



David Geffen  
School of Medicine

## Financial Aid Handbook

Student and Resident Financial Services  
10833 Le Conte Ave, 17-253 West, CHS  
Box 957020  
Los Angeles, CA 90095-7020  
Tel: (310) 825-4181  
Fax: (310) 794-1629  
[fao@mednet.ucla.edu](mailto:fao@mednet.ucla.edu)

*The Financial Aid handbook is presented by the David Geffen School of Medicine to assist students and others in understanding the policies, procedures, and programs of the School's financial aid program.*

*We have tried to provide accurate, up-to-date information in this handbook however, information changes. By using the information, neither the Office of Student and Resident Financial Services nor the School of Medicine can be held responsible for changes or omissions in information. We cannot be held liable for any special, consequential, or exemplary damages resulting, in whole or in part, from any viewer(s)' use of or reliance upon, this material.*

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## **INTRODUCTION**

The mission of the Office of Student and Resident Financial Services is to help medical students and residents navigate the financial aid process by providing information, counseling, and resources. The David Geffen School of Medicine at UCLA offers scholarships, grants, and loans to assist in making a medical education affordable for a broad range of students. We are also committed to offering students and residents the opportunity to further their personal financial knowledge through financial literacy and debt management seminars. We are dedicated to providing high-quality service in a sensitive, confidential, and equitable manner.

This handbook has been developed to provide information regarding our financial aid programs, application policies and procedures, and related issues at the School of Medicine. Information in the handbook pertains only to students enrolled in academic programs at the David Geffen School of Medicine at UCLA for which financial aid funds are distributed through and/or by the David Geffen School of Medicine at UCLA.

## **ELIGIBILITY REQUIREMENTS**

### **Who Qualifies for Financial Aid?**

A student must be admitted into the David Geffen School of Medicine at UCLA prior to being considered for financial aid. In order to receive and retain eligibility for financial aid, the medical student must:

- Be a U.S. citizen or eligible non-citizen
- Have a valid Social Security number.
- Be registered with Selective Service, if required
- Be working toward a medical degree
- Be making satisfactory academic progress
- Not owe a refund on a Federal grant
- Not be in default on any Federal educational loan
- Have financial need (except for Unsubsidized and Grad PLUS loans)

### **Who is Considered an Eligible Non-citizen?**

- U.S. permanent resident who has an I-151, I-551 or I-551C (Alien Registration Card)
- Foreign national holding an Arrival- Departure Record (I-94) from the U.S. Immigration and Naturalization Service showing one of the following designations:
  - "Refugee"
  - "Asylum Granted"
  - "Indefinite Parolee"
  - "Humanitarian Parolee"
  - "Cuban-Haitian Entrant" (valid only if issued before April 1, 1980)
  - Other eligible non-citizen with a Temporary Resident Card (I-688)
  - Foreign national with a suspension of deportation case pending, if an applicant has Notice of Approval to Apply for Permanent Residence (I-171 or I-464A)

### **International Students**

Financial aid for international students is extremely limited and provided only through commercial lenders. The School of Medicine does not provide funding for international medical students. You are required, as a foreign student, to provide us with financial plans at the time you accept your offer of admission. Therefore, it is imperative that you make arrangements for the four-year period in advance of your acceptance. Your annual financial obligations will include tuition, fees, books and supplies, room and board, travel and miscellaneous expenses of approximately \$60,000 per year.

## **FINANCIAL AID APPLICATION PROCESS**

Financial aid is awarded on an annual basis and each year the student must reapply in order to be considered for aid. **Our FAFSA school code is E00374.**

### **Continuing Medical Students**

Each year in the month of February, continuing medical students are invited to complete the online financial aid application for the following school year. There are two application deadlines, one in mid March and the other, to collect the student's and parents' tax documents, is in mid April.

### **Entering Medical Students**

Students are emailed financial aid information only after they are accepted by the David Geffen School of Medicine at UCLA. The email contains a letter that invites them to go to our application website and apply for financial aid online. Entering medical students do *not* have financial aid application deadlines.

## There are Two Options to Apply for Aid:

### OPTION 1: DGSOM and Federal Financial aid

This option is for students who wish to be considered for all forms of financial aid including DGSOM loans and scholarships/grants, Federal Direct Loans, and the U.S. Department of Health and Human Services student assistance programs.

Financial aid is awarded as a result of careful assessment of each student's financial situation. The need calculation or *need analysis* takes into account the student's and the family's income, assets, debts, number of family members, number of family members in college, outside sources of income and the estimated cost of attending the University.

