are defined as loans made for postsecondary educational expenses. The only loans exempt from these new requirements are Federal Staffords, Federal Graduate PLUS, and Federal Consolidation Loans. Thus it applies to all private, alternative education loan.

The amendments to TILA, as implemented by Regulation Z, require that creditors (banks extending private, alternative loans):

- Provide a number of new disclosures to borrowers, which must be given at several different times in the loan origination process;
- Permit the borrower the right to accept the loan at any time within 30 days after receiving the approval disclosures;
- Allow the borrower the right to cancel the loan without penalty for 3 business days after receiving the final disclosures; and
- Obtain a signed 'self-certification form' from the borrower before consummating the loan.

If you plan to borrow any private, alternative loans, you can expect the lender to ask you for a 'Private Education Loan Applicant Self-Certification Form' prior disbursement. The Form will request your cost of attendance, financial aid received and the gap between them. We will assist you in completing the Form.

**COLUMBIA UNIVERSITY (CU) LOANS** - By filing the FAFSA, and the Need Access application you are automatically given consideration for all loans awarded directly by the College: Federal Perkins and "named" CU Loans. These loans are released one-half each semester, and are applied towards your bill. Please note that the recent federal regulations have identified institutional loans, other than Federal Perkins loans as "private loans" and as such, the University must follow the Regulation Z requirements, from the Truth in Lending Act (TILA) as previously mentioned.

The **Federal Perkins Loan** program provides long-term, low-interest (5%) loans to students demonstrating exceptional need. The aggregate amount of Perkins funds a graduate student may receive from all undergraduate and graduate institutions is \$60,000; the annual maximum is \$8,000. No interest accrues while you are in school or during grace and deferment periods. Once grace and deferment periods have expired, the maximum repayment period is ten years, or longer if "consolidated."

**Other "named" Columbia University Loans** are low-interest (5%) loans available to students who demonstrate financial need. Repayment is usually required to begin six months after graduation. Thereafter principal and interest are repayable over a maximum of ten years.

## **E**XTERNAL LOANS-

### **Federal Direct Stafford Student Loans (Subsidized and Unsubsidized)**

The Federal Direct Stafford loan program is designed to make low-interest loans available to US Citizens or permanent resident students to help you meet your educational expenses. If you qualify for a Subsidized Federal Direct Stafford Loan, the federal government pays the interest on the loan to the lender (i.e. "subsidizes" it) while you are in school, in grace, and during deferment periods.

If you have a non-need-based Stafford, you have an "**Unsubsidized**" Federal Direct Stafford Loan, and you will be responsible for the interest during in-school, grace, and deferment periods, although you may postpone paying the interest. **You can check with Direct Lending regarding the frequency of interest capitalization.**

The lender for William Ford Federal Direct loans is the US Department of Education.

The annual loan limit for graduate students is \$20,500 (up to \$8,500 may be Subsidized). The total debt allowed for graduate or professional study is \$138,500 (of which no more than \$65,500 may be in Subsidized Federal Direct Stafford Loans). The graduate debt limit includes any Federal Direct Stafford loans received as an undergraduate that you still owe.

There is an **insurance premium of up to 1%** which is deducted proportionately from each disbursement. In 2010-11 the actual premium was .5%. We don't yet know the 2011-12 premium as of this printing.

"Unconsolidated" Staffords disbursed prior to 7/01/06 continue to have a variable rate. The rate is subject to change each July 1<sup>st</sup> with an 8.25% interest rate cap. Staffords disbursed since 7/1/06 have a fixed rate of 6.8%.

Repayment of Staffords is "**deferred**" if you meet any of the following criteria : 1) in school at least half-time; 2) unemployed, for up to three years; 3) can document economic hardship, for up to three years; or 4) are enrolled in a graduate fellowship program or rehabilitation training program for disabled individuals (no time limit). The College Cost Reduction & Access Act of 2007 changed the formula on 7/1/09 used to calculate eligibility for the economic hardship deferment so that most residents and fellows will no longer qualify. It also added a new repayment option, "Income-Based Repayment" which includes a "partial financial hardship" calculation to determine eligibility.

All borrowers who do not qualify for deferment are eligible for various **forbearance** options. Lenders are **required** to grant some types of forbearance, which must be requested in writing in a "timely" manner. Other types are at the lender's discretion. However, forbearance is unlike deferment in one critical area - interest continues to accrue during forbearance periods, so there is a cost associated with it. Payments may be postponed during forbearance.

