

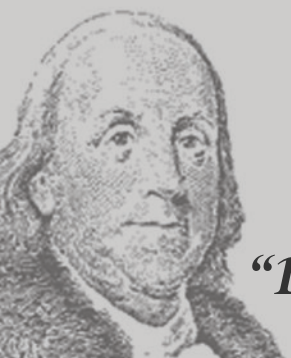


**Penn**  
Student Registration  
& Financial Services

## *Information for* **Law School Financial Aid Recipients**



Academic Year **2018-2019**



*Benjamin Franklin*  
***“Doors of Wisdom Will Never Close.”***

# How Your Financial Need Was Determined

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## The Financial Aid Notice

If you are receiving institutional financial aid, you will receive a financial aid notice detailing your eligibility and the sources of your funding. The top section of this notice will display your expected academic-year cost-of-attendance budget and indicate the expected family (student and parent) contribution. If you are not prepared to use your resources to pay any or all of the expected family contribution, then you may be able to access federal or alternative loan funding. This will, however, lead to a higher debt level at graduation.

## The Cost of Attendance (COA)

Your basic cost of attendance budget includes tuition, fees, books, supplies, allowances for room and board, transportation and miscellaneous expenses (personal items and the health insurance premium\*).

\*As a condition of enrollment, all full-time students are subject to certain requirements, including submission of health and immunization records, coverage for out-patient medical care through the Student Health Service and maintenance of health insurance coverage for in-patient and catastrophic care. Students who do not provide information about their health insurance coverage will be automatically enrolled in the Penn Student Insurance Plan. Detailed information about these requirements is available at the Student Health Service website: [www.vpul.upenn.edu/shs](http://www.vpul.upenn.edu/shs).

## Your Financial Need

Your resources are determined by a careful analysis of the information you and your parents (if applicable) provided on the financial aid application, FAFSA, and tax returns. All potential resources and possible sources of support available to you are considered as follows:

**Assets - Savings, investments, Individual Retirement Accounts, trust funds, etc.** are considered as resources towards your educational experience. The amount listed under assets will be expected from you each year you are in school. If you choose not to use your assets you have the option of applying for additional unsubsidized loan. If your assets are depleted to meet expenses not covered under your standard educational expense budget, Penn funds will not be provided in subsequent years to make up this shortfall except in cases of documented extreme financial hardship. A student whose application indicated assets of less than \$1000 will have the entire amount expected for the 2018-2019 academic year.

**Student Contribution** - You are expected to contribute a minimum amount from your summer and/or academic year income. Several factors affect the determination of your income contribution including: 1) the program in which you are enrolled, 2) your expected grade level in 2018-2019, and 3) your projected summer earnings and expenses.

**Parent Contribution** - Given limited institutional grant aid, parental information may be required for those wishing to be considered for need-based financial aid. If applicable, a contribution is calculated after reviewing your parents' detailed financial statements, their 2017 federal income tax returns, total income from wages, taxable and non-taxable benefits, business income, savings, investments, and home equity. Penn also considers the number of siblings you have that may be enrolled in college and any related educational expenses. In the case of divorce or separation, information from the non-custodial parent may be required.

**Spouse Contribution** - If you are married or plan to be married prior to July 1, 2019, a reasonable contribution toward your educational and living expenses is expected from your spouse, unless your spouse is also a full-time student. Expenses to cover transportation, clothing, personal items, and your spouse's student loan repayments are allowed as an offset against your spouse's income.

**Non-Taxable and Taxable Benefits** - Veterans' Educational Assistance, Social Security, Disability and similar benefits are included as a resource to meet your basic educational and living expenses.

The total of the above resources are subtracted from your Cost of Attendance. The difference is your financial need. Your financial need determines the types and amounts of financial assistance for which you will be eligible.

Your financial need can be met with a combination of grant/scholarships and/or loans. Your financial aid award will indicate the type and amount of University assistance awarded to you. In addition, your aid notice may also include a referral to outside loan sources. The following pages detail sources of funds, eligibility, and how to secure the various sources of aid.

Students who are not eligible for University assistance may wish to obtain funding from outside loan sources such as the Federal Direct Loan, a Federal Direct Graduate PLUS Loan, and/or private alternative loan program. See details on pages 2-5.

 **Review your financial aid notice and become familiar with the funds awarded.**

# UNIVERSITY FINANCIAL AID SOURCES

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If it has been determined that you have financial need, your Financial Aid award may reflect funds from the following sources:

**Grants/Scholarships** - You may have been awarded a grant or scholarship from your school or department. The amount indicated on your Financial Aid Notice will be applied to your student account in equal installments in the Fall and Spring Terms. Certain grants or scholarships may be considered taxable income. Review the tax information on page 10 for further details.