At the UCLA School of Medicine, as with many other medical schools, students are considered "dependent" regardless of age for receipt of School of Medicine scholarship, grants, and loans. Students are required to report parental information on their financial aid application from both biological parents even if they are divorced or separated. Students who as undergraduates were treated as "independent" are now deemed dependent for consideration of School of Medicine need-based funding. Parental support for the student is expected.

Financial Aid Application that can be accessed at our web site and that must be completed by all applicants. The four application components are:

1. FAFSA or Renewal FAFSA.
2. Need Access Application.
3. School of Medicine's Institutional Application.
4. School of Medicine's Tax Certification, which includes student/spouse and divorced/separated Parent's forms and information.

A student waiting to be admitted may begin the financial aid application process by filing a FAFSA on line at [www.fafsa.ed.gov](http://www.fafsa.ed.gov).

We review all submitted financial aid application information for errors and omissions and then email applicants detailing what is missing or incomplete. You can also check the status of your application online at [www.fao.ucla.edu/myfao](http://www.fao.ucla.edu/myfao)

## Financial Aid Application Policy

For medical students applying for David Geffen School of Medicine grants, scholarships and loans, the Financial Aid Committee has established the following financial aid application policies:

- Divorced parents: the student's custodial and non-custodial parent must complete the parent sections of the Need Access Application. The non-custodial parent must submit the Non-Custodial Parent Tax Certification and Declaration of Responsibility form. Each biological parent must also submit tax returns to the financial aid office.
- Parents residing outside the United States: Students whose parents are foreign nationals residing outside the U.S. are *not* exempted from the parental information requirement.
- Married students: Married students must provide their personal information, their spouse's information, and their parental information.

### **Non-Custodial Parents**

In cases where the whereabouts of a non-custodial parent is unknown or there is an established history of severe estrangement, the Financial Aid Committee may waive the requirement for that parent's financial information to be considered. Students requesting this waiver must complete the Petition to Waive Non-Custodial Parent Information and provide supporting documentation or the student's non-custodial parent must complete the non-custodial parent section of the Need Access Application.

### OPTION 2: Federal Loans ONLY

This option is for students who are seeking assistance from Federal Direct Loans and private financial institutions. Student who select this option do not have to provide parental information and are not consider for any DGSOM loans and/or scholarship and grant programs.

The two application components are:

1. FAFSA or Renewal FAFSA.
2. School of Medicine's Institutional Application.

## **DETERMINING FINANCIAL NEED**

Financial need is defined as the cost of attendance (the student budget) minus the calculated parent and student contributions. The process for calculating these contributions is called Need Analysis, standardized by Congress.

There are two need analysis formulas used. "Federal Methodology" (FM) is used to determine a student's eligibility for federal aid, including Direct Loans. Federal aid eligibility is determined from the data the student provides on the Free Application for Federal Student Aid (FAFSA). Using FAFSA data, FM calculates the student's "expected family contribution" (EFC) which is displayed on the Federal Student Aid Report (SAR).

Because the EFC calculation ignores some forms of income and assets from consideration, UCLA uses a different, more traditional formula called "Institutional Methodology" (IM) to determine a family's need for aid. IM more accurately and equitably determines the parents' ability to pay for a medical education from family income and assets provided on the Need Access Application. A student may have whatever federal aid is available based upon eligibility under Federal Methodology. The need for UCLA aid, however, is determined solely on the basis of the Institutional Methodology.

## **FINANCIAL AID AWARD NOTIFICATIONS**

After careful assessment of the information provided on the Financial Aid Application, a package of aid made up of grant/scholarship and loan is awarded to meet the financial need. If the student does not provide parental information on the financial aid application, only the student contribution is calculated to determine eligibility for Federal Direct Loans.

Your electronic financial aid notifications (eFAN) is your official notice of financial aid eligibility. The eFAN is usually available on a rolling basis beginning July. The student is notified via email if a new/revised eFAN is available to review.

## **THE STUDENT FINANCIAL AID BUDGET**

Each year the Office of Student and Resident Financial Services establishes the standard student financial aid budgets, which cover *educational* expenses. These student budgets, which include tuition and fees, room and board, books and supplies, travel and miscellaneous expenses are modest but provide an adequate standard of living. The cost of attendance can be found on our website.