Following a six month grace period and any authorized deferments or forbearance periods, you may have up to ten years to repay both principal and interest. If you owe at least \$30,000 in federal loans you can request a 25 year extended repayment plan. If you refinance Staffords under Federal Loan Consolidation, you may extend your repayment up to 30 years, depending on your total educational debt.

### **Federal Direct Graduate PLUS (Grad PLUS)**

The Federal Direct Grad PLUS loan allows you, not your parents, to borrow up to the cost of attendance less any other financial aid you receive. This loan has a fixed interest rate of 7.9% and no aggregate limits. You must be a US citizen or permanent resident to qualify. Credit checks are also required to determine eligibility, but the credit criteria are much less stringent than for most private alternative loans. If you don't meet the credit criteria you may still obtain the loan with an "endorser" who does meet the credit requirements.

PLUS applicants cannot have adverse credit based on a review of at least one credit report from a national credit reporting agency. You have "adverse credit" if you meet the following criteria:

- ✓ Federal Student Aid loans in default or delinquent status
- ✓ Accounts that are 90 days or more past due
- ✓ Evidence of default, foreclosure, tax lien, repossession, wage garnishment, or judgments in the last 5 years
- ✓ Accounts in collection
- ✓ Accounts that were "write-offs" or never able to collect upon

A lack of credit history or insufficient credit history is not considered adverse credit. Credit-worthiness is not based on a FICO score, debt to income ratio, or annual salary. To be eligible, you must complete a FAFSA and have first applied for your maximum annual loan eligibility under

the Stafford program. You will also have to complete a Master Promissory Note (MPN) for this loan.

During the 2010-11 academic year, a **2.5% origination fee was withheld** from each disbursement. We don't yet know the fee for 2011-12

Grad PLUS loans taken on or after 7/1/08 will have a 6 month grace period. If you have both Staffords and Grad PLUS loans from 7/1/06-6/30/08, you can request that the start of the repayment period for Grad PLUS be "aligned" with the end of the 6 month Stafford grace period. Deferment, forbearance, and repayment options are the same as for the Staffords.

When comparing Federal Direct GradPLUS to "alternative" loans, an alternative loan currently may have a lower rate; but if an alternative loan's interest rate is not fixed, and if inflation drives interest rates up, then over the life of the loan - which could be 20-25 years - the alternative loan could be more costly. Also, alternative loans may not have as flexible postponements options as Federal Direct Graduate PLUS for future education.

**A**LTERNATIVE LOANS - We refer to some loans as "Alternative Loans" because: 1) you are responsible for interest that begins to accrue immediately upon disbursement, although no payments are required while you are in school; and 2) they have variable interest rates, but without any cap, or upper limit. These loans can replace "calculated family contributions" or allowable expenses which exceed the standard budget. If you need an "alternative" loan, consult your Financial Aid Officer for more information.

Many of the alternative loan programs allow you to apply by phone or on-line, and give you "approval" for a specific period of time (for example the approval may be good for 60 or 90 days before they would re-check your credit). Therefore, if you want to check your eligibility, particularly if you are unsure about the status of your credit history, you may want to follow this route.

#### **Other Alternative Loan Programs**

While not on our suggested lender list, there are many other lenders available and some offer loans for students who meet specific criteria. Some lenders offer loans to students from certain states, for example New Jersey.

If you have any questions, please contact our office.

## **C**OLUMBIA UNIVERSITY'S DISCLOSURE CONCERNING LENDERS 2010-11\*

The suggested lenders for the 2010-2011 academic year were selected as a result of a Request for Proposal ("RFP") process conducted in 2009-2010. Two separate RFPs were issued, one for private loan products for domestic students ("Private RFP") and one for private loan products for international students with a creditworthy US cosigner or permanent resident co-borrower ("International RFP"). Led by the University Director for Financial Aid, two separate committees were created for each RFP to review the corresponding lender responses and select which lenders would be included on the University's suggested lender list for each loan type. University senior management reviewed the committee's selection.

The University issued each of the RFP to nine lenders. To develop the list of lenders that would be sent the RFPs, the University conformed to the following steps:

1. Included lenders that received the previous RFP issued in 2007 that were still in the student lending business.
2. Included lenders that reached out to the University during the 2009-2010 academic year about a possible submission.
3. Included lenders listed in [findaid.org](http://findaid.org) that were still in the student lending business.
4. Included lenders listed in [studentanalytic.com](http://studentanalytic.com) that were still in the student lending business.
5. Excluded credit unions given the University's high loan volume.
6. Excluded state-specific lenders given the residential diversity of the University's students.