**McKean Loan** - This loan is awarded if you demonstrate exceptional financial need and are a U.S. citizen or permanent resident. The annual interest rate is 5% and the loan is interest-free until repayment, beginning 9 months after the time you graduate or leave Penn. You will receive an email from Heartland ECSI.

 Complete the McKean Loan online.

**Federal Direct Loan Program (Unsubsidized)** - The maximum eligibility amount for a graduate school student is \$20,500 each academic year. Your actual eligibility may be reduced if you receive a large amount of grants or scholarships, as your total funding from all sources may not exceed your Cost of Attendance. The Federal Direct Loan is unsubsidized, meaning the interest accrues during the in-school period. You must maintain satisfactory academic progress by successfully advancing grade levels for each new level of borrowing. See pages 3 and 4 for further details.

The types of financial aid described above are included within your financial aid award. There are, however, other types of financing options to which Penn may refer you to meet your educational expenses. These programs require separate application processes. Available at the University of Pennsylvania are educational financing and payment programs including the Federal Direct Loan, the Direct Grad PLUS Loan, alternative loan programs, a monthly budget plan, and a tuition prepayment plan, to assist you in meeting your educational expenses. See pages 4 and 5 for an overview of these programs.



## ELIGIBILITY FOR FEDERAL ASSISTANCE

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If you were awarded or receive federal funds (Direct Loan or Direct Grad PLUS Loan), you must maintain eligibility by complying with the following:

1. Be enrolled on at least a half-time basis in a degree program.
2. Make satisfactory progress toward the completion of your course of study. Students must complete at least 6 course units with passing grades to progress each academic year and receive additional Direct Loan, or a Direct Grad PLUS Loan.
3. Not be in default on repayment of a Federal Direct Loan or Federal Perkins Loan or owe a refund on a Pell Grant, Supplemental Educational Opportunity Grant, or State Student Incentive Grant programs for attendance at any educational institution.
4. Submit all necessary documents in accordance with financial aid application procedures.

Need-based financial aid awards are generally made independent of any financial assistance you might receive from an outside source or any other University office. If you receive any other award it is your responsibility to report this to Student Registration & Financial Services. Federal regulations require that other financial assistance be considered as a resource in determining financial need. In the majority of cases, your financial aid award will be adjusted by the dollar value of this additional resource. These additional resources include, but are not limited to, departmental grants, Faculty and Staff Scholarships, teaching and research assistantships, fellowships, and any stipends. Your alternative loan, Grad PLUS Loan, or Direct Loan may be reduced if you receive additional financial assistance.

## HOW TO APPLY FOR A DIRECT LOAN

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To begin the process you will need to submit a 2018-2019 FAFSA (Free Application for Federal Student Aid). Our school code is 003378. After we receive the FAFSA, our loan office will create a Direct Loan application for you.

### First Time Borrowers:

- **Eligibility** - We will notify you of your unsubsidized eligibility for the 2018-2019 academic year.
- **Master Promissory Note (MPN)** - With the notification of eligibility you will be instructed to complete your MPN. Please follow the instructions in the letter to complete the Direct Loan process. The Master Promissory Note is valid for ten years.
- **Entrance Interview** - You are required by Federal law to complete an Entrance Interview prior to disbursement. You may complete this requirement online, after you file your MPN, at [www.studentloans.gov](http://www.studentloans.gov)
- **Disbursement** - Your Direct Loan will not disburse until both the MPN and Entrance Interview are completed as well as any other required document for disbursement.

### Returning Borrowers:

- **Eligibility** - We will notify you of your eligibility for the 2018-2019 academic year.
- **Disbursement** - Your Direct Loan will not disburse until all disbursement requirements are met.

### Direct Loan Reductions:

- If you don't wish to borrow the full amount of your Direct loan eligibility, you can reduce the Direct Loan through the Penn Loan System at [www.sfs.upenn.edu/loans](http://www.sfs.upenn.edu/loans).

**Note:** The eligibility amount listed on your Direct Loan notification letter takes into account the total financial aid funding you are receiving at the time of certification. If you receive additional funding, SRFs may be required to reduce your Direct Loan eligibility. Should this happen, you will be notified electronically of the change.

If you plan to apply for a Direct Loan, you should complete the application process as soon as our Student Loan Office notifies you of your eligibility to ensure that you have the money needed for payment of your bill and other expenses, and to avoid the assessment of late payment penalties and financial hold.