The student budget is used in determining the student's need for financial aid and is the maximum amount of financial aid the student can receive for the school year. Financial aid recipients are assigned a budget based on where they will live during the school year (with parents or in an off-campus apartment) and their academic level (first year, second year, etc.). Federal regulations mandate that the budgets reflect only academic year costs for the student, not for their spouse or dependents.

### **Expenses Not Included in Budget**

Expenses incurred before the start of the academic year or during periods of non-enrollment, principally the summer term between first and second years of medical school, are *not* included in the student financial aid budgets. Other costs not considered educational expenses and therefore not included in the student budgets are the support of family members, trips home for the holidays, the purchase of an automobile, and the purchase of a home or condo.

Entering students are cautioned against starting medical school with large amounts of consumer debt, such as outstanding credit card balances and car payments, since these costs are also not covered in the student budgets. Fourth year students should realize that their student budget does not cover expenses for interviewing or relocation costs.

### **Increases to Student Budget**

Increases to the financial aid budget are governed by the federal government and are allowed only under certain conditions. Allowable increases are child-care costs, only when the spouse of the medical student is working, and medical, dental and/or psychiatric care costs if they are *not* already covered by insurance. In some instances, emergency auto-repair expenses (non-routine maintenance) may be considered with a copy of the car registration and receipts.

Students must petition for an increase to the standard student budget. The request must be documented and include the nature and date of the expense, and evidence of payment of the expense by the student. Most importantly, the expense must have incurred *during* the school year.

Once an allowable expense has been documented, any amount already in the standard budget must be subtracted from the student's request. What remains is the amount of the budget increase.

### **Budgeting**

Living on a budget is the key to financial survival in medical school, especially for students who cannot count on support outside of financial aid. A carefully planned budget includes fees, books, equipment, supplies, rent, food, transportation, and personal expenses. Below are suggestions for keeping costs low or reducing them if they are high.

- Seek housing that can be shared with roommates.
- Learn to cook. It's expensive to eat out on a regular basis. Pack your lunch. It's less expensive than the cafeteria.
- Make shopping lists and stick to them. Supermarkets thrive on impulse buying by people who do not have lists. Clip coupons and shop at discount stores.
- Limit long distance telephone calls. Buy a phone card. Compare costs of long distance companies. Call at the times of day when rates are the lowest. Whenever possible, use e-mail instead of the telephone.
- Do not buy a car prior to school unless someone else will make the payments for you or you can pay for it before starting school.
- Carpool with other medical students living in the same area, or use public transportation. If you live near the school, walk or ride a bike.
- Limit your trips back home. If you must fly, make your reservations far enough in advance to take advantage of supersaver fares.
- Buy used books. Sell the books you will not need after each academic year.

### **NOTIFICATION OF OUTSIDE ASSISTANCE**

By federal law, you cannot receive financial aid in excess of the student budget or cost of attendance. You are required to report to the Office of Student and Resident Financial Services any and all financial resources, such as outside loans and scholarships, which you receive during the school year. Your financial aid package may be adjusted to accommodate this outside award so that all resources combined do not exceed the standard student budget.

### **SPECIAL CIRCUMSTANCES**

You may request a review of your financial aid award from the Office of Student and Resident Financial Services. Reviews are usually based on a significant change in the student or parental resources reported on the financial aid application. Documentation of such changes will be required before any revision of the award letter can be made.

The Director will review and approve or deny your appeal. If you are not satisfied with the decision reached by the Director, you may request a review by the Financial Aid Committee. This request must be made in writing.

### **MAINTAINING FINANCIAL AID ELIGIBILITY**

In order for students to maintain their financial aid eligibility, they must be enrolled at least half-time and be making satisfactory progress.

#### **Leave or Withdrawals (Return of IV Funds)**

If you receive financial aid, and subsequently take a leave or withdraw after the first day of the term, you may be required to return financial aid funds. The Office of Student and Resident Financial Services must calculate the amount of aid you have "earned" prior to taking a leave or withdrawing. Any aid received in excess of the earned amount is considered "unearned". The unearned portion of your financial aid must be returned to the programs from which they were disbursed. This amount is jointly shared by UCLA and the student and is based on your official withdrawal date or the last date of attendance, if all classes were dropped. You will be billed for the portion of unearned aid that UCLA is required to return to the programs from which aid was disbursed. If you decide not to attend a term, you must notify



the University of your change in enrollment. Failure to notify the appropriate offices may disqualify you from receiving a refund of tuition/fees, which will result in a greater liability for financial aid disbursed and/or applied to your student account.

