

## Financial Aid Information for Prospective CHM Shared Discovery Students

### INTRO

Many questions can be answered by visiting the medical student web site at [www.finaid.msu.edu/med/default.asp](http://www.finaid.msu.edu/med/default.asp). If your questions are not addressed on the web page, contact the medical advisory staff for assistance.

### COST OF ED

#### 16-17 TUITION AND FEES as CHM YR1

	2 SEMESTERS	3 SEMESTERS
RESIDENT	\$29,506	\$44,259
NONRESIDENT	\$58,142	\$87,213

#### AVERAGE INDEBTEDNESS FOR 2016 GRADUATES

18 graduates without debt	
182 graduates with debt	\$254,164 (includes undergrad & grad/prof studies)
150 of 182 w/resident tuition rates	\$221,238 (includes undergrad & grad/prof studies)
*32 of 182 w/nonresident tuition rates	\$397,485 (includes undergrad & grad/prof studies)

\* The student who remained in Michigan applied for a tuition credit for \$41,991, the equivalent to 12 months of differential between tuition for residents and nonresidents.

For a total cost estimate (including living allowance and books/supplies) for the entire 4 year medical program costs see [www.finaid.msu.edu/read/budchm.pdf](http://www.finaid.msu.edu/read/budchm.pdf)

### BUDGETING INFORMATION

- It is important to live within the budget as grant/loan resources cannot exceed the budget. In other words, your aid resources are limited and you need to utilize a budget plan to ensure you have adequate financial resources.
- The estimate living allowance is \$2052 per month (9 months for fall/spring period & 3 months for summer).
- The budget is just for the student. If you have children and little or no income, you can apply for an increase for dependent living costs.
- Budgets are modest; you may need to reduce personal debt prior to enrolling. Try to establish a cash reserve account for unexpected expenses. Check your credit history as some loans are granted based on your creditworthiness. Try to think about ways to reduce spending so you can minimize borrowing and thereby reduce total educational indebtedness.

### HOW TO APPLY FOR AID

- Create your FSA ID – a username and password – at [www.fafsa.gov](http://www.fafsa.gov). Your FSA ID confirms your identity when you access your financial aid information and electronically sign Federal Student Aid documents.
- It is ok to file the 2015-16 FAFSA at [www.fafsa.gov](http://www.fafsa.gov) before you are admitted. Make sure to release the FAFSA data to MSU -- school code 002290.
- We encourage you to include parental data on the FAFSA (although it is not mandatory) to be considered for all aid programs; parental data is not needed for SAG or Stafford funds. Reporting parental data can only help you secure additional assistance; it will not hurt you.
- MSU will notify you of your aid eligibility via your MSU email address. Make sure to activate your email account.

### SPECIAL CONDITION APPLICATIONS (SCA)

If you have any special circumstances not taken into account on the FAFSA, contact the medical advisory staff to discuss your situation. If appropriate a SCA will be mailed to you, so we can re-evaluate your financial need.

## SOURCES OF FINANCIAL AID

- See **Primary Sources of Financial Aid** ([www.finaid.msu.edu/med/medchart.pdf](http://www.finaid.msu.edu/med/medchart.pdf)) for the typical aid programs.
  - Note: the maximum for a federal Stafford loan is \$40,500 for two semesters of attendance. If you do not have sufficient savings or family support to cover the cost of education, you may need to consider borrowing a more costly loan called a Graduate PLUS. Given that the Graduate PLUS interest rate is 1% higher as compared to the rate for a Stafford loan and the loan origination fee is 4.292%, you should carefully review your expenses for possible budget adjustment before deciding how much Graduate PLUS to accept. Approval a Graduate PLUS loan is based on a good credit record.
- Scholarships
  - The best place to apply for scholarships is with the medical school you will attend.
  - You can also do an online scholarship search (see Outside Scholarships at [www.finaid.msu.edu/sships.asp](http://www.finaid.msu.edu/sships.asp)). An online search takes some work, but could be worth your effort.
- See **Web Resource Links** ([www.finaid.msu.edu/med/medlinks.asp](http://www.finaid.msu.edu/med/medlinks.asp))
  - Other aid programs/web sites (i.e., Armed Forces Scholarship Programs, National Health Services Corp, etc.) are listed that you may wish to investigate.
  - The Association of American Medical Colleges (AAMC) has information for entering medical students as well as residents. Financial Information, Resources, Services, and Tools (FIRST for medical students) offers a full range of information to help with budgeting, credit management and loan repayment. The web site is: [www.aamc.org/services/first](http://www.aamc.org/services/first).

## LOAN REPAYMENT INFORMATION FOR GRADUATES

Medical students rely on federal loans to help meet educational and living costs while in medical school as most are unable to work or do not have sufficient savings or family help. Based on the average indebtedness figures listed for MSUCHM 2014 graduates, many students accumulate a significant amount of educational debt. Two income driven repayment programs—Income Based Repayment and Pay As You Earn—were recently introduced to make repayment more manageable for graduates as well as the Public Service Loan Forgiveness Program. The programs are briefly described below. If you would like more information regarding these programs see [www.ibrinfo.org](http://www.ibrinfo.org), [www.aamc.org/first](http://www.aamc.org/first) or contact one of the medical advisors.

- **Income Based Repayment (IBR)** - This program can significantly reduce monthly payments for high debt/lower income borrowers.
  - Must have “partial financial hardship”. Eligibility is determined annually based on household adjusted gross income, household size, and poverty line amount for state of residence.
  - Payment is 15% of disposable income that is above 150% poverty line for household size
  - The government will pay the borrower’s interest on qualifying subsidized Stafford loans not covered by the reduced payment for up to 3 years.
  - After 25 years of monthly qualifying payments, any remaining balances on the applicable loans will be eligible for forgiveness by the government.
- **Pay As You Earn (PAYE)** – This program can significantly reduce monthly payments for high debt/lower income “new borrowers”. Eligibility and program terms include:
  - Borrower must have Direct Loans. Direct Loan Consolidation may be way to make other federal loans eligible for PAYE.
  - Borrower must meet definition of “new borrower”. One must be a new borrower as of Oct. 1, 2007 and must have received a disbursement of a Direct Loan on or after Oct 1, 2011. This eliminates anyone who had outstanding loans prior to 10/1/2007.
  - Must have “partial financial Hardship”. Eligibility is determined annually based on household adjusted gross income, household size, and poverty line amount for state of residence.
  - Payment is 10% of disposable income that is above 150% poverty line for household size.
  - The government will pay the borrower’s interest on qualifying subsidized Stafford loans not covered by the reduced payment for up to 3 years.
  - After 20 years of monthly qualifying payments, any remaining balances on the applicable loans will be eligible for forgiveness by the government.
- **Public Service Loan Forgiveness (PSLF)** - Under this program, the government will forgive the remaining federal debt after the borrower makes 120 qualified monthly payments while working full-time in certain public service jobs. All payments must be made under the Direct Loan Program. Those pursuing a career in Local, State, or Federal Government, a 501(c) (3) Non-profit Organization, AmeriCorps, the Peace Corps or another Public Service Organization may receive a significant benefit from this program.