Congratulations on your admission to the Tuck School of Business at Dartmouth as a member of the Class of 2016! Getting a Tuck MBA is a major investment decision but it is a long-term investment with high returns for your future.

We understand that financial aid can be a complicated and stressful process especially in the current economy. Attached are several documents we feel will ease the transition as you prepare to matriculate this coming Fall. Please read through this booklet carefully.

We are here to guide you through this process by providing financial counseling to Tuck students in the following areas: assistance in developing budgets, tips on managing living/educational expenses, information regarding loan payment, and other student-related financial matters. We have an open door policy and encourage you to reach out to us any time you have questions or concerns.

If you have any questions about this information or your financial aid package, you may call our office at 603-646-9743 from 9:00 a.m. to 4:30 p.m. Eastern standard time or email tuck.financial.aid@dartmouth.edu. We are also monitoring the Tuck Class of 2016 Facebook page.

All of us in the Financial Aid Office look forward to working with you.

Financial Aid Office
Tuck School of Business at Dartmouth
100 Tuck Hall
Hanover, NH 03755

603-646-9743
603-646-9741 Fax
tuck.financial.aid@dartmouth.edu
http://finaid.tuck.dartmouth.edu
**Financial Aid Office Team**

The Financial Aid Office (FAO) team is committed to helping you fund your education and assisting you with any questions or concerns. We have an open-door policy and invite all students to stop by our office in 101 Chase Hall.

**Diane Bonin**
As director, Diane is responsible for the administration of the financial aid program. Diane's primary role is the development of strategic plans to offer competitive financial aid packages at Tuck. Diane is the point of contact for financial advising for students receiving military benefits.

Phone: 603-646-1571
diane.bonin@tuck.dartmouth.edu

**Sandy Belisle**
In her capacity as financial aid counselor, Sandy is the primary point of contact in the FAO. She participates in awarding and packaging of financial aid and performs the federal verification process and resolves conflicting information. She processes all student loans and basically knows all of the ins and outs of the FAO.

Phone: 603-646-0640
sandy.chambers@tuck.dartmouth.edu

**Kristy Snow**
As assistant director, Kristy maintains FAO website, prepares literature, and works on special projects. She participates in awarding and packaging of financial aid and performs the federal verification process and resolves conflicting information. She also coordinates the scholarship matching process.

Phone: 603-646-3746
kristy.snow@tuck.dartmouth.edu
### Student Budgets for the Academic Year 2014/2015

Federal regulations do not allow living expenses for a student’s partner and dependents to be included in the cost of attendance. You should plan to use your personal resources to cover the additional cost of approximately $5,000 per additional family member.

<table>
<thead>
<tr>
<th></th>
<th>Class of 2016</th>
<th>Class of 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition¹</td>
<td>$61,605</td>
<td>$61,605</td>
</tr>
<tr>
<td>Books and Supplies</td>
<td>1,400</td>
<td>1,400</td>
</tr>
<tr>
<td>Housing²</td>
<td>11,100</td>
<td>13,632</td>
</tr>
<tr>
<td>Miscellaneous and Health Expenses</td>
<td>13,400</td>
<td>16,368</td>
</tr>
<tr>
<td>Program Fee³</td>
<td>4,470</td>
<td>1,680</td>
</tr>
<tr>
<td>Board</td>
<td>1,575</td>
<td>975</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$93,550</strong></td>
<td><strong>$95,660</strong></td>
</tr>
</tbody>
</table>

¹ Tuition costs are for the academic year 2014-15 and are subject to change for 2015-16 academic year.

² First-year student living off-campus may contact the Financial Aid Office to discuss the estimated cost of off-campus housing options.

³ The program fee includes expenses for course materials, transcripts, student activities. The first-year program fee also includes the cost of the standard notebook computer, software, and support for the two-year program.

The budget is based on a 9 month period of enrollment and does not include summer expenses.

We calculate the budget based on a variety of resources:
- Student surveys
- Consumer price index
- Local housing and utilities
- College Board Service
- Inflation

Some of the expenses are based upon estimates such as books, supplies, and miscellaneous expenses. Your actual costs may vary depending on lifestyle and other personal choices. The budget is comprised of direct costs and average costs.

The tuition is set by the Dartmouth College Board of Trustees. Items in the cost of attendance are determined by a committee of Tuck administrators.
Student Account Statement Schedule 2014/2015

It is very important that you budget your funds carefully. The fall term is long and you will want to budget accordingly. Funds do not disburse until the first day of class.

Budget your funds to last through mid-September.

**Fall Term 2014**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 24</td>
<td>Fall tuition, room &amp; board billed</td>
</tr>
<tr>
<td>August 18</td>
<td>Payment due for July billing</td>
</tr>
<tr>
<td>September 1</td>
<td>Fall classes begin for first-year students</td>
</tr>
<tr>
<td>September 8</td>
<td>Fall classes begin for second-year students</td>
</tr>
<tr>
<td>October 6</td>
<td>Fall follow-up billing</td>
</tr>
<tr>
<td>October 31</td>
<td>Payment due for October billing</td>
</tr>
</tbody>
</table>

Budget your funds to last through mid-January.

**Winter Term 2015**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 21</td>
<td>Winter tuition, room and board billed</td>
</tr>
<tr>
<td>December 16</td>
<td>Payment due for November billing</td>
</tr>
<tr>
<td>January 5</td>
<td>Winter classes begin for all students</td>
</tr>
<tr>
<td>January 12</td>
<td>Winter follow-up billing</td>
</tr>
<tr>
<td>February 6</td>
<td>Payment due for January billing</td>
</tr>
</tbody>
</table>

Budget your funds to last through mid-April.

**Spring Term 2015**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 12</td>
<td>Spring tuition, room and board billed</td>
</tr>
<tr>
<td>March 9</td>
<td>Payment due for February billing</td>
</tr>
<tr>
<td>March 23</td>
<td>Spring classes begin for first-year students</td>
</tr>
<tr>
<td>March 24</td>
<td>Spring classes begin for second-year students</td>
</tr>
<tr>
<td>April 9</td>
<td>Spring follow-up billing</td>
</tr>
<tr>
<td>May 4</td>
<td>Payment due for April billing</td>
</tr>
<tr>
<td>May 22</td>
<td>End of year billing</td>
</tr>
<tr>
<td>June 5</td>
<td>Payment due end of year billing</td>
</tr>
</tbody>
</table>

Budget your funds to last until your summer internship begins.