### **Satisfactory Academic Progress (SAP)**

Federal regulations require that all students receiving financial aid from Title IV funds must have Satisfactory Academic Progress (SAP). SAP for financial aid purposes measures students' progress relative to their length of enrollment. The David Geffen School of Medicine at UCLA has adopted standards for Satisfactory Academic Progress to measure students' progress toward degree completion using both qualitative and quantitative methods. To be eligible for financial aid at UCLA, students must meet or exceed these standards. The standards apply to all college coursework taken, regardless of whether financial aid was received or not. Academic progress is reviewed annually after spring semester grades are available. Students who fail to meet the Standards for Satisfactory Academic Progress will have their financial aid eligibility suspended. Please refer to *Satisfactory Academic Progress Policy*, available on our website.

### **TYPES OF FEDERAL FINANCIAL AID**

The following is a brief description of the federal and institutional aid programs that are administered by the David Geffen School of Medicine at UCLA. UCLA medical students apply for these aid programs using the School of Medicine's Financial Aid Application. International students should note that they are not eligible to receive funds from any of the aid programs described below.

#### **U.S. Dept of Education Title IV Aid Programs:**

##### **Federal Direct Subsidized Loans**

Per the Budget Control Act of 2011, Federal Direct Subsidized loans are no longer available to Graduate/Professional students. All Direct loans borrowed after July 1, 2012 are Unsubsidized or Grad PLUS. See following section for information regarding Federal Direct Unsubsidized Loans and Grad PLUS loans.

##### **Federal Direct Unsubsidized Loans**

The interest on a Federal Unsubsidized Loan accrues from the day the loan is disbursed and is always the

responsibility of the borrower. Students can choose to let the in-school interest accrue or pay it quarterly. In order to minimize the cost of borrowing, students can pay the quarterly interest if at all possible. Unpaid accrued interest will be capitalized (added to the outstanding principal balance) at the end of the grace period, prior to the onset of repayment.

The maximum aggregate Federal Unsubsidized loan limit is \$224,000 less any Subsidized Loans borrowed.

Origination Fees: As of December 1, 2013, the federal government charged an origination fee equal to 1.072% of the loan amount. The origination fee is subject to change.

Interest Rate: Effective July 1, 2006, the interest rate was fixed at 6.8%. However, Congress has the Bipartisan Student Loan Certainty Act of 2013, which ties federal student loans rates to financial markets. The new law amends section 455(b) of the HEA to provide new formulas for the determination of interest rates for all Direct Loan types for which the first disbursement is made *on or after July 1, 2013*. Interest rates will be determined annually on July 1<sup>st</sup> by the sum of a uniform "index rate" plus an "add-on." Each loan will have a fixed interest rate for the life of the loan.

Grace Period: All Federal Direct Loans carry a six month grace period that begins once the borrower ceases to be enrolled at least half-time at a qualified institution of higher education.

Grace periods are loan-specific; thus each Direct Loan borrowed has only one grace period. Once a grace period begins, if the borrower returns to school at least half-time before it expires, a full grace period will be available the next time enrollment ends. However, if the entire grace period is used up before studies resume, no further grace periods will be available and the loan will go into repayment immediately after half-time enrollment ends.

Deferment: Under certain conditions, Direct Loans may be eligible for deferment benefits. During periods of deferment, interest ceases to accrue on subsidized loans and the repayment of principal is not required. *Interest will accrue on unsubsidized loans.* All Federal Direct Loans are eligible for deferment if the borrower meets one of the following conditions:

- A student enrolled at least half-time at an eligible institution of higher education;
- Unemployed;
- Experiencing financial hardship as defined by the U.S. Department of Education (three-year maximum);
- Active duty service in U.S. Armed Forces or National Guard.

Forbearance: During periods of forbearance, repayment of principal is not required, but interest continues to accrue on all loans. All Federal Direct/Stafford Loans are eligible for forbearance during the entire internship/residency period. Forbearance must be requested on an annual basis from the Stafford Loan Servicing Center.

### **Federal Direct Graduate PLUS Loans**

Graduate PLUS loan is a Federal Direct Loan Program that is offered to graduate students who have reached the annual or lifetime maximum subsidized/unsubsidized loan limits. A credit check will be performed during the application process. If a borrower has adverse credit history, they may still receive a Grad PLUS loan by obtaining an endorser who does not have adverse credit or documenting to the U.S. Department of Education's satisfactory extenuating circumstances related to your adverse credit history.