## HOW TO APPLY FOR A DIRECT GRADUATE PLUS LOAN

- File a 2018-2019 FAFSA if you haven't done so already
- Login to [studentloans.gov](https://studentloans.gov) - your FAFSA pin is required
- Request a GradPLUS Loan
- Complete a Master Promissory Note

## FEDERAL FUNDING PROGRAMS

	<b>Direct Loan</b> Subsidized/Unsubsidized
<b>Features</b>	Graduate Students may borrow up to \$20,500 per year, \$138,500 aggregate including undergraduate borrowing. Unsubsidized loan is non-need based and can be used to replace student's contributions.
<b>Interest Rate</b>	<b>6% for loans disbursed 7/1/17 - 6/30/18</b> For unsubsidized loans, interest is capitalized at repayment.
<b>Fees*</b>	origination fee of 1.066% (for loans disbursed through 9/30/18)
<b>Eligibility</b>	At least half-time student in a degree program; FAFSA is required before loan can be processed; U.S. citizen or permanent resident; Not in default on prior educational loan. Must make satisfactory academic progress
<b>Repayment</b>	6-month grace period following graduation/leaving school; up to 10 years to repay; \$50 minimum monthly payment;
<b>Disbursement</b>	Twice per loan period by electronic transfer. Entrance interview is required for new borrowers.
<b>Deadline</b>	June 15 or as soon after notification from the SRFS Loan Office in order to receive credit on the fall bill.
<b>How To Apply</b>	File a FAFSA every year. See page 3 for details.
Direct Loans borrowed at the previous variable interest rate will continue to have a variable rate.	

# THE DIRECT GRAD PLUS LOAN AND ALTERNATIVE LOANS

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Many graduate/professional students rely on alternative loans to cover their costs of attendance. While you may have been referred to one of these loans as part of your financial aid awards, you may also borrow through them to cover all or part of your expected family contribution. Doing the latter, however, will increase your overall debt at graduation.

Alternative loans are available either through the Direct Grad PLUS Loan program (Grad PLUS) or a private educational loan program. These programs have different terms and conditions associated with them. Doing research in advance of borrowing could save you money both during school and through repayment.

## Principal differences between Grad PLUS and private alternative loans:

- **Interest Rates:** Private alternative loans generally have variable rates, which rise or fall based on market conditions. The actual rate you are offered most often depends on your credit score. Your rate may start lower than the Grad PLUS fixed rate of 7% (through 6/30/18) however, it could change dramatically between now and your graduation/repayment date. The Grad PLUS rate can only change through an act of Congress. Lenders may offer benefits to reduce the interest rate.
- **Fees:** The Direct Grad PLUS Loan Program origination fee is 4.264% (through 9/30/18). Some alternative loan programs offer no-fee loans, however, all borrowers may not qualify for a no-fee loan.
- **Deferment and Forbearance:** Both alternative loan programs and Grad PLUS loan programs offer deferment and forbearance options (in-school, economic hardship, etc.) to postpone when repayment starts. Length of deferment/forbearance for alternative loan programs may vary by lender.
- **Interest Accrual:** Both private alternative loans and Grad PLUS loans accrue interest while the student is enrolled. However, alternative loans may offer a grace period between the time when a student leaves the University and when the first payment is due. Grad PLUS repayment begins six months after a student ceases to be enrolled at least half time.
- **Credit Checks:** Credit requirements are less stringent for Grad PLUS. Neither lack of credit history nor income-to-debt ratios will negatively impact eligibility.
- **Loan Consolidation:** Grad PLUS may be consolidated with other federal loans, and some private lenders offer private consolidation. In most cases this can extend the length of repayment, thereby lowering your monthly payments. However, this move may substantially increase the cost of your loan as interest is being paid over a longer period of time and because you may lose any benefits offered as part of the original loan you pay off through consolidation.
- **Repayment Options:** Grad PLUS loans offer income-based or income-contingent payment options, which tie your monthly payments to your actual income and may reduce your monthly payment amount.
- **Loan Discharge:** Grad PLUS Loans, as they are federal loans, provide the same death and disability discharge benefits as Direct Loans. Private loans generally do not carry these benefits.

## When should students consider the Grad PLUS?

- If you prefer a fixed rate loan to the uncertainty of a variable rate loan.
- If you don't have great credit.
- If you like the option of consolidating your Grad PLUS loans with other federal loans.
- If you like the further financial security of death/disability discharge benefits for you and/or your estate.
- If you believe you can take advantage of either the Income Based Repayment, Pay As You Earn, or Public Service Cancellation provisions associated with the Direct Grad PLUS Program.