Most of the lenders sent an RFP fit into more than one of the first four categories listed above. Lenders listed in [findaid.org](http://findaid.org) or [studentanalytic.com](http://studentanalytic.com) were only excluded if they fit categories 5 or 6 above.

Not all lenders that offer the relevant loan products received an RFP and not all lenders that received an RFP responded. The University considered the responding lenders' proposals with respect to a variety of factors including: rates; terms; fees; capitalization policies; aggregate borrowing limits; eligibility and approval rates; customer service (for example, call response time, experience of call center representatives, availability of toll free customer service numbers); reputation; experience; management practices; application, certification, and fund disbursement processes; loan proceed return and cancellation policies; repayment policies (for example, option to prepay without penalty, maximum term offered, and grace period); repayment incentives and options; deferment and forbearance policies; cosigner release policies; availability of identified service representatives to assist with issue resolution; default aversion policies; and reporting capabilities.

For both the Private Loan RFP and International Loan RFP, cost and eligibility were given the same weight as customer service factors including process flexibility, data reporting, and comprehensiveness.

After reviewing all lender submissions received prior to the RFP deadline and the final tallies for those submissions, each RFP committee decided to list all of the lenders that presented a timely submission. By so doing the RFP committees sought to provide multiple lenders for consideration on the University's suggested lender lists.

The lists do not contain affiliates as only one affiliate for each parent company was considered by each committee.

As the University considered qualitative as well as quantitative factors, the interest rate, fees, or loan cost offered by any of the suggested lenders may not be the lowest available. In addition, a lender may change the rates, terms, fees and other information from that which was offered in their original RFP proposal(s).

Students and parents have the right and ability to select the lender of their choice, are not required to use any of the lenders on the suggested lender list, and will suffer no penalty for choosing a lender that is not a suggested lender. Students are encouraged to shop around to find the lender offering the rates, terms, and service that are right for them.

*\*Last Updated 9.24.2010*

**\*Information concerning lenders for the 2011-12 academic year is still pending as of February 2011**

## **P**ROGRAMS TO ASSIST WITH LOAN REPAYMENT

**FEDERAL LOAN CONSOLIDATION** - Another loan repayment option after graduation is federal loan consolidation. A Federal Direct Consolidation Loan (FDCL) is a loan that you can borrow to pay off some or all of your existing eligible federal student loans, both graduate and undergraduate. The FDCL has a fixed interest rate with a repayment term of up to 30 years, depending on your total student loan debt. Eligible loans include Federal Stafford (subsidized and unsubsidized), Federal GradPLUS, and Federal Perkins, Loans to Disadvantaged Students (LDS), Nursing Student Loans (NSL) and Health Professions Student Loans (HPSL).

There are no fees for Federal Consolidation Loans. The interest rate is fixed and is the weighted average of the interest rates of the loans being consolidated, rounded up to the nearest 1/8th of one percent, and capped at 8.25%.

Since the consolidation interest rate is a weighted average of all interest rates on your loans, you can contact us to see if consolidation is to your financial advantage.

Depending on the amount of your outstanding student loan balance, you have up to 30 years to repay, and you have a choice of the same repayment options offered for Federal Stafford Loans. There is no prepayment penalty, deferment and forbearance are available, and some lenders offer repayment incentives.

If you want to pursue the Public Service Loan Forgiveness Program (PSLFP), you must first consolidate into a FDCL those loans that you want considered for future cancellation.

**L**OAN REPAYMENT PROGRAMS - This information is included to alert you of future opportunities. When you are near completion of your training, you may want to investigate these programs.

There are three main types of loan repayment programs: (1) sponsored by the federal government, (2) sponsored by state governments or municipalities, and (3) the "Is There a Community or Employer Who Would like to Adopt Me?" type of deal.

Federally authorized and appropriated programs include the NIH Loan Repayment Programs, the Indian Health Service Loan Repayment Program, and the U.S. Army, U.S. Air Force, and Navy

For the "Is There a Community or Employer Who Would Like to Adopt me?" type of deal, check availability with state Departments of Health, individual counties, individual hospitals, and individual rehab centers.

We have links to some of these programs on our website.