Origination Fees: As of December 1, 2013, the federal government charges an origination fee equal to 4.288% of the loan amount. The origination fee is subject to change

Interest Rates: Effective July 1, 2006, the interest rate was fixed at 7.9%. However, Congress has the Bipartisan Student Loan Certainty Act of 2013, which ties federal student loans rates to financial markets. The new law amends section 455(b) of the HEA to provide new formulas for the determination of interest rates for all Direct Loan types for which the first disbursement is made *on or after July 1, 2013*. Interest rates will be determined annually on July 1<sup>st</sup> by the sum of a uniform "index rate" plus an "add-on." Each loan will have a fixed interest rate for the life of the loan.

Post-Enrollment Deferment Period: Effective July 1, 2008, Graduate PLUS loans are eligible to

receive a six-month post-enrollment deferment period that begins once the student ceases to be enrolled at least half-time.

Deferment/Forbearance: Same as the Federal Direct Unsubsidized Loan.

Debt Limits: Annual maximum equal to student budget less other aid received. No cumulative debt limit.

### **Federal Carl D. Perkins Loan (formerly known as the National Direct Student Loan)**

A Federal Perkins Loan is a low-interest (5 percent) loan program for students with exceptional financial need. The school serves as the lender, and the funding for the program comes from an allocation of government funds. Unlike the Stafford Loan programs, borrowers repay this loan to the School's Student Loan Office.

Students who have the greatest calculated financial need have priority for a Federal Perkins Loan. The actual amount of the loan is determined by the Financial Aid Office each year, up to a maximum annual limit of \$6,000. The lifetime borrowing limit for the Perkins program is \$40,000, including all outstanding balances from undergraduate and graduate borrowing. Students awarded Perkins funding begin the loan origination process by signing and returning a financial aid notification letter.

Interest Rates: Federal Perkins Loans carry a 5% interest rate. No interest is charged during in-school enrollment, the grace period, and any periods of deferment. Interest begins to accrue upon the completion of the grace period.

Grace Period: All Federal Perkins Loans have a nine-month grace period which begins as soon as the borrower ceases to be enrolled on at least a half-time basis.

Deferment: During periods of deferment, interest ceases to accrue on the loans and the repayment of principal is not required. All Federal Perkins Loans are eligible for deferment if the borrower is:

- A full-time student at an institution of higher education;
- Unemployed;

- Experiencing financial hardship as defined by the U.S. Department of Education;

Loans issued after September 30, 1980 but before July 1, 1993 are also deferrable for the first two years of a medical internship/residency training program required before certification can be issued for professional practice or service. Please note that this deferment is only available on loans signed within this very specific time period. Subsequent Perkins Loans taken by the borrower are not eligible.

Post-Deferment Grace: Loans issued after September 30, 1980 are eligible for a six-month grace period following any granted period of deferment.

Forbearance: If a borrower is temporarily unable to meet the repayment schedule for a Perkins Loan and is not eligible for a deferment, s/he can request forbearance for a limited and specific period. During periods of forbearance, repayment of principal is postponed or reduced, but interest continues to accrue on the loans. Forbearance is granted on an annual basis and the borrower must submit a request in writing to the school that awarded the loan.

### **US Department of Health and Human Services Title VII Aid Programs:**

#### **Scholarships for Disadvantaged Students (SDS) and Loans for Disadvantaged Students (LDS)**

Congress authorized the SDS Program and its companion loan program, the LDS Program, in 1990. To be considered for these programs, students must meet the federal definition of disadvantaged, either coming from a family whose income falls below specified benchmarks or demonstrating a background of economic, social, and/or educational disadvantage that hinders the pursuit of medical education.

When funding is allocated by Health and Human Services, awards are made by the Student and Resident Financial Services Office following the start of the academic year after reviewing the entire pool of eligible candidates. Funding is limited and not all eligible students can be assisted. The size of awards vary and the assistance is always used to replace portions of the student's existing loan package. Students who think their background is particularly compelling are welcome to discuss their eligibility with their Financial Aid Officer.

The Loans for Disadvantaged Students (LDS) carries the following terms:

Interest Rate: LDS loans carry an interest rate of 5%. No interest accrues during in-school enrollment, the grace period, and periods of deferment.

Grace Period: LDS loans have a twelve-month grace period that begins once the student ceases to be enrolled at least half-time.