**Summer 2015 (Projected dates)**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30</td>
<td>Interim billed</td>
</tr>
<tr>
<td>July 21</td>
<td>Payment due for July billing</td>
</tr>
</tbody>
</table>
## BUDGET TOOL TU’16
### 2014/2015 Tuition and Fees (billed by the school)

<table>
<thead>
<tr>
<th></th>
<th>Fee</th>
<th>Billing Date</th>
<th>Payment Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tuition</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fall</td>
<td>$20,535</td>
<td>July 25, 2013</td>
<td>August 19, 2013</td>
</tr>
<tr>
<td>Winter</td>
<td>$20,535</td>
<td>November 22, 2013</td>
<td>December 17, 2013</td>
</tr>
<tr>
<td>Spring</td>
<td>$20,535</td>
<td>February 13, 2014</td>
<td>March 10, 2014</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$61,605</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Program Fee</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fall</td>
<td>$1,490</td>
<td>July 25, 2013</td>
<td>August 19, 2013</td>
</tr>
<tr>
<td>Winter</td>
<td>$1,490</td>
<td>November 22, 2013</td>
<td>December 17, 2013</td>
</tr>
<tr>
<td>Spring</td>
<td>$1,490</td>
<td>February 13, 2014</td>
<td>March 10, 2014</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$4,470</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>On-Campus Housing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fall</td>
<td>$3,700</td>
<td>July 25, 2013</td>
<td>August 19, 2013</td>
</tr>
<tr>
<td>Winter</td>
<td>$3,700</td>
<td>November 22, 2013</td>
<td>December 17, 2013</td>
</tr>
<tr>
<td>Spring</td>
<td>$3,700</td>
<td>February 13, 2014</td>
<td>March 10, 2014</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$11,100</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Declining Balance Acct (DBA)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fall</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>$675</td>
<td>July 25, 2013</td>
<td>August 19, 2013</td>
</tr>
<tr>
<td>Non-Resident</td>
<td>$400</td>
<td>July 25, 2013</td>
<td>August 19, 2013</td>
</tr>
<tr>
<td>Winter</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>$450</td>
<td>November 22, 2013</td>
<td>December 17, 2013</td>
</tr>
<tr>
<td>Non-Resident</td>
<td>$325</td>
<td>November 22, 2013</td>
<td>December 17, 2013</td>
</tr>
<tr>
<td>Spring</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>$450</td>
<td>February 13, 2014</td>
<td>March 10, 2014</td>
</tr>
<tr>
<td>Non-Resident</td>
<td>$325</td>
<td>February 13, 2014</td>
<td>March 10, 2014</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$1,100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Overages will be posted to student accounts at the end of each month.

**Dartmouth Health Access Fee**

- Fall: $80, Billing Date: July 25, 2013, Payment Due Date: August 19, 2013
- Winter: $80, Billing Date: November 22, 2013, Payment Due Date: December 17, 2013
- Spring: $80, Billing Date: February 13, 2014, Payment Due Date: March 10, 2014

**Total**: $240

**Health Plan** (Amounts shown are for 13/14 academic year. 14/15 amount will be updated as soon as they are finalized.)

- **Fall**
  - Student: $731, Billing Date: July 25, 2013, Payment Due Date: August 19, 2013
  - Student w/1 dependent: $1,970, Billing Date: July 25, 2013, Payment Due Date: August 19, 2013
  - Student w/2 or more dependents: $2,502, Billing Date: July 25, 2013, Payment Due Date: August 19, 2013
  - Student: $539, Billing Date: November 22, 2013, Payment Due Date: December 17, 2013
  - Student w/1 dependent: $1,454, Billing Date: November 22, 2013, Payment Due Date: December 17, 2013
  - Student w/2 or more dependents: $1,845, Billing Date: November 22, 2013, Payment Due Date: December 17, 2013
  - Student: $917, Billing Date: February 13, 2014, Payment Due Date: March 10, 2014
- **Spring**
  - Student w/1 dependent: $2,471, Billing Date: February 13, 2014, Payment Due Date: March 10, 2014
  - Student w/2 or more dependents: $3,138, Billing Date: February 13, 2014, Payment Due Date: March 10, 2014

**Optional**

- Pre-Enrollment (By Invitation): $700, Billing Date: July 25, 2013, Payment Due Date: August 19, 2013
- Intl. Orientation (Recommended): $700, Billing Date: July 25, 2013, Payment Due Date: August 19, 2013
- TuckBUILDS: $350, Billing Date: July 25, 2013, Payment Due Date: August 19, 2013
- Tuck Outdoor Trips: $650, Billing Date: July 25, 2013, Payment Due Date: August 19, 2013
- Outward Bound (Optional): $1,075, Billing Date: July 25, 2013, Payment Due Date: August 19, 2013
  (includes $100 transportation fee)
If you have an enrolled spouse in the health plan, they will also be charged the Health Access Fee of $90 per term.

International students will be charged $80 per term fee from Dartmouth to cover the services of the Office of Visa and Immigration Services.

All scholarship and institutional loan funds disburse in equal payments of one-third per term. Please budget your funds accordingly. Typically, the fall term is the most costly.

Your financial aid should appear on the billing statement in D-Pay and be credited to your student account. If it does not appear on the statement, you may apply it to your balance due by entering in the amount on D-Pay even if there is no balance due after crediting the remaining financial aid. Failure to do so will result in a late fee which will not be waived.
Your Financial Aid Package

Every student who applies for financial aid at Tuck will receive a financial aid award package. The financial aid award package can be a combination of need based and non-need based aid.

The estimated family contribution on your FAFSA determines your need based aid. This number is determined by the Federal Methodology need analysis formula approved by Congress. The EFC is either calculated when you complete your FAFSA or by the financial aid office based on documentation received. The difference between the cost of attendance (COA) and the EFC is your financial need. This is how we determine eligibility for need-based financial aid. You can replace your EFC with non-need based funding.

\[
\text{COA} - \text{EFC} = \text{Need based aid}
\]

The financial aid award will include all of the loans you are eligible for.

**Need Based**
- Scholarships/Fellowships
- Tuck 5% loan
- Federal Perkins loan

**Non-Need Based**
- Scholarships/Fellowships
- Federal Direct Unsubsidized loan
- Private educational loans
- Federal Direct Graduate Plus loan

**Sample Financial Aid Award Package**

<table>
<thead>
<tr>
<th>SOURCES OF AID</th>
<th>DOLLAR AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fall</td>
</tr>
<tr>
<td>Tuck Scholarship</td>
<td>5,000</td>
</tr>
<tr>
<td>Federal Direct Unsub Loan</td>
<td>6,833</td>
</tr>
<tr>
<td>Other loan resources</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AWARD</strong></td>
<td></td>
</tr>
</tbody>
</table>

**COST OF EDUCATION**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition</td>
<td>61,605</td>
</tr>
<tr>
<td>Books and Supplies</td>
<td>1400</td>
</tr>
<tr>
<td>Housing</td>
<td>11,100</td>
</tr>
<tr>
<td>Miscellaneous and Health Expenses</td>
<td>13,400</td>
</tr>
<tr>
<td>Program Fee</td>
<td>4,470</td>
</tr>
<tr>
<td>Board</td>
<td>1,575</td>
</tr>
<tr>
<td><strong>TOTAL COST</strong></td>
<td><strong>$93,550</strong></td>
</tr>
</tbody>
</table>

$93,550 (COA) - $35,500 (Total Award) = $58,050 eligibility through other loan resources (i.e. private educational loans or Federal Direct Graduate Plus loan)
Loan Information

Tuck offers need-based and non-need-based loan programs for U.S. citizens, permanent U.S. residents, and international students. Below is a brief chart including basic information about the loan programs available. Detailed information is included on our website.

