



BROWN

Alpert Medical School

AWARD GUIDE ***2009-2010***

The Office of Financial Aid (OFA) has prepared this guide to help you to understand your financial aid award notification as well as loan processing, billing, refund and other financial procedures. Please review this guide to ensure that your financial aid will be processed in a timely way. Please also read the *Budget Guide* to assist you in determining your borrowing needs. The Budget Guide is also available on our website (<http://med.brown.edu/financialaid/>). If you have additional questions, please contact our staff for assistance.

Award Notification

Your award notification displays your financial aid eligibility for the 2009-2010 year and includes three sections:

1. Your cost of attendance for the 2009-2010 year;
2. Your family contribution and your resulting financial need;
3. Breakdown of the funds that you are being offered to meet your need.

Cost of Attendance

The first component in determining your financial aid award is your cost of attendance. Each year, OFA carefully prepares the cost of attendance for each class year. Certain budget items, such as tuition and University fees, are standard for all classes, while other expenses, such as national board exam fees, are class year-specific. Federal regulations specifically prohibit certain expenses from being included in student budgets, including car payments and expenses related to residency interviews.

The federal government charges an origination fee of 0.5% on the Federal Subsidized and Unsubsidized Stafford loans. These fees are added to your cost of attendance prior to determining your loan eligibility and then deducted upon disbursement from the amounts that you borrow. Please refer to our website for a detailed breakdown of the student cost of attendance for each class year.

Financial Need and Family Contribution

The determination of your need actually is a simple calculation. We start with your cost of attendance, and then subtract your family's expected contribution. The result is your assessed need. So, the formula looks like this:

$$\text{Cost of Attendance} - \text{Family Contribution} = \text{Assessed Need}$$

If you applied only for external aid (e.g., Federal Stafford loans) we calculated a contribution from you (and your spouse, if applicable) based upon your income and asset information before determining your financial need. No parental information was considered.

However, if you applied for institutional aid, a contribution from both you (and your spouse, if applicable) and your parent(s) is displayed on your award notification. The threshold to qualify for institutional aid is determined both by your cost of attendance and by the assessed family contribution figure. **Regardless of whether you applied for external aid only or for institutional aid, your award notification displays the maximum amounts for which you are eligible in federal student loans** (e.g., Federal Unsubsidized Stafford).

OFA uses a federally-approved system (Federal Methodology) to determine the amount that you and your family can reasonably contribute each year toward your cost of attendance. Factors that are considered in the calculation of need include: family income; assets; the number of family members; and the number who are attending college, graduate school or professional school. Federal Methodology offers allowances against assets and income, including the exclusion of home equity from your family's asset portfolio. We also make institutional allowances against family income and assets to decrease your family's contribution. Examples include costs that your family might pay for private secondary school tuition as well as out-of-pocket medical expenses for family members.

Calculating Your Personal Budget

To assist you in determining which loans to accept and the amounts to accept, we encourage you to develop a realistic budget and to determine the resources that you will have available for the year from personal savings, employment and family support to meet your expenses. Please review the *Budget Guide*, which will direct you step-by-step through this exercise. Note that your financial aid award is intended to cover the full academic year as determined by your class year.

Making Loan Decisions

The award notification letter displays the type of aid for which you are eligible and your maximum eligibility for each fund. *The loans offered on your award have not been processed for you at this point.* In order to initiate the processing, you must determine which loans you will borrow and the amounts that you will need to borrow to meet your expenses for the length of your academic year. It is important that you understand the differences in the various loan programs in order to make informed decisions about your borrowing needs. Please refer to *Loan Programs for Alpert Medical School Students* on our website for a complete description of the interest rates, repayment terms and other information.

Once you have made your borrowing decisions, you must accept, decline or change loan amounts online through Brown University's self-service site. This site enables you to view your financial aid information and accept all or part of each loan offered to you. To make your borrowing decisions on-line, simply go to <https://selfservice.brown.edu>, click on "Enter Secure Area" and enter your Brown username and password. At the main menu, choose "Applicant, Student and Financial Aid" and then follow the instructions to the "Financial Aid" menu to view your award information.

Please remember that the loan amount(s) listed reflect in most cases the *maximum amounts* that you *may borrow* and *not necessarily what you should borrow.* The Federal Unsubsidized Stafford Loan and the Federal Graduate PLUS loans are the only loans that are not based upon financial need, hence these loans may be used to replace an unrealized family contribution and thus allow you to meet your full cost of attendance with financial aid.

Processing Loans

Once you have made your borrowing decisions, the Loan Office will prepare any necessary promissory notes and make them available to you. A promissory note is a binding contract made between you, the borrower, and the lender that you will repay. For Federal Subsidized and Unsubsidized Stafford Loans, your lender is the U.S. Department of Education through the William D. Ford Direct Loan Program. If you are borrowing from the Direct Stafford or Federal Perkins Loan programs for the first time at Brown, you will complete a *master promissory note only once in your first year of borrowing.* If you have already borrowed through these federal programs at Brown and completed the master promissory note in a prior year, you may not need to do so again. For all Alpert Medical School loans and campus-based federal loans (e.g., Medical, Ellwood, Casperson, Plitt, Primary Care Loan, Loans for Disadvantaged Students, etc), you will need to complete a promissory note each year that you borrow since master promissory notes are not available for these loans. Promissory notes will be made available to you soon after you electronically accept the loan amounts offered to you in your aid package. Please make your borrowing decisions as soon as possible to ensure timely processing of all of your loans.

After you have accepted your loans electronically, one-half of all loans accepted less applicable fees will be posted to your student account as *anticipated credits* toward your billed charges for the semester. Your billing statement will reflect these anticipated credits. You are responsible for paying the remaining balance by the due date posted on the bill each semester.

Your actual loan credit(s) will be applied to your account according to the disbursement schedule listed on the 2009-2010 Loan Disbursement Dates chart in this guide. Please note that if you complete your financial aid application after the deadline, delay your loan acceptance decision, or do not complete your promissory notes in a timely way, the actual disbursement date for your loans may be later in the year.

Billing Process

The