Deferment: During periods of deferment, interest ceases to accrue on the loans and the repayment of principal is not required. LDS Loans are eligible for deferment if the borrower is:

- In a program of advanced professional training, including internship, residency, and up to 2 years of fellowship;
- Serving full-time as a member of a uniformed service (three-year maximum);
- A full-time volunteer under the Peace Corps Act (three-year maximum);
- Engaged in a full-time educational activity at a school that is eligible for participation in the LDS program.

The LDS program does not require the borrower to fill out a loan application; the student needs only sign and return the financial aid notification letter to begin the loan origination process.

#### **Primary Care Loan - (PCL)**

The PCL program is sponsored by the U.S. Department of Health and Human Services. PCL is a low-interest loan program for health professions students demonstrating financial need who are committed to a career as a generalist physician or a specialist in preventive medicine/public health.

Borrowers will be required to sign a service agreement, committing to primary care practice until the loan is repaid. The financial penalties for breaking this agreement are extreme; therefore, only students certain of their primary care career goals should participate in this program.

Interest Rate: The interest rate on the loan is 5%, and no interest accrues during periods of in school enrollment, grace, and deferment.

Grace Period: These loans have a 12-month grace period.

Deferment: During periods of deferment, interest ceases to accrue on the loans and the repayment of principal is not required. PCL borrowers may defer these loans for up to four years of internship and/or residency.

## **INSTITUTIONAL AID PROGRAMS**

### **School of Medicine Merit Scholarships**

Leaders of Tomorrow (LOT): awards support elite and needy students pursuing degrees at David Geffen School of Medicine at UCLA. Recipients are selected upon admission to DGSOM and are decided by the admissions committee. No separate application is required. LOT Scholars are selected for one of two tracks – Research or Service to Underserved Communities, and will receive a four-year scholarship, an honorarium for research or service, and mentorship opportunities with the School’s academic leadership. The LOT Scholarship is for one year but will be renewed annually based on satisfactory academic performance and full participation in Program activities, which includes service to the community.

Geffen Medical Scholarships: The Geffen Medical Scholarships support the most elite students pursuing degrees at David Geffen School of Medicine at UCLA. Recipients are selected upon admission to DGSOM and are decided by the admissions committee. No separate application is required. The awards provide full financial support to outstanding students entering DGSOM, covering 100 percent of the in-state or out-of-state cost of attending medical school: a complete living stipend, including tuition, room and board, books and supplies. The GMS covers these costs for the duration of medical school, provided scholars remain in good standing.

### **School of Medicine Need-Based Scholarships**

As a result of private philanthropy, School of Medicine scholarships are available to those financial aid applicants that demonstrate financial need after review of student and parent financial information provided on the financial aid application, academic achievement, and other criteria designated by specific donors.

### **School of Medicine Loans**

School loans may be funded by a donor through a gift, or come from income several endowments earn and the repayments made to the funds by previous borrowers. These loans are awarded to those financial aid applicants that demonstrate financial need after review of student and parent financial information provided on the financial aid application.

Interest Rate: Interest rates are a fixed rate of 5%. No interest is charged during in-school enrollment, the grace period, and eligible deferment.

Grace Period: Grace periods may vary but most have a six-month grace period that begins once the student ceases to be enrolled at least half-time.

Deferment: During periods of deferment, interest ceases to accrue on the loans and the repayment of principal is not required. School of Medicine Loans are eligible for deferment if the borrower is one of the following:

- A full-time medical student;
- In a medical internship/residency program
- A graduate fellow under an approved fellowship program;
- Enrolled in an approved rehabilitation training program (one-year maximum);
- A member of the U.S. Armed Forces (three-year maximum);
- A volunteer under the Peace Corps or Domestic Service Act of 1973 (three-year maximum);
- An officer in the Commissioned Corps of the U.S. Public Health Service (three-year maximum);
- Conscientiously seeking, but unable to find employment over a twelve-month period;
- Temporarily totally disabled or has a spouse who is temporarily totally disabled (three-year maximum).

Forbearance: If a borrower is temporarily unable to meet the repayment schedule for the loan and is not eligible for a deferment, s/he can request forbearance for a limited and specific period.

During periods of forbearance, repayment of principal is postponed or reduced, but interest continues to accrue on the loans. Forbearance is

granted on an annual basis and the borrower must submit a request in writing to the Student Loan Office.