<table>
<thead>
<tr>
<th>Loan</th>
<th>Amount</th>
<th>Need-Based/Non-Need Based</th>
<th>Interest Rate</th>
<th>Fees</th>
<th>Grace Period</th>
<th>Repayment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Direct Unsubsidized Loan</td>
<td>$20,500</td>
<td>Non-Need</td>
<td>5.41%*</td>
<td>1.051%</td>
<td>6-month</td>
<td>10-25 years depending upon amount of debt</td>
</tr>
<tr>
<td>Tuck 5% Loan</td>
<td>$10,000</td>
<td>Need</td>
<td>5%</td>
<td>0</td>
<td>3-month</td>
<td>10 years</td>
</tr>
<tr>
<td>Perkins</td>
<td>$8,000</td>
<td>Need</td>
<td>5% subsidized while in-school</td>
<td>0</td>
<td>9-month</td>
<td>10 years</td>
</tr>
<tr>
<td>Federal GRAD Plus Loan</td>
<td>Up to cost of education less other aid</td>
<td>Non-Need</td>
<td>6.41%*</td>
<td>4.204%</td>
<td></td>
<td>10-25 years depending upon amount of debt</td>
</tr>
<tr>
<td>Discover Custom Graduate Loan – For students w/o SSN</td>
<td>Up to $66,500 as determined by the FAO</td>
<td>Non-Need</td>
<td>Prime Index plus 3.50% (currently at 6.75% APR)</td>
<td>0</td>
<td>9-month</td>
<td>20 years</td>
</tr>
<tr>
<td>Private Educational Loans</td>
<td>Up to cost of education less other aid</td>
<td>Non-Need</td>
<td>Varieties by lender; typically based on credit</td>
<td>Varieties by lender</td>
<td>Varieties by lender</td>
<td>Varieties by lender</td>
</tr>
<tr>
<td>Dartmouth Educational Loan Corporation (DELC) Loans</td>
<td>Up to $60,000 per year</td>
<td>Need</td>
<td>6.5%</td>
<td>0</td>
<td>3-month</td>
<td>10 years</td>
</tr>
</tbody>
</table>

*Federal loan interest rates are subject to change for the 2014/15 academic year on June 1, 2014.

All of the loans are subject to lender conditions. Students may have to complete an application process with the lender which may include a credit check.
What Does My Financial Aid Cover?

Tuck’s financial aid budget is extremely generous depending upon your lifestyle. We feel that it’s important for students to have the Tuck “experience” while remaining within the guidelines set by the Department of Education.

What is covered?

Program Fee
Books and supplies
Computer

Health and miscellaneous expenses are considered and include items such as:
- Student health insurance plan
- Additional health costs such as health access fee, co-pay, and prescriptions
- Groceries/Dining Out
- Toiletries
- Professional and seasonal clothing
- Auto insurance and maintenance
- Local travel expenses
- Recreation allowance
- Personal belonging expenses such as insurance and storage

Pre-enrollment Program (by invitation)
Housing and board
Tuition

What is not covered?

Club trips/expenses
Dependent expenses
Engagement ring
Outward Bound
Pet care
Recruiting travel
Spring break
Vacation travel
Consumer debt (car loans, prior student loans, credit cards)

Special Circumstances

- Learning Expeditions: The cost to participate in a Learning Expedition can be added to a student’s cost of attendance on an individual basis. The ability to obtain funding will depend on the creditworthiness of the student.
- Professional Judgment: The financial aid office has provisions to use professional judgment. If you believe the financial information on your financial aid application does not reflect your current ability to pay because of unusual circumstances or expenses, you should speak with the Financial Aid Team.
Financial Aid 2013/2014 Overview

Do you wonder how many Tuck students receive financial aid? What types of aid do they receive? Below are financial aid figures and the breakdown of funding for the 2013/2014 academic year.

- 67% of the students enrolled accepted some form of financial aid
- The average amount of aid per student was $59,759
- The average MBA debt of the class of 2013 of those who borrowed financial aid is $96,170.
Student Financial Services

Student Financial Services is responsible for the billing and collection of student tuition and fees as well as non-student receivables and the operation of all College student loan programs.

Student Account

Your student account number is your Dartmouth Student ID number (DID)

Direct expenses are billed to your student account (refer to Billing Schedule and Budget Tool)

All aid disburses in three equal installments on the first day of class. Check BannerStudent for any outstanding requirements that need to be fulfilled prior to funds disbursing into your student account.

Credit Refund Checks

Credit refunds are now student initiated via an online “Refund Request” form. Paper checks will still be available, however, we now offer two new refund options.

The Refund Options Are:

1. Direct deposit to a new Sallie Mae No Fee Student Checking Account
2. Direct deposit to any US savings/checking account
3. Paper check mailed directly from Sallie Mae

For more information and details on the timing to receive your refund, please go to: http://www.dartmouth.edu/~control/student/refunds.html

The Two Steps For Requesting Online Refunds:

1. Log into the D-Pay system and pick a refund option on the new D-Pay Refund Disbursement tab.
2. Submit a "Refund Request" via Student Self-Service(Banner Student) at: http://www.dartmouth.edu/bannerstudent/

Things To Consider In Requesting Your Refund:

- You need to have D-Pay access and know your user name and password.
- You must be checked-in for the term for your financial aid to disburse, therefore possibly resulting in a credit balance.
- If you wait to request your fund until after the next term bill has been run, you will need to contact our office to manually request the refund.
- If your student or family health plan charges have not been billed to your student account yet, we suggest that you leave enough funds in your student account to cover these expenses. If you are unsure of these charges, please review the Budget Tool.
- If you normally have Dartmouth rent billed to your student account, you may want to consider leaving funds in your account to cover future rent and heat charges.
Billing

Bills are distributed online via D-Pay. You will receive two bills per term (initial and follow-up). Please refer to the Billing Schedule for dates.

The amount due must be paid by the due date or Dartmouth College will assess a late fee of 1.5% of the outstanding balance.

All financial aid can be applied to the term bill even though the payment may be due prior to classes beginning and the disbursement of funds.

If you need to adjust the amount due because of financial aid not reflected, funding from other sources, or to make corrections, click on the "Submit Via Adjustment Form" link within D-Pay.

Private educational loan and/or any company sponsorship will not show as a credit on the statement for any of the terms. You must log onto D-Pay, click on the "Submit Via Adjustment Form."

Payment methods: cash, check, electronic check via D-Pay or wire transfer

Mailing address:

Student Financial Services
Dartmouth College
6132 McNutt, Room 103
Hanover, NH 03755-3541

Byrne Declining Balance Account (DBA)

For use in Byrne Hall. This is also referred to as Board or Meal Plan. The initial balance is billed to your student account.

Charges exceeding the initial balance will be billed monthly to your student account.

Balances up to $50 can be carried over from fall to winter; winter to spring. Spring term must be used or you will lose the remaining amount.