## When should students consider a private alternative loan?

- If you have an excellent credit rating and thus can get a good interest rate on your loan.
- If you plan to pay off the loan quickly, thereby lessening the impact of a higher long-term interest rate while taking advantage of the no origination fee loan.
- If you believe you can get a variable alternative loan at a better interest rate than the fixed Grad PLUS.

## PENN PAYMENT OPTIONS

	Penn Payment Plan	Tuition Prepayment Plan
<b>Features</b>	Budget what is needed to pay for tuition/fees and expenses billed through Penn; not based on financial need analysis; not a loan.	Prepay two, three or four years of tuition/general fee/technology fee to stabilize costs at the level when you join the program.
<b>Interest Rate</b>	None	None
<b>Fees</b>	\$45 enrollment fee per semester	None
<b>Eligibility</b>	Any Penn student	Any Penn student enrolled in a full-time school
<b>Repayment</b>	Four-month payment plans are offered in the Fall and Spring semesters	None
<b>Disbursement</b>	Funds credited to student account once per term in equal disbursements	Tuition/general fee/technology fee/recreation fee paid in August and January for active participants.
<b>Deadline</b>	May 22	
<b>How To Apply</b>	<a href="http://www.sfs.upenn.edu/payment-plan/">www.sfs.upenn.edu/payment-plan/</a>	Contact Student Financial Services. E-mail: <a href="mailto:sfsmail@pobox.upenn.edu">sfsmail@pobox.upenn.edu</a>
Terms and conditions for these programs apply to the 2018-2019 academic year.		



# UNDERSTANDING AND PAYING YOUR BILL

It is important for you to read the insert that accompanies your initial term bill. The following will give you some understanding how funds are applied to your account.

**Scholarships, fellowships, and research and teaching assistantships and departmental grants:** If you were awarded any of these funds, credit will be applied to your student account in accordance with the instructions provided by your department.

**McKean Loan:** Credit will be applied to your student account provided that the enclosed promissory loan note(s) and supporting documents have been properly signed and returned to Student Registration & Financial Services. We are required to credit half of your award to your Fall 2018 student account and the other half to your Spring 2019 student account.

**Federal Direct Loans, Direct Grad PLUS Loans, and Alternative Loans:** Most loans are disbursed to your student account via electronic funds transfer (EFT). Depending on your choice of lender or loan product, you may be required to endorse a student loan check to accept loan funds.

If you are entitled to a refund from any of these funds please refer to Credit Refund Procedures on page 8.

## Payment through the Penn Payment Plan:

If you enroll in the Penn Payment Plan, a credit for the amount you budgeted for the semester will be credited to your bill, provided you have met all terms and conditions. Detailed information on this program can be found at [www.sfs.upenn.edu/payment-plan](http://www.sfs.upenn.edu/payment-plan)

## Penn.Pay

The University bills students through an electronic billing system called Penn.Pay. You will be notified by email at your University assigned email address when your new monthly statement is available for viewing. Penn.Pay enables you, and other payers you authorize (parents, grandparents, etc.), to receive your monthly billing statements electronically. If you have a U.S. bank account, you can submit payments online, using an electronic interface with your bank. This paperless system provides you with the convenience of web-based electronic payments at no additional cost. American Express is also accepted as a form of payment; if you elect to use this payment method, you will be billed a convenience fee of 2% on your cardholder statement. Penn does not receive any portion of the convenience fee. Your billing and Penn.Pay history are kept online for six months for your reference. For more information, visit the SFS website at: [www.sfs.upenn.edu/pennpay](http://www.sfs.upenn.edu/pennpay)

Billing Schedule		
	E-Bill Sent	Due Date
Fall Term	July 3, 2018	July 30, 2018
Spring Term	December 5, 2018	January 4, 2019
Monthly Bills	You will be notified when your bill is available on Penn.Pay	Approximately 3 weeks after you receive notification
For additional information about Penn.Pay, visit the SRFS website at <a href="http://www.srfs.upenn.edu">www.srfs.upenn.edu</a> .		

\* Note that information on this page is accurate at time of publication. Please check the SRFS website for the most up-to-date information.

The University must receive the amount due in full on, or before, the due date. A late payment penalty of 1.5% of any past due balance will be assessed monthly. A past due balance may result in your student account being placed on financial hold which can restrict future registration, transcript requests and receipt of your diploma

## Late Payments

A late payment penalty of 1.5% of any past-due balance will be assessed monthly. A past-due balance may also result in your student account being placed on financial hold. If left unresolved, financial hold can restrict future registration, receipt of your diploma and academic transcripts.