## **OUTSIDE SCHOLARSHIP PROGRAMS**

Outside scholarships are applied for by the student directly to the agency; funds come to the school and then disbursed to the student. See our publication of outside agencies - *Pennies from Heaven*: at <http://www.medstudent.ucla.edu/current/fao/default.cfm?pgID=213>

### **National Medical Fellowships (NMF)**

NMF offers scholarships to African American, American Indian, Mexican American, and Mainland Puerto Rican first and second-year students who are U.S. citizens and demonstrate financial need. Application must be made through National Medical Fellowships, 110 West 32<sup>nd</sup> Street, 8<sup>th</sup> Floor, New York, NY 10001-3205. The NMF deadline for first-year applicants is June 30th and the deadline for renewal candidates is May 1st.

## **FEDERAL PROGRAMS WITH A COMMITMENT OF FUTURE SERVICE**

### **Armed Forces Health Professions Scholarship Program (AFHPSP)**

The Armed Forces Health Professions Scholarship Program is intended to recruit personnel to alleviate the shortage of physicians serving military personnel and their dependents. The program is offered through the Air Force, Army, and Navy. The program offers support to medical students for their tuition and required fees, and provides a monthly stipend for living expenses. The stipend is subject to state and federal taxes and must be reported on the recipient's tax returns. In addition, each year the student is required to spend 45 days on Active Duty Training (ADT) with full pay and allowances.

The minimum service obligation incurred by participants in AFHPSP is three years; a year of obligation is required for each year the student receives financial support. Participants must apply for residency programs in military facilities. Residents are selected for military or civilian programs based on the future needs of the military. Time spent in graduate and post-graduate training is not credited towards the fulfillment of a program obligation for AFHPSP or ROTC.

To be eligible for participation in military scholarship programs, a student must be a U.S. citizen who is enrolled in, or who is in receipt of a firm letter of acceptance from medical school. The student must meet the eligibility requirements for appointment in the U.S. Armed Forces. Students must complete the application process through the military branch that interests them.

Since the AFHPSP provides support that covers most of the expenses in the standard budget, students generally do not apply for additional financial aid. Students who determine that they have a shortfall between their AFHPSP funding and the standard budget may apply for student loans to meet this gap. Funds from the Federal Stafford Loan Programs are generally used for this purpose.

### **National Health Service Corps (NHSC) Scholarship Program**

The National Health Service Corps Scholarship Program was created to address the shortage of health professionals in certain areas in the United States. Scholarship recipients receive 12 monthly stipends, a single payment to cover books, supplies, and equipment for the year, and payment to the medical school for tuition and required fees for the year. The scholarship may be renewed through graduation without additional competition.

For each year of support, participants owe one year of future service providing primary care services in a Health Professional Shortage Area (HPSA) as assigned by the NHSC. The minimum obligation is two years. These assignments are most often as salaried civilian employees of community-based systems of primary health care.

These awards are targeted for students who intend to train and practice in primary care specialties. Preference will be given to applicants: 1) who are former recipients of the NHSC Scholarship, 2) who have personal characteristics that increase the probability that they will continue to practice in a health professional shortage area after graduation; and 3) who are from disadvantaged backgrounds.

## **DEBT MANAGEMENT COUNSELING**

Borrowers of student loans who are about to graduate, transfer, withdraw, or take a leave of absence from the David Geffen School of Medicine at UCLA need to understand their loan obligations before leaving. The Student and Resident Financial Services Office is pleased to provide these students with Exit Interview counseling. Unlike the Entrance Interview, which addresses the general conditions of debt and repayment, this one on one counseling appointment is specific and personal.

The Student and Resident Financial Services Office staff conducts Exit Interviews beginning after Match Day for graduating seniors. For others who are leaving the School of Medicine, exits are conducted as needed by appointment.

### **Loan Repayment**

It is never too early to begin to think about how you are going to repay your educational loans. In general, your goal should be to choose a repayment plan that maximizes flexibility while minimizing cost. Although options may vary from lender to lender, there are several basic types of repayment schedules. Keep in mind that the longer you take to repay a loan, the more interest you will pay over the life of the loan. All repayment options allow for prepayment of the loan; making voluntary extra payments will reduce your cost of borrowing.

Standard repayment: allows the borrower a period of ten years to repay his/her loans. Under a standard plan, annual payments are fixed for the life of the loan.

Extended repayment: is similar to standard repayment, but gives the borrower a longer period of time to repay--anywhere from 12 to 25 years, depending on the amount of the outstanding principal balance. Annual payments are fixed and depend on the number of years selected by the borrower. Stretching out the number of years in repayment provides lower required monthly payments in the short-run; however, usually the borrower will pay more in interest since the loan is being financed over a longer period of time.