You can monitor your DBA online at www.dartmouth.edu/~dartcard/

Discretionary Account

Designed to be a prepaid declining balance account for on campus purposes. You can prepay online, via email, or phone with Visa/MasterCard or by mail with a check, or at the card office with cash, check or Visa/Mastercard. Or up to a $100 credit.
You can use your discretionary account for washer/dryers in Tuck dorms, campus eating establishments OTHER than Byrne and for tickets to the Hopkins Center, Dartmouth Athletics, and Skiway.

You can monitor your Discretionary Account at www.dartmouth.edu/~dartcard/

**Administrative Fees and Fines Account**

Types of charges include parking violations ($100 in fire lane); lost student ID cards ($25) and late registration fees ($50).

Students with balances greater than $150 will be placed on registration hold until the balance is paid in full.

Monitor your DBA at www.dartmouth.edu/~dartcard/

**Wire Transfer**

Bank of America  
63 South Main Street  
Hanover, NH

ABA Routing No.: 026-009-593

Swift Code No.: BOFAUS3N  
For credit to Account Name: Trustees of Dartmouth College  
Account No. 0000002-68887

Attention: Tuck School for <student name and Dartmouth ID No.>

**ECSI**

If you have an institutional loan fund, Dartmouth uses ECSI.net as its loan servicer.
Know Your Credit...

We encourage you to obtain a copy of your credit report by May 1st to ensure accuracy and clear up any discrepancies prior to matriculation.

Did you know...?
You are entitled to one free credit report per year from each of the three major credit reporting agencies:

TransUnion      Experian      Equifax

Go to www.annualcreditreport.com for your free copy!

Improve Your Credit Score
- Pay your bills on time
- Catch up on delinquencies
- Keep balances low on credit cards
  - Reduce to 30% of credit line
- Reduce debt instead of moving it
  - Watch out for balance transfers
- Don’t close accounts except paying off delinquent accounts
- Don’t open new accounts to increase available credit

What makes up your credit score?
- Payment history 35%
- Balances owed 30%
- Length of credit history 15%
- Inquiries/new credit 10%
- Types of credit in use 10%
  - Mortgage
  - Student loans
  - Credit cards
  - Retail accounts

Additional Resources
GreenPath
http://www.greenpath.com

Debt/Salary Wizard is helpful for planning
http://www.mappingyourfuture.org/Paying/debtwizardInt/index.cfm
Useful Debt Management Web Sites

In an effort to help you fund your education at Tuck, we have provided some useful websites for you to review. As you prepare for matriculation in the Fall, we recommend that you obtain a copy of your credit report and begin clearing up any questionable issues.

Annual Credit Report

Annual Credit Report
This central site allows you to request a free credit report, once every 12 months from each of the nationwide consumer credit reporting companies: Equifax, Experian and TransUnion.

https://www.annualcreditreport.com/crack/index.jsp

Credit Reporting Companies

Equifax
Equifax compiles credit reporting data from many sources and creates a credit file that reflects your personal credit history.

http://www.equifax.com

Experian
Check your personal credit report and learn what factors can positively or negatively effect credit reports & credit scores.

http://www.experian.com

TransUnion
TransUnion offers credit score information and services for consumers and business.

http://www.transunion.com

Credit Scoring

Fair, Isaac
Credit education, calculators, FICO scores, credit reporting agencies

http://www.myfico.com

Calculators

Bank Rate
Credit cards, mortgages, autos,

http://www.bankrate.com/brm/rate/calc
managing your money, investing, etc.

Fair, Isaac
Mortgages, autos, all types of loans, savings, budgeting, investing, retirement, etc.
http://www.myfico.com

FinAid
Calculators, scholarship search, other types of aid
http://www.finaid.org

The NHHEAF Network
Calculators, budgeting, repayment plans
http://nhheaf.org/index.asp?page=events_calculators

Credit Counseling

National Foundation of Credit Counseling
List of Consumer Credit Counseling Service offices, which provide counseling on credit, debt management, and budgeting at no cost or for a reasonable fee
http://www.nfcc.org

GreenPath
Provides counseling on credit, debt management, and budgeting at low or no cost to people in New Hampshire and Vermont
http://www.greenpath.com

General Debt Management Information

Smart Money
http://www.smartmoney.com/debt
The Center for Debt Management
http://www.center4debtmanagement.com

Prevent Credit Fraud

- Don’t leave printed personal information lying around
- Secure your computer
- Be smart about selecting passwords
- Minimize use of your social security number
- Shred any mail with your account number before throwing away
- Notify card issuers immediately if billing statements are incorrect OR if you don’t receive a statement
- Monitor your credit report regularly – you are entitled to a free copy once a year
Financial Aid Vocabulary

Financial aid has its own vocabulary. To help you speak the language, here are the most commonly used acronyms and terms.

- COA: Cost of Attendance
- CPS: Central Processing System
- ED: US Department of Education
- EFC: Expected Family Contribution
- EFT: Electronic Funds Transfer
- FAA: Financial Aid Administrator
- FAFSA: Free Application for Federal Student Aid
- FAO: Financial Aid Office
- FFELP: Federal Family Education Loan Program
- FM: Federal Methodology
- IM: Institutional Methodology
- IRS: Internal Revenue Service
- ISIR: Institutional Student Information Report
- PJ: Professional Judgment
- SAP: Satisfactory Academic Progress
- SAR: Student Aid Report
- VA: Veterans Administration

**1040 Form, 1040A Form, 1040EZ Form** - The U.S. Federal Income Tax Return.

**1099 Form** - Form used by business to report income paid to a non-employee. Banks use this form to report interest income.

**401(k)** - A popular type of retirement fund. It is legal to borrow money from your 401(k) to help pay for you or your children’s education.

**Academic Year** - The period during which school is in session, consisting of at least 30 weeks of instructional time. The school year typically runs from the beginning of September through the end of May at most colleges and universities.

**Accrue** - To accumulate.

**Alternative Loans** - See Private Loans.

**Amortization** - The process of gradually repaying a loan over an extended period of time through periodic installments of principal and interest.

**Appeal** - A formal request to have a financial aid administrator review your aid eligibility and possibly use Professional Judgment to adjust the figures. For example, if you believe the financial information on your financial aid application does not reflect your family's current ability to pay (e.g., because of death of a parent, unemployment or other unusual circumstances), you should definitely make an appeal. The financial aid
administrator may require documentation of the special circumstances or of other information listed on your financial aid application.

**Asset** - An item of value, such as a family's home, business, and farm equity, real estate, stocks, bonds, mutual funds, cash, certificates of deposit (CDs), bank accounts, trust funds and other property and investments.

**Asset Protection Allowance** - A portion of your assets that are not included in the calculation of the estimated family contribution, as calculated by the Federal Methodology need analysis formula. The asset protection allowance increases with age.

**Award Letter** - An official document issued by a school's financial aid office that lists all of the financial aid awarded to the student. This letter provides details on their analysis of your financial need and the breakdown of your financial aid package according to amount, source and type of aid. The award letter will include the terms and conditions for the financial aid and information about the cost of attendance. Some schools call the award letter the "Financial Aid Notification (FAN)".