## Student Financial Services / Penn Card Program

The SFS/PennCard program extends you a \$1,000 line of credit which can be used at the Penn Bookstore, Computer Connection, Wharton Reprographics, PSA Commissaries and academic transcripts. It also extends to you a \$4,000 annual line of credit for a one time purchase of a computer from the Computer Connection. These charges will be billed monthly via your student account.



# UNDERSTANDING AND PAYING YOUR BILL (CONTINUED)

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## Temporary Credits on Your Bill

If you submitted your FAFSA, all the required supplemental forms, and filed a direct Loan Master Promissory Note and/or submitted loan applications for the Direct Grad PLUS or other alternative loan program by June 15, 2018, a temporary credit for half of the loan amount(s) (less applicable fees) will be posted on your Fall 2018 bill. Students applying for loans after June 15, 2018 may request a temporary credit directly from Student Registration & Financial Services. To request a temporary credit, email Student Registration & Financial Services at [sfsmail@pobox.upenn.edu](mailto:sfsmail@pobox.upenn.edu) stating that you have submitted an application for a Direct Loan, Grad PLUS, or other alternative loan funds. The temporary credit will be limited to one half (the Fall term portion less applicable fees) of your pending loan. You must pay any balance due after adjusting your bill for the Fall portion of your loan. All temporary deferments will be removed by early October, or when the actual credit is received, whichever is earlier.

## Refund Procedures and Direct Deposit Program

Students are entitled to a refund if their actual financial aid (excluding temporary credits) exceeds their billed charges (i.e. tuition, fees, insurance, etc.). For refunds produced by Federal aid such as the Direct Loan or Direct Grad PLUS Loans, you must give the University permission to use these funds to cover certain charges such as health insurance. Additional information can be found on the Financial Aid Checklist near the end of this booklet. Failure to complete this step may result in a balance due the University after a refund is produced.

The University of Pennsylvania strongly encourages students to enroll in direct deposit to expedite payment from University employment or refunds from financial aid funds. You can enroll via Penn InTouch or Pen.Pay. Remember: Your checking or savings account must be with a U.S. financial institution; for a list of local banks visit our website.

***Note: Before spending your credit refund, it is your responsibility to make sure you have paid all University charges. It is possible, for example, that you may receive a credit refund before your University Student Health Insurance is charged to your tuition account.***

# LEGAL INFORMATION

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## Family Educational Rights and Privacy Act (FERPA)

The federal government views your educational information, both financial and academic, as yours regardless of who assists in paying your expenses. Federal guidelines require that students provide written permission before we can share financial information with any third parties, including parents or spouse. You can stipulate with whom we can speak about your account by completing a consent form online via PennInTouch at [www.upenn.edu/pennintouch](http://www.upenn.edu/pennintouch). Make sure you provide those to whom you allow access to your information with your Penn ID number, as it is the preferred method of verifying your identity at Penn.

## Non-Discrimination Statement

The University of Pennsylvania values diversity and seeks talented students, faculty and staff from diverse backgrounds. The University of Pennsylvania does not discriminate on the basis of race, sex, sexual orientation, gender identity, religion, color, national or ethnic origin, age, disability or status as a Vietnam Era veteran or disabled veteran in the administration of educational policies, programs, or activities; admissions policies; scholarship and loan awards; athletic, or other University-administered programs or employment. Questions or complaints regarding this policy should be directed to:

The Executive Director, Office of Affirmative Action, and Equal Opportunity Programs  
3451 Walnut Street  
Franklin Building, Room 421  
Philadelphia, PA 19104

or (215) 898-6993

# REEVALUATION OF FINANCIAL ASSISTANCE

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## Application for Reevaluation

We want to be as responsive as possible to your particular situation, within the limits set forth by federal and University regulations and policies. It may not be possible for us to adjust your financial aid, but we will review your request for reevaluation if:

- You or your family has experienced a change in financial circumstances, such as unemployment, or
- You or a family member have extenuating circumstances, which distinguishes them from other families of similar income and characteristics, and which were not considered in the initial determination.
- If you feel that your information submitted to the government was inaccurate in any way.

## Application for Budget Increase

Also, students can be considered for a budget increase for additional borrowing eligibility through a Direct Grad PLUS or alternative loan. While we recommend that students minimize their loan borrowing, we recognize you may have certain circumstances, such as high medical expenses or child care, that warrant the need for loan borrowing beyond the standard budget. Expenses such as consumer debt and car payments cannot be included in the budget increase.

The Application for Budget Increase is available through the SFS website: [www.srfs.upenn.edu](http://www.srfs.upenn.edu).