Graduated repayment: allows the borrower a period of 10 years to repay the loan. The annual repayment amount varies, increasing in size every two years

over the life of the loan. This allows the borrower to have lower required payments in the early stages of repayment when annual income is usually at its lowest, with higher payments required later in repayment when income has presumably increased.

Income-Driven Repayment: Currently there are three different income driven repayment plans - *Income Contingent, Income-Based Repayment, and Pay As You Earn*. These plans allow the borrower to have his/her required monthly payments to be based on actual adjusted gross income, family size and level of educational indebtedness. Thus, required repayment amounts under this option adjust as income rises and falls. In most cases, a borrower must meet certain criteria to be eligible to repay his/her debt under these terms. For more info, go to [www.StudentLoans.gov](http://www.StudentLoans.gov).

### Public Service Loan Forgiveness Program:

This program, effective July 1, 2009, discharges the remaining federal Stafford/Ford/PLUS debt after 10 years of full-time employment in public service. The borrower must have made 120 payments on or after October 1, 2007 in the Direct Loan's repayment program in order to qualify.

### **Delinquency and Default**

Delinquency occurs when the borrower fails to make an installment payment when due or to meet other terms of the promissory note. A penalty charge is assessed when a loan payment is late by 60 days. The delinquency is also reported to credit reporting bureaus.

In many instances, borrowers inadvertently find themselves in delinquency status: although they intend to defer their loans, the necessary deferment forms have not been received by the lender prior to the payment due date. *Borrowers must make all scheduled loan payments until they are notified by lenders that their deferments have been approved.*

Default follows delinquency when the borrower fails to repay the loan according to the terms of the promissory note. Typically a loan is placed in default after 180 days of delinquency. The default is reported to the national credit bureaus and stays on the borrower's record for as long as seven years. This derogatory credit finding can delay or prevent the borrower from getting other types of consumer credit such as a home mortgage, car loan, or credit card. Furthermore, the defaulter's federal and state income

tax refunds and personal assets may be seized, and salary checks may be garnished. Late charges, and court and attorney fees may also be assessed.

### **MedLoans Organizer and Calculator**

This resource, introduced by the AAMC, is the only online loan repayment calculator customized for medical school students. This tool allows student borrowers to organize their loans, manage and save loan information in one secure location, view and explore loan repayment options, and create unique loan scenarios with the scratch pad feature. Access the MedLoans Organizer and Calculator at [www.aamc.org/first](http://www.aamc.org/first).

## **RIGHTS AND RESPONSIBILITIES**

### **You Have The Right To Know:**

- The deadlines for submitting applications for each of the available aid programs.
- How much of your financial need has been met.
- The resources considered in the calculation of your need.
- Available financial aid programs and their exact requirements.
- What portion of your financial aid award is a loan and what portion is a grant. If the aid is a loan, you have the right to know the total amount that must be repaid, the amount of each repayment, the interest rate, the length of time you have to repay the loan and when the repayment is to begin.
- The cost of attendance and the refund policy.
- How the University determines whether or not you are making satisfactory academic progress, and what happens if you are not.
- What happens if you withdraw or drop during the year.
- The procedures necessary for re-applying for aid each year.

### **You Have The Responsibility to:**

- To consider carefully all information provided regarding UCLA's programs and performances before deciding to attend UCLA.
- To complete all forms accurately and submit them to the correct locations by the published deadlines. Errors can cause long delays in the receipt of your financial aid. Intentional mis-reporting of information on application forms for federal financial aid is a violation of the law and is considered a criminal offense subject to penalties under the U.S. Criminal Code.
- To maintain good academic standing and make satisfactory progress. To inform the Financial Aid Office if you take a leave of absence (LOA) or withdraw.
- To update information when changes in your circumstances occur, such as name changes, change in marital status, housing situation, number of family members in college, withdrawal or graduation.
- To read and understand all forms that you are asked to sign, and to keep copies of them.
- To be aware of the Financial Aid Office refund and repayment policies and procedures.
- To keep an accurate record of the total loan amount you owe when it is time to begin repayment. If you have ever received loans through the Financial Aid Office, schedule an appointment for an exit interview before graduating, transferring or withdrawing from the David Geffen School of Medicine at UCLA.
- You are responsible for reporting the amount of your grants and scholarships that exceed the cost of fees and books to the Internal Revenue Service (IRS). The IRS Publication 520 provides detailed information regarding your responsibilities for reporting income earned.