**Award Year** - The academic year for which financial aid is requested (or received).

**Base Year** - The tax year prior to the academic year (award year) for which financial aid is requested. The base year runs from January 1 through December 31. Financial information from this year is used to determine eligibility for financial aid.

**Borrower** - The person who receives the loan.

**Campus-based Aid** - Financial aid programs are administered by the college. The federal government provides the college with a fixed annual allocation, which is awarded by the financial aid administrator to deserving students. Such programs include the Perkins Loan and Federal Work-Study. Note that there is no guarantee that every eligible student will receive financial aid through these programs, because the awards are made from a fixed pool of money. This is a key difference between the campus-based loan programs and the Direct Loan Program. Do not confuse the two, even though both loans are issued through the schools.

**Cancellation** - Some loan programs provide for cancellation of the loan under certain circumstances, such as death or permanent disability of the borrower. Some of the Federal student loan programs have additional cancellation provisions. For example, if the student becomes a teacher in certain national shortage areas, they may be eligible for cancellation of all or part of the balance of their educational loans. Repayment assistance is available if you serve in the military; the military pays off a portion of your loans for every year of service.

**Capital Gain** - An increase in the value of an asset such as stocks, bonds, mutual funds and real estate between the time the asset was purchased and the time the asset was sold.

**Capitalization** - The practice of adding unpaid interest charges to the principal balance of an educational loan, thereby increasing the size of the loan. Interest is then charged on the new balance, including both the unpaid principal and the accrued interest. Capitalizing the interest increases the monthly payment and the amount of money you will eventually have to repay. If you can afford to pay the interest as it accrues, you are better off not capitalizing it. Capitalization is sometimes called compounding. See also Unsubsidized Loans.

**Collateral** - Property that is used to secure a loan. If the borrower defaults on the loan, the lender can seize the collateral. For example, a mortgage is usually secured by the house purchased with the loan.

**Compounded Interest** - Interest that is paid on both the principal balance of the loan and on any accrued (unpaid) interest. Capitalizing the interest on an unsubsidized Stafford loan is a form of compounding.

**Consolidation Loan** - (Also called Loan Consolidation) A loan that combines several student loans into one bigger loan from a single lender. The consolidation loan is used to pay off the balances on the other loans.
**Cosigner** - A cosigner on a loan assumes responsibility for the loan if the borrower should fail to repay it.

**Cost of Attendance (COA)** - (Also known as the cost of education or "budget") The total amount it should cost the student to go to school, including tuition and fees, room and board, allowances for books and supplies, transportation, and personal and incidental expenses. Loan fees, if applicable, may also be included in the COA. Child care and expenses for disabilities may also be included at the discretion of the financial aid administrator.

**Credit Rating** - An evaluation of the likelihood of a borrower to default on a loan. Credit bureaus and credit reporting agencies provide this information to banks and businesses to help them decide whether to issue a loan or extend credit. Your credit rating may include your payment history, a list of current and past credit accounts and their balances, employment and personal information and a history of past credit problems.

People who make all their payments on time are considered good credit risks. People who are frequently delinquent in making their payments are considered bad credit risks. Defaulting on a loan can hurt your credit rating.

**Default** - A loan is in default when the borrower fails to pay several regular installments on time (i.e., payments overdue by 180 days) or otherwise fails to meet the terms and conditions of the loan. If you default on a loan, the college, the holder of the loan, the state government and the federal government can take legal action to recover the money, including garnishing your wages and withholding income tax refunds. Defaulting on a government loan will make you ineligible for future federal financial aid, unless a satisfactory repayment schedule is arranged, and can affect your credit rating.

**Deferment** - Occurs when a borrower is allowed to postpone repaying the loan. If you have a subsidized loan, the federal government pays the interest charges during the deferment period. If you have an unsubsidized loan, you are responsible for the interest that accrues during the deferment period. You can still postpone paying the interest charges by capitalizing the interest, which increases the size of the loan. Most federal loan programs allow students to defer their loans while they are in school at least half time. If you don't qualify for a deferment, you may be able to get a forbearance. You can't get a deferment if your loan is in default.

**Delinquent** - If the borrower fails to make a payment on time, the borrower is considered delinquent and late fees may be charged. If the borrower misses several payments, the loan goes into default.

**Dependent** - For a child or other person to be considered your dependent, they must live with you and you must provide them with more than half of their support. Spouses do not count as dependents in the Federal Methodology. You and your spouse cannot both claim the same child as a dependent. (See also *Independent*.)

**Disbursement** - The release of loan funds to the school for delivery to the borrower. The payment will be made co-payable to the student and the school. Loan funds are first credited to the student's account for payment of tuition, fees, room and board and other school charges. Any excess funds are then paid to the student in cash or by check. Unless the loan amount is under $500, the disbursement will be made in at least two equal installments.

**Discharge** - To release the borrower from his or her obligation to repay the loan. See also *Cancellation*.

**Disclosure Statement** - Provides the borrower with information about the actual cost of the loan, including the interest rate, origination, insurance, loan fees and any other types of finance charges. Lenders are required to provide the borrower with a disclosure statement before issuing a loan.

**Due Diligence** - If a borrower fails to make payments on their loan according to the terms of the promissory note, the federal government requires the lender, holder or servicer of the loan to make frequent attempts to contact the borrower (via telephone and mail) to encourage him or her to repay the loan and make arrangements to resolve the delinquency.
**Electronic Data Exchange (EDE)** - Program used by participating schools to electronically receive SARs from the federal processor. At some schools EDE allows students to electronically file their Free Application for Federal Student Aid (FAFSA).

**Electronic Funds Transfer (EFT)** - Used by some schools and lenders to wire funds for Stafford and PLUS loans directly to participating schools without requiring an intermediate check for the student to endorse. The money is transferred electronically instead of using paper, and hence is available to the student sooner. If you have a choice of funds transfer methods, use EFT.

**Eligible Non-Citizen** - Someone who is not a US citizen but is nevertheless eligible for Federal student aid. Eligible non-citizens include US permanent residents who are holders of valid green cards, US nationals, holders of form I-94 who have been granted refugee or asylum status and certain other non-citizens. Non-citizens who hold a student visa or an exchange visitor visa are not eligible for Federal student aid.

**Endowment** - Funds owned by an institution and invested to produce income to support the operation of the institution. Many educational institutions use a portion of their endowment income for financial aid. A school with a larger ratio of endowment per student is more likely to give larger financial aid packages.

**Entrance Interview** - Students with educational loans are required to meet with a financial aid administrator before they receive their first loan disbursement and again before they graduate or otherwise leave school. During these counseling sessions, called entrance and exit interviews, the FAA reviews the repayment terms of the loan and the repayment schedule with the student.

**Equity** - The dollar value of your ownership in a piece of property. See Home Equity.

**Exit Interview** - Students with educational loans are required to meet with a financial aid administrator before they graduate or otherwise leave school. During these counseling sessions, called entrance and exit interviews, the FAA reviews the repayment terms of the loan and the repayment schedule with the student.