## **PUBLIC SERVICE LOAN FORGIVENESS (PSLF) [edited from IBRInfo.org site]**

The College Cost Reduction and Access Act of 2007 established a new public service loan forgiveness program. PSLF discharges any remaining debt after 10 years of full-time employment in public service. The borrower must have made 120 payments as part of the Direct Loan program in order to obtain this benefit. This contrasts with the loan forgiveness of the remaining balance after 25 years of repayment under the income-contingent and income-based repayment plans for borrowers who are not employed full time in public service jobs.

### **You may qualify for Public Service Loan Forgiveness if:**

- You have federal student loans in the Direct Loan program. Covered loans include Staffords, Grad PLUS, or Consolidation loans through the Direct Loan program.
- If your federal loans are not in the Direct Loan program, you must consolidate them under the Federal Direct Consolidation Loan Program. Perkins loans can also be included if refinanced under a Direct Consolidation Loan.
- You work full time in an eligible job.
- While working in an eligible job, you make qualifying payments for a total of 10 years (120 monthly payments which do not have to be consecutive). As long as you are in the Direct Loan program, these payments can be made through the Standard (10-year) repayment, Income Contingent Repayment (ICR), and/or **Income Based Repayment (IBR) plans**.
  - "Full-time," according to the final regulations issued by the Department of Education, means an annual average of 30 hours per week or the standard for full-time used by the employer, **whichever is greater**.
- You are still working full time in an eligible job and have debt remaining after 120 qualifying payments.

For the Public Service Loan Forgiveness fact sheet from the US Department of Education, go to <http://studentaid.ed.gov/students/attachments/siteresources/LoanForgivenessv4.pdf>.

Another helpful website is <http://www.finaid.org/loans/publicservice.phtml>.

**FINANCIAL AID AND SATISFACTORY ACADEMIC PROGRESS** - To be eligible for federal sources of financial aid, you must maintain satisfactory academic progress as outlined in The Bulletin for the Doctor of Physical Therapy Program. The standards are the same as those required of non-financial aid recipients.

**PAYMENT OF TERM BILLS AND DISBURSEMENT OF AID** - **You should be prepared with adequate personal funds to meet out-of-pocket expenses at the start of the academic year.**

The **Fall Term Student Account Statement** is generated in mid-July. Payment for all charges not covered by financial aid will be due towards the end of August. Specific billing information and due dates will be included in the July mailing. If you do not pay by the bill due date, a **Late Payment Fee of \$150** will be assessed. Thereafter, late fees will accrue on the unpaid balance of the account at the rate of 1.5% per billing cycle.

The E-bill Notification (**Electronic Student Account Statement**) will be sent to you via your official Columbia University email address. It is your responsibility to activate your UNI in August so that you may access your Columbia University email. Instructions on activating your UNI (email accounts) will be sent out in August. For any additional questions, you can visit Student Administrative Services (SAS) via their website [www.cumc.columbia.edu/student/admin](http://www.cumc.columbia.edu/student/admin).

The University will also have a payment plan available which would enable you and your family to pay tuition and fees billed through the University over several months, rather than in one payment. The payment plan is not a loan. While there is an application fee, there are no interest charges or credit checks. We expect that details about the terms for the 2010-11 payment plan to be available on the University's website after May 1, 2010.

Failure to submit all financial aid forms and loan applications in a timely manner may result in a delay in the disbursement of your funds and an assessment of late fees.

The spring semester payment will be due the third or fourth week of January. You will not be registered as a student for the spring semester, unless the entire fall bill is paid in full by the payment due date in December. Unregistered students may not attend school.

## **R**ULES FOR REFUND AND RETURN OF FINANCIAL AID FUNDS

**R**EFUND POLICY - If you withdraw, take a leave of absence, leave the University without formal notification, or if you are requested to leave, you may be eligible for a refund of all or a portion of your tuition, fees, and dorm charges based on the earlier of the date of formal withdrawal or the documented date of last attendance. The tuition adjustment schedule is found at <http://registrar.columbia.edu/content/refund-rate-withdrawals>. All students will be charged a withdrawal fee of \$75.

**Withdrawal** is defined as dropping the entire academic program in a given term, not a portion of the program. The Director of the Program in Physical Therapy determines the formal withdrawal or date of last attendance to be one of the following:

- The date the student began the school's withdrawal process or officially notified the institution of intent to withdraw.
- The date of last documented academic activity.
- The midpoint of the semester for those students who do not formally withdraw.