# CONTINUING FINANCIAL ASSISTANCE IN FUTURE YEARS

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You must submit a Free Application for Federal Student Aid (FAFSA) each academic year. Be sure to keep your FAFSA PIN to expedite the renewal process. Each student's eligibility for all financial assistance awarded through Student Registration & Financial Services is reviewed annually. Students who previously deferred admission will have to submit application information again. The total amount of aid offered may vary from year to year, depending on a student's circumstances, and the availability of University funds.

Renewal application materials are available early in the spring term. Most recent tax returns and W-2 forms may be required as well if you are chosen for federal verification.

To be eligible for a renewal of a financial aid award, a student must continue to demonstrate financial need and remain enrolled at least half-time. Financial aid awards are terminated by withdrawal from the University or a leave of absence.

# EXIT INTERVIEW REQUIREMENTS

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For graduating students: During the last year of your program, you are required to complete an exit loan counseling session. You will receive instructions and website directions regarding this process before you graduate. During your enrollment you can keep track of your educational debt by using Penn InTouch. Here you can review your annual loan borrowing and your cumulative loan borrowing at Penn by loan program. It is very important to be aware of your loan debt and repayment obligations as you proceed through your program and after graduation.

## LOAN REPAYMENT INFORMATION

All educational loans described in this booklet have a deferred repayment provision during your enrollment. Some loan programs may require repayment of principal and/or interest if your enrollment falls below half time. Non-subsidized loans (such as unsubsidized Direct Loan, a Direct Grad PLUS Loan, and alternative loans, etc.) will begin to accrue interest following disbursement of funds. You should note when and how often the interest capitalizes (added to principal). Keep records of who lent you money and notify your lender(s) when you have a change of address or enrollment status.

Below is a sample repayment table schedule showing monthly payments at varying levels of borrowing and interest rates. Some loans have minimum monthly payment amounts. This assumes the standard 10-year (120-month) repayment period.

	5.0%	6.0%	6.8%	8.0%	9.0%
Loan Amount	Monthly Amount	Monthly Amount	Monthly Amount	Monthly Amount	Monthly Amount
\$10,000	\$106	\$111	\$115	\$121	\$127
\$25,000	\$265	\$278	\$287	\$303	\$317
\$50,000	\$530	\$555	\$577	\$607	\$633
\$75,000	\$795	\$833	\$866	\$910	\$950
\$100,000	\$1,061	\$1,110	\$1,155	\$1,213	\$1,267

This sample chart assumes interest is paid monthly.

## TAX TIPS

### Educational Credits and Deductions

The Taxpayer Relief Act of 1997 includes provisions for education tax credits and deductibility of interest on educational loans.

The Lifetime Learning Credit is applicable to graduate students. Some families may be eligible for a non-refundable tax credit of up to \$2,000 a year for qualified payments of tuition and related expenses.

Deduction for Interest on Education Loans: The Act provides a deduction for interest paid on educational loans, for borrowers below certain income levels.

### Taxability of Grants

The Tax Reform Act of 1986 states that grant assistance is considered taxable income to the extent that it exceeds tuition, required educational fees, and course related expenses. Course related expenses are those for books, supplies, and equipment required for your courses. You should keep a record of these expenses if the provisions affect you. For international students, the University is required to remit federal income tax on grants received in excess of these billed expenses described above. You will be billed for any amount due.

**It is suggested that you consult your tax advisor if you have any questions.**

## Credit Evaluation and Establishing Good Credit

Most private loan programs, along with the Direct Graduate PLUS Loan program, require some form of credit evaluation of you, and your co-signer if applicable. Therefore, it is critical that you review your credit report and clear up any discrepancies before you even start the financial aid process. Credit bureaus may have inaccurate information on you; transmitting that data to a lender could adversely affect your loan eligibility.

The credit evaluation for educational loans is handled in two ways:

- 1) It considers the student's current financial ability to repay the loan. Since most students are not working during enrollment, a creditworthy co-signer may be necessary.  
or
- 2) It views the student's future potential earnings after graduation as collateral.

Your credit history is the most important factor used in determining your eligibility for a loan. All credit reports are reviewed to determine if there are indications of bad credit. The accounts on your credit record include credit cards, loans (personal or educational), mortgages, and any reported billing account. If you have adverse credit, even a credit-worthy cosigner will not be considered when applying for a loan.

We recommend that you obtain a copy of your credit report as soon as possible to get a full understanding of your credit-worthiness and have time to correct any errors. To receive a free copy of your credit report, visit [www.annualcreditreport.com](http://www.annualcreditreport.com) or call them at (877) 322-8228. You may receive a free credit report from each of the three major reporting agencies, Equifax, Experian, and Transunion, once every 12 months; you may either receive all three at once or over the course of the year. If you elect to receive them at the same time you will be able to compare reports from all three agencies. However, requesting one every three or four months will allow you to track and troubleshoot credit issues more frequently.