**Expected Family Contribution (EFC)** - The amount of money that the family is expected to be able to contribute to the student's education, as determined by the Federal Methodology need analysis formula approved by Congress. The EFC includes the parent contribution and the student contribution, and depends on the student's dependency status, family size, number of family members in school, taxable and nontaxable income and assets. The difference between the COA and the EFC is the student's financial need, and is used in determining the student's eligibility for need-based financial aid. If you have unusual financial circumstances (such as high medical expenses, loss of employment or death of a parent) that may affect your ability to pay for your education, tell your financial aid administrator (FAA). He or she can adjust the COA or EFC to compensate. See Professional Judgment.

**Federal Family Education Loan Program (FFELP)** - Includes the Federal Stafford Loan (Subsidized and Unsubsidized), the Federal Perkins Loan and the Parent Loan for Undergraduate Students (PLUS). The funds for these loans are provided by private lenders, such as banks, credit unions and savings & loan associations. These loans are guaranteed against default by the federal government.

**Federal Methodology** - The need analysis formula used to determine the EFC. The Federal Methodology takes family size, the number of family members in college, taxable and nontaxable income and assets into account. Unlike most Institutional Methodologies, however, the Federal Methodology does not consider the net value of the family residence.

**Federal Processor** - The organization that processes the information submitted on the Free Application for Federal Student Aid (FAFSA) and uses it to compute eligibility for federal student aid. There are two different federal processors serving specific geographic regions.

**Fellowship** - A form of aid given to graduate students to help support their education. Some fellowships include a tuition waiver or a payment to the university in lieu of tuition. Most fellowships include a stipend to cover
reasonable living expenses (e.g., just above the poverty line). Fellowships are a form of gift aid and do not have to be repaid.

**Financial Aid** - Money provided to the student and the family to help them pay for the student’s education. Major forms of financial aid include gift aid (grants and scholarships) and self-help aid (loans and work).

**Financial Aid Administrator (FAA)** - A college or university employee who is involved in the administration of financial aid. Some schools call FAAs "Financial Aid Advisors" or "Financial Aid Counselors".

**Financial Aid Office (FAO)** - The college or university office that is responsible for the determination of financial need and the awarding of financial aid.

**Financial Aid Package** - The complete collection of grants, scholarships, loans and work-study employment from all sources (federal, state, institutional and private) offered to a student to enable them to attend the college or university. Note that unsubsidized Stafford loans and PLUS loans are not considered part of the financial aid package, since these financing options are available to the family to help them meet the EFC.

**Fixed Interest** - In a fixed interest loan, the interest rate stays the same for the life of the loan.

**Forbearance** - During a forbearance the lender allows the borrower to temporarily postpone repaying the principal, but the interest charges continue to accrue, even on subsidized loans. The borrower must continue paying the interest charges during the forbearance period. Forbearances are granted at the lender’s discretion, usually in cases of extreme financial hardship or other unusual circumstances when the borrower does not qualify for a deferment. You can’t receive a forbearance if your loan is in default.

**Free Application for Federal Student Aid (FAFSA)** - Form used to apply for Pell Grants and all other need-based aid. As the name suggests, no fee is charged to file a FAFSA.

**Grace Period** - A short time period after graduation during which the borrower is not required to begin repaying his or her student loans. The grace period may also kick in if the borrower leaves school for a reason other than graduation or drops below half-time enrollment. Depending on the type of loan, you will have a grace period of six months (Stafford Loans) or nine months (Perkins Loans) before you must start making payments on your student loans. The PLUS Loans do not have a grace period.

**Graduate PLUS Loan** - Federal loans available to graduate and professional students to help finance their education. Students may borrow up to their cost of attendance minus other estimated financial assistance in the FFEL program. PLUS loans may be used to pay the EFC. The requirements include a determination that the applicant does not have an adverse credit history, repayment beginning on the date of the last disbursement of the loan, and a fixed interest rate of 8.5 percent. Students must complete the FAFSA, and must have applied for their annual loan maximum eligibility under the Federal Subsidized and Unsubsidized Stafford Loan Program before applying for a Graduate/Professional PLUS loan.

**Graduated Repayment** - A schedule where the monthly payments are smaller at the start of the repayment period and gradually become larger.

**Grant** - A type of financial aid based on financial need that the student does not have to repay.

**Gross Income** - Income before taxes, deductions and allowances have been subtracted.

**Guarantee Agency or Guarantor (federal loans)** - State agencies responsible for approving student loans and insuring them against default. Guarantee agencies also oversee the student loan process and enforce federal and state rules regarding student loans.
**Guarantor/Sponsor** - This may be required if you do not pass the credit worthy test for the Dartmouth institutional loan program.

**Guarantee Fee** - A small percentage of the loan that is paid to the guarantee agency to insure the loan against default. The insurance fee is usually 1% of the loan amount (and by law cannot exceed 3% of the loan amount).

**Guaranteed Student Loan (GSL)** - (Now called the Stafford Loan.) A guaranteed loan is insured against default. In the case of guaranteed student loans, the Federal government agrees to repay the loans in case of default. Each loan is charged a guarantee fee to cover the costs of defaulted loans.

**Holder** - The lender, institution or agency that holds legal title to a loan. The holder may be the bank that issued the loan, a secondary market that purchased the loan from the bank or a guarantee agency if the borrower defaulted on the loan.

**Income** - The amount of money received from employment (salary, wages, tips), profit from financial instruments (interest, dividends, capital gains), or other sources (welfare, disability, child support, Social Security and pensions).

**Income Contingent Repayment** - Under an income contingent repayment schedule, the size of the monthly payments depends on the income earned by the borrower. As the borrower's income increases, so do the payments. The income contingent repayment plan is not available for PLUS Loans.

**Installment Loan** - A consumer loan in which the principal and interest are repaid on a regular (usually monthly) schedule. The payments are called "installments" and are all for the same amount.

**Institutional Methodology (IM)** - If a college or university uses its own formula to determine financial need for allocation of the school's own financial aid funds, the formula is referred to as the Institutional Methodology.

**Institutional Student Information Report (ISIR)** - The electronic version of SARs delivered to schools by EDExpress.

**Interest** - Amount charged to the borrower for the privilege of using the lender's money. Interest is usually calculated as a percentage of the principal balance of the loan. The percentage rate may be fixed for the life of the loan, or it may be variable, depending on the terms of the loan.

**Lender** - A bank, credit union, savings & loan association, or other financial institution that provides funds to the student or parent for an educational loan. Note: Some schools now participate in the Federal Direct Loan program and no longer use a private lender, since loan funds are provided by the US Government.

**Loan** - A type of financial aid which must be repaid, with interest. The federal student loan programs (FFELP and FDSLP) are a good method of financing the costs of your college education. These loans are better than most consumer loans because they have lower interest rates and do not require a credit check or collateral. The Stafford Loans and Perkins Loans also provide a variety of deferment options and extended repayment terms.

**Loan Forgiveness** - The federal government cancels all or part of an educational loan because the borrower meets certain criteria (e.g., is performing military or volunteer service).