The Director of the Program in Physical Therapy also determines the formal start and end date for a **leave of absence**. Students who take a leave of absence greater than 45 days will be subject to the *Refund and Return of Aid Calculation*.

**R**ETURN OF FINANCIAL AID FUNDS - If you have received financial aid, the Office of Student Financial Planning must recalculate eligibility for financial aid, and determine if any financial aid funds must be returned or cancelled.

You will receive a revised award letter based on the new period of attendance and must attend an exit interview with the Office of Student Financial Planning. We must process all award

changes to Title IV, and Columbia-administered funds, and determine if a return of financial aid funds is due, within 45 days of the withdrawal date.

**Title IV Funds Calculation** - Students who received Title IV aid are subject to a recalculation of their eligibility according to the federal "Return of Title IV Funds" formula.

- Title IV funds are the federal financial aid programs authorized under the Higher Education Act of 1965 (as amended) and include the following programs: Federal Direct Subsidized and Unsubsidized Stafford, Federal Direct Graduate PLUS loans, and Federal Perkins loans.
- Allowable charges include tuition and all "billable" fees (including the withdrawal fee) paid directly to Student Financial Services.
- The percentage of Title IV aid returned is determined by dividing the number of used days in a semester by the total number of days in that semester. Scheduled breaks of more than five (5) days are excluded.
- The federal formula is applicable up to the 60% point of the semester. After the 60% point, the student is eligible for 100% of Title IV aid disbursed or scheduled to be disbursed for that semester.
- Students will be requested to approve any post withdrawal or post leave of absence disbursements prior to the calculation of the Return of Title IV funds. The Office of Student Financial Planning will contact a student one time by both email and letter. If there is no response within 10 days, the calculation will not include any late disbursements.

**School Funds and Private Loans Calculation** - Eligibility for school funds (grants/scholarships) and private loan funds will be prorated based on actual costs incurred for the enrolled period.

#### **Columbia University's Responsibility**

- Perform Return of Title IV Funds calculation. Funds will be returned in the following order:
  - Unsubsidized Federal Direct Stafford
  - Subsidized Federal Direct Stafford
  - Federal Perkins Loan
  - Federal Direct Graduate PLUS
  - Institutional Aid
- State aid funds will be returned according to state guidelines.
- External scholarships will be returned according to external granting institution guidelines.
- Private Loans

#### **Student's Responsibility**

- Repay loans according to the terms of the loan program(s).
- Repay any grant funds required by the calculation.
- Repay any funds released to the student because of a credit balance that now have to be returned as part of the Return of Title IV aid formula.
- You must notify our office in writing if you wish to have more loan money returned to the lender than is prescribed by the formula.

**P**OLICY ON FRAUD AND ABUSE IN FINANCIAL AID - The Office of Student Financial Planning for the College of Physicians and Surgeons, the College of Dental Medicine, the Institute of Human Nutrition, and the Programs in Occupational and Physical Therapy is responsible for overseeing the disbursement of educational funds provided by a number of state and federal programs as well as loans and scholarships from Columbia University. These total over \$59 million dollars.

This stewardship includes validating of submitted information, awarding aid, monitoring students' and their families' changing financial circumstances, and dealing effectively and fairly with instances of suspected fraud and abuse.

Information submitted by students and families must be accurate. Changes in personal and family financial circumstances which may change a student's eligibility must be reported, documented, and financial aid packages reexamined, to give the student all potential benefits and to fairly distribute funds.

Discrepancies in reported information and IRS 1040 forms or other income and asset verification materials must be clarified. The Office of Student Financial Planning must, under the law, award funds only to students who prove their eligibility.

We may declare students ineligible for financial aid if there are significant unexplained discrepancies, if students' applications are delayed beyond the filing deadlines published in the Office of Student Financial Planning Handbook, or if there is intentional misrepresentation on the part of the student and his or her family.

Acts of fraud and abuse will result in loss of financial aid eligibility, and may result in termination of matriculation and/or referral to the responsible agency of the federal or state governments for investigation and potential prosecution.

The information in this HANDBOOK is compiled to help students understand the financial aid process at Columbia University's College of Physicians and Surgeons, College of Dental Medicine, Institute of Human Nutrition, and the Programs in Occupational and Physical Therapy. It is as accurate and complete as we can make it at the time of printing. We cannot be responsible for subsequent changes to information or programs over which our office has no control; or for inadvertent omission, misinformation, or typographical errors.