## Defaulted Loans and Loan Rehabilitation

If you have defaulted on a previous educational loan it will remain on your credit history and limit your ability to secure additional educational loans, unless that loan is rehabilitated. Rehabilitation for federal loans generally requires 12 consecutive monthly payments and possibly the reselling of the loan to a new servicer. Educational loan defaults on private loans will also negatively affect your ability to borrow. You should contact your loan servicer for information on rehabilitating these loans.

## Recommendations for establishing good credit.

- 1) Pay all bills by the due date.
- 2) Notify all creditors of any name and/or address change.
- 3) Keep the number of credit cards to a minimum. Ironically, credit card companies inundate students with offers. Lenders then calculate the total credit line on all credit cards, even if they are paid in full. Therefore, you should cancel or refuse any unneeded credit cards to reduce the potential amount you can use. Stay within 30% of your credit limit to maintain a good credit score and manage your balances.
- 4) Manage your checking and savings accounts well. Pay special attention to electronic transactions and automatic bill payments, and review your statements each month. Finally, explore overdraft protection with your bank.
- 5) Periodically review your credit report to correct any errors and to keep yourself informed.



# FINANCIAL PLANNING (CONTINUED)

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## Loan Borrowing and Financial Planning

A quality graduate education is an expensive endeavor. We feel it is important for you to have a sound knowledge of the financial commitment you are making. Here are several suggestions to help you make a smooth transition through your Penn education and ultimately to the work environment.

1. Minimize the amount of loan you need to borrow. Plan a conservative but realistic budget and stick to it. It is tempting to borrow the maximum amount of loan available to you. Keep in mind that you are committing a portion of your future income to loan repayment every time you borrow.
2. Schedule an appointment or call a Penn financial aid counselor. We recommend that you contact your school financial administrator, or Student Financial Services. These highly experienced individuals are available to help you with questions about financial issues.
3. Keep records and copies of all financial documents you complete and sign. These are your official records. You are the best source of information about your loans and other financial matters.

## Choosing a Loan Program

This section gives you some basic guidelines on how to select the best loan program to meet your financial needs. These four steps, and the previous loan/payments options charts, should give you enough information so you can make a decision prior to submitting an application.

1. How much do you need? Establish a budget and determine the amount you need to borrow.
2. Select the unsubsidized Direct Loan first, these interest-bearing loans have a lower interest rate than alternative loans.
3. If you need funds beyond the Federal unsubsidized Direct Loan, you will want to review the Direct GradPLUS Loan and various alternative loan programs available. Prior to submitting an application, ask these questions to evaluate which program best suits your needs.
  - What is the interest rate and origination/insurance fee costs to you?
  - When does interest begin to accrue?
  - How does the credit evaluation view student/co-signer credit worthiness? Does the loan require a cosigner?
  - When does repayment begin? How long is the grace period?
  - Is interest capitalized (added to the principal) during the in-school period? How often?



## ***FINALIZING YOUR FINANCIAL AID CHECKLIST***

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➡ Use the following checklist in conjunction with information in this booklet to finalize your financial aid.

### **□ Student Aid Report (SAR)**

Review your SAR which you received after you filed your FAFSA, to be sure that all data is accurate. If corrections are needed, you can make them online at [www.fafsa.ed.gov](http://www.fafsa.ed.gov), or make them on the Information Review Form (Part 2). You will receive a corrected SAR for your records in a few weeks and Penn will receive the corrections electronically directly from the federal processor. If you were selected for federal verification, you may need to complete and return to SFS a verification worksheet. SFS will communicate with you directly about this process if you are selected.

### **□ Direct Loan Application Master Promissory Note**

First-time Direct Loan borrowers at Penn will receive instructions for completing a Direct Loan Application and Master Promissory Note (MPN) from our Student Loan Office. Once you receive this notification, you may complete your application and MPN. The MPN is valid for 10 years from the signature date. If you filed one in previous years, you do not need to file one again. A FAFSA, however, must be filed each year. See Page 3 for details.

### **□ Direct Loan Entrance Interview**

If you are applying for a Federal Direct Loan for the first time at Penn, an Entrance Interview must be completed before funds can be disbursed. A link to the Entrance Interview can be found at [www.sfs.upenn.edu](http://www.sfs.upenn.edu).

### **□ McKean Loan Note & Student Loan Personal Data Form - Recommended Deadline: June 15**

You will receive an email from Heartland ECSI to sign your loan note online

### **□ Direct Grad PLUS/Alternative Loan Application - Recommended Deadline: June 15**

Review your need for a Direct Grad PLUS Loan or another alternative loan and apply with your lender of choice. See page 5 for further details on these programs.