**Maturity Date** - The date when a loan comes due and must be repaid in full.

**Merit-based** - Financial aid that is merit-based depends on your academic, artistic or athletic merit or some other criteria, and does not depend on the existence of financial need. Merit-based awards use your grades, test scores, hobbies and special talents to determine your eligibility for scholarships.
Need - The difference between the COA and the EFC is the student’s financial need -- the gap between the cost of attending the school and the student’s resources. The financial aid package is based on the amount of financial need. The process of determining a student’s need is known as need analysis.

Cost of Attendance (COA) minus Expected Family Contribution (EFC) = Financial Need

Need Analysis - The process of determining a student’s financial need by analyzing the financial information provided by the student and his or her parents (and spouse, if any) on a financial aid form. The student must submit a need analysis form to apply for need-based aid. Need analysis forms include the Free Application for Federal Student Aid (FAFSA) and the Financial Aid PROFILE.

Need-Based - Financial aid that is need-based depends on your financial situation. Most government sources of financial aid are need-based.

Need-Blind - Under need-blind admissions, the school decides whether to make an offer of admission to a student without considering the student’s financial situation. Most schools use a need-blind admissions process. A few schools will use financial need to decide whether to include marginal students in the wait list.

Need-Sensitive - Under need-sensitive admissions, the school does take the student’s financial situation into account when deciding whether to admit him or her. Some schools use need-sensitive admissions when deciding to accept a borderline student or to pull a student off of the waiting list.

Origination Fee - Fee paid to the bank to compensate them for the cost of administering the loan. The origination fees are charged as the loan is disbursed, and typically run to 3% of the amount disbursed. A portion of this fee is paid to federal government to offset the administrative costs of the loan.

Outside Resource - Aid or benefits available because a student is in school and is counted after need is determined. Outside scholarships, prepaid tuition plans and VA educational benefits are examples of outside resources.

Outside Scholarship - A scholarship that comes from sources other than the school and the federal or state government.

Packaging - The process of assembling a financial aid package.

Parent Loans for Undergraduate Students (PLUS) - Federal loans available to parents of dependent undergraduate students to help finance the child’s education. Parents may borrow up to the full cost of their children’s education, less the amount of any other financial aid received. PLUS Loans may be used to pay the EFC. There is a minimal credit check required for the PLUS loan, so a good credit history is required. Check with your local bank to see if they participate in the PLUS loan program. If your application for a PLUS loan is turned down, your child may be eligible to borrow additional money under the Unsubsidized Stafford Loan program.

Paystub - A pay stub, paystub, payslip, or sometimes paycheck stub is a document that an employee receives either as a notice that the direct deposit transaction has gone through, or as part of their paycheck. Typically a pay stub will detail the gross income and all taxes and any other deductions such as retirement plan contributions, insurances, garnishments, or charitable contributions taken out of the gross amount to arrive at the final net amount of the pay.

Perkins Loan - Formerly the National Direct Student Loan Program, the Perkins Loan allows students to borrow up to $6,000/year for graduate school (6 year max). The Perkins Loan has one of the lowest interest rates and is awarded by the financial aid administrator to students with exceptional financial need. The interest on the Perkins Loan is subsidized while the student is in school.

Prepayment - Paying off all or part of a loan before it is due.
**Principal** - The amount of money borrowed or remaining unpaid on a loan. Interest is charged as a percentage of the principal. Insurance and origination fees will be deducted from this amount before disbursement.

**Private Loans** - Education loan programs established by private lenders to supplement the student and parent education loan programs available from federal and state governments.

**Professional Judgment (PJ)** - For need-based federal aid programs, the financial aid administrator can adjust the EFC, adjust the COA, or change the dependency status (with documentation) when extenuating circumstances exist. This delegation of authority from the federal government to the financial aid administrator is called Professional Judgment (PJ).

**Promissory Note** - The binding legal document that must be signed by the student borrower before loan funds are disbursed by the lender. The promissory note states the terms and conditions of the loan, including repayment schedule, interest rate, deferment policy and cancellations. The student should keep this document until the loan has been repaid.

**Repayment Schedule** - The repayment schedule discloses the monthly payment, interest rate, total repayment obligation, payment due dates and the term of the loan.

**Repayment Term** - The term of a loan is the period during which the borrower is required to make payments on his or her loans. When the payments are made monthly, the term is usually given as a number of payments or years.

**Satisfactory Academic Progress (SAP)** - A student must make this in order to continue receiving federal aid. If a student fails to maintain an academic standing consistent with the school's SAP policy, they are unlikely to meet the school's graduation requirements.

**Scholarship** - A form of financial aid given to students to help pay for their education. Most scholarships are restricted to paying all or part of tuition expenses, though some scholarships also cover room and board. Scholarships are a form of gift aid and do not have to be repaid. Many scholarships are restricted to students in specific courses of study or with academic, athletic or artistic talent.

**Secured Loan** - A loan backed by collateral. If you fail to repay the loan, the lender may seize the collateral and sell it to repay the loan. Auto loans and home mortgages are examples of secured loans. Educational loans are generally not secured.

**Selective Service** - Registration for the military draft. Male students who are US citizens and permanent residents have reached the age of 18 and were born after December 31, 1959 must be registered with Selective Service to be eligible for federal financial aid. If the student did not register and is past the age of doing so (18-25), and the school determines that the failure to register was knowing and willful, the student is ineligible for all federal student financial aid programs. The school's decision as to whether the failure to register was willful is not subject to appeal. Students needing help resolving problems concerning their Selective Service registration should call 1-847-688-6888.

**Servicer** - An organization that collects payments on a loan and performs other administrative tasks associated with maintaining a loan portfolio. Loan servicers disburse loans funds, monitor loans while the borrowers are in school, collect payments, process deferments and forbearances, respond to borrower inquiries and ensure that the loans are administered in compliance with federal regulations and guarantee agency requirements.

**Simple Interest** - Interest that is paid only on the principal balance of the loan and not on any accrued interest. Most federal student loan programs offer simple interest. Note, however, that capitalizing the interest on an unsubsidized Stafford loan is a form of compounded interest.
**Simplified Needs Test** - If the student has an adjusted gross income of less than $50,000 and every family member was eligible to file an IRS Form 1040A or 1040EZ (or wasn’t required to file a Federal income tax return), the Federal Methodology ignores assets when computing the EFC. If you filed a 1040 but weren’t required to do so, you may be eligible for the simplified needs test. Details on the eligibility requirements appear on the Simplified Needs Test Chart. (Please note that starting in 2004, the AGI threshold for IRS Form 1040A and IRS Form 1040EZ changed from $50,000 to $100,000. Nevertheless, a threshold of $50,000 is still used for the simplified needs test.)

**Stafford Loans** - Federal loans that come in two forms, subsidized and unsubsidized. Subsidized loans are based on need; unsubsidized loans aren’t. The interest on the subsidized Stafford Loan is paid by the federal government while the student is in school and during the 6 month grace period. The Subsidized Stafford Loan was formerly known as the Guaranteed Student Loan (GSL). The Unsubsidized Stafford Loan may be used to pay the EFC.

Undergraduates may borrow up to $23,000 ($2,625 during the freshman year, $3,500 during the sophomore year and $5,500 during the third, fourth and fifth years) and graduate students up to $65,500 including any undergraduate Stafford loans ($8,500 per year). These limits are for subsidized and unsubsidized loans combined. The difference between the subsidized loan amount and the limit may be borrowed by the student as an unsubsidized loan.

Higher unsubsidized Stafford loan limits are available to independent students, dependent students whose parents were unable to obtain a PLUS Loan and graduate/professional students. Undergraduates may borrow up to $46,000 ($6,625 during the freshman year, $7,500 during the sophomore year and $10,500 during each subsequent year) and graduate students up to $138,500 including any undergraduate Stafford loans ($18,500 per year). These limits are for subsidized and unsubsidized loans combined. The amounts of any subsidized loans are still subject to the lower limits.

**Student Accounts Office** - See Bursar’s Office.

**Student Aid Report (SAR)** - Report that summarizes the information included in the FAFSA and must be provided to your school’s FAO. The SAR will also indicate the amount of Pell Grant eligibility, if any, and the Expected Family Contribution (EFC). You should receive a copy of your SAR four to six weeks after you file your FAFSA. Review your SAR and correct any errors on part 2 of the SAR. Keep a photocopy of the SAR for your records. To request a duplicate copy of your SAR, call 1-319-337-5665.

**Student Contribution** - The amount of money the federal government expects the student to contribute to his or her education and is included as part of the EFC. The SC depends on the student’s income and assets, but can vary from school to school. Usually a student is expected to contribute about 35% of his or her savings and approximately one-half of his summer earnings above $1,750.

**Subsidized Loan** - With a subsidized loan, such as the Perkins Loan or the Subsidized Stafford Loan, the government pays the interest on the loan while the student is in school, during the six-month grace period and during any deferment periods. Subsidized loans are awarded based on financial need and may not be used to finance the family contribution. See Stafford Loans for information about subsidized Stafford Loans. See also **Unsubsidized Loan**.

**Supplemental Loan for Students** - Federal loans for financially independent students. This program was eliminated in 1994 with the creation of the unsubsidized Stafford Loan program.

**Term** - The number of years (or months) during which the loan is to be repaid.

**Title IV Loans** - Title IV of the Higher Education Act of 1965 created several education loan programs which are collectively referred to as the Federal Family Education Loan Program (FFELP). These loans, also called Title IV Loans, are the Federal Stafford Loans (Subsidized and Unsubsidized), Federal PLUS Loans and Federal Consolidation Loans.
**Title IV School Code** - When you fill out the FAFSA you need to supply the Title IV Code for each school to which you are applying. This code is a six-character identifier that begins with one of the following letters: O, G, B, or E. The Financial Aid Information Page provides a searchable database of Title IV School Codes.

**Unmet Need** - In an ideal world, the FAO would be able to provide each student with the full difference between their ability to pay and the cost of education. Due to budget constraints the FAO may provide the student with less than the student's need (as determined by the FAO). This gap is known as the unmet need.

**Unsecured Loan** - A loan not backed by collateral, representing a greater risk to the lender. The lender may require a co-signer on the loan to reduce their risk. If you default on the loan, the co-signer will be held responsible for repayment. Most educational loans are unsecured loans. In the case of federal student loans, the federal government guarantees repayment of the loans. Other examples of unsecured loans include credit card charges and personal lines of credit.

**Unsubsidized Loan** - A loan for which the government does not pay the interest. The borrower is responsible for the interest on an unsubsidized loan from the date the loan is disbursed, even while the student is still in school. Students may avoid paying the interest while they are in school by capitalizing the interest, which increases the loan amount. Unsubsidized loans are not based on financial need and may be used to finance the family contribution. See Stafford Loans for information about unsubsidized Stafford Loans. See also Subsidized Loan.

**Untaxed Income** - Contributions to IRAs, Keoghs, tax-sheltered annuities and 401k plans, as well as worker's compensation and welfare benefits.

**US Department of Education** - Government agency that administers several federal student financial aid programs, including the Federal Pell Grant, the Federal Work-Study Program, the Federal Perkins Loans, the Federal Stafford Loans and the Federal PLUS Loans.

**Variable Interest** - In a variable interest loan, the interest rate changes periodically. For example, the interest rate might be pegged to the cost of US Treasury Bills (e.g., T-Bill rate plus 3.1%) and be updated monthly, quarterly, semi-annually or annually.

**Verification** - Verification is a review process in which the FAO determines the accuracy of the information provided on the student's financial aid application. During the verification process the student will be required to submit documentation for the amounts listed (or not listed) on the financial aid application. Such documentation may include signed copies of the most recent Federal and State income tax returns for you, and your spouse (if any), proof of citizenship, proof of registration with Selective Service, and copies of Social Security benefit statements and W2 and 1099 forms, among other things.

Financial aid applications are randomly selected by the Federal processor for verification, with most schools verifying at least 1/3 of all applications. If there is an asterisk next to the EFC figure on your Student Aid Report (SAR), your SAR has been selected for verification. Schools may select additional students for verification if they suspect fraud. Some schools undergo 100% verification.

If any discrepancies are uncovered during verification, the financial aid office may require additional information to clear up the discrepancies. Such discrepancies may cause your final financial aid package to be different from the initial package described on the award letter you received from the school.

If you refuse to submit the required documentation, your financial aid package will be cancelled and no aid awarded.

**Veteran** - For Federal financial aid purposes such as determining dependency status, a veteran is a former member of the US Armed Forces (Army, Navy, Air Force, Marines or Coast Guard) who served on active duty and was discharged other than dishonorably (i.e., received an honorable or medical discharge). You are a veteran even if you serve just one day on active duty - not active duty for training - before receiving your DD-214 and formal
discharge papers. (Note that in order for a veteran to be eligible for VA educational benefits, they must have served for more than 180 consecutive days on active duty before receiving an honorable discharge. There are exceptions for participation in Desert Storm/Desert Shield and other military campaigns.)

ROTC students, members of the National Guard, and most reservists are not considered veterans.

Since the 1995-96 academic year, a person who was discharged other than dishonorably from one of the military service academies (the U.S. Military Academy at West Point, the Naval Academy at Annapolis, the Air Force Academy at Colorado Springs or the Coast Guard Academy at New London) is considered a veteran for financial aid purposes. Cadets and midshipmen who are still enrolled in one of the military service academies, however, are not considered veterans. According to the US Department of Education’s Action Letter #6 (February 1996), "a student who enrolls in a service academy, but who withdraws before graduating, is considered a veteran for purposes of determining dependency status".

Having a DD-214 does not necessarily mean that you are a veteran for financial aid purposes. As noted above, you must have served on active duty and received an honorable discharge.

**W2 Form** - The form listing an employee’s wages and tax withheld. Employers are required by the IRS to issue a W2 form for each employee before February 28.