### **□ Federal Refund Authorization Form – Beginning July 1**

If you are receiving Federal aid such as Direct, or Direct Grad PLUS Loans, Penn will send you an authorization letter allowing you to decide how you want funds in excess of your tuition and mandatory fee charges to be handled. You may elect to have these funds cover other charges, such as health insurance, or you may have them refunded to you. Doing the latter, or not responding, may leave a balance due the University on your student billing account.

### **□ Privacy Settings, Addresses, and Emergency Contact Information**

If you wish to authorize other individuals, such as a parent or spouse, to have access to your financial information, you must provide permission through PennInTouch at [www.upenn.edu/pennintouch](http://www.upenn.edu/pennintouch). You should update your permanent/local address(es) and include your emergency contact information on PennInTouch as well.

### **□ Changes in Your Financial Circumstances**

Report changes in your or your family's financial circumstances to Student Registration & Financial Services, or your school contact information on the front cover, as soon as they occur. Changes in employment status of student and/or spouse, changes in college plans of spouse or child (if applicable), and changes in student marital status are examples of circumstances that may affect your financial aid award. See page 9 for details.

### **□ Direct Deposit**

The University of Pennsylvania encourages students to enroll in direct deposit to expedite payments from University employment or refunds from financial aid funds. You can enroll online via Penn InTouch or Penn.Pay. Your checking or savings account must be with a U.S. financial institution; accounts in foreign financial institutions are not accepted.

### **□ Tax Returns** - Submit to Student Registration & Financial Services complete copies of your and your spouse's (if filed separately) 2016 federal income tax return and W-2 forms if your SAR specifies that you have been selected for federal verification. You can submit these documents electronically with a signed tax identification form via the SRFS website. If you are selected for verification, you may need to complete and return a verification worksheet to Student Financial Services.

## CONTACTS

**The Law School**  
**University of Pennsylvania**

3400 Chestnut Street  
Philadelphia, PA 19104-6204

**For all financial aid questions, contact:**  
**Office of Admission & Financial Aid**

3501 Sansom Street  
Phone: (215) 898-7743  
Fax: (215) 573-5894  
E-mail: [Finaid@law.upenn.edu](mailto:Finaid@law.upenn.edu)  
Web: [www.law.upenn.edu](http://www.law.upenn.edu)

## Student Registration & Financial Services

100 Franklin Building  
3451 Walnut Street  
Philadelphia, PA 19104-6270  
Fax: 215-573-5428  
email: [sfsmail@pobox.upenn.edu](mailto:sfsmail@pobox.upenn.edu)  
web: [www.srfs.upenn.edu](http://www.srfs.upenn.edu)

## Student Employment Office

100 Franklin Building  
3451 Walnut Street  
Philadelphia, PA 19104-6270  
Phone: 215-898-6966  
Fax: 215-573-8974  
email: [seo@exchange.upenn.edu](mailto:seo@exchange.upenn.edu)  
web: [www.srfs.upenn.edu/seo](http://www.srfs.upenn.edu/seo)

- Federal Work Study Program: 215-898-6966
- Job Listing Service

## Penn Websites

**Student Financial Services - [www.srfs.upenn.edu](http://www.srfs.upenn.edu)**

## Answers to commonly asked questions.

**Penn.Pay** - [www.sfs.upenn.edu/pennpay](http://www.sfs.upenn.edu/pennpay)

Retrieve and pay your student bill electronically

**Penn Loan System - [www.sfs.upenn.edu/loans](http://www.sfs.upenn.edu/loans)**

View loan requests and change terms or amounts of existing loans

**Campus Express - [www.campusexpress.upenn.edu](http://www.campusexpress.upenn.edu)**

Offers information and applications for dining, housing, student health insurance and more

**PennPortal** - [http://www.upenn.edu/penn\\_portal/view.php](http://www.upenn.edu/penn_portal/view.php)

Provides information from all campus sources, and enables students to create a personalized, secure, reference site

University of Pennsylvania - [www.upenn.edu](http://www.upenn.edu)

## Penn's website

## Other Useful Contacts

FAFSA ..... [www.fafsa.ed.gov](http://www.fafsa.ed.gov) ..... (800) 801-0576

Outside Scholarship Listings.....[www.finaid.org](http://www.finaid.org) and [www.collegeboard.com](http://www.collegeboard.com)

U.S. Dept. of Education.....[www.ed.gov](http://www.ed.gov).....(800) 4-FED-AID  
(433-3243)

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The arrow graphic  indicates when action is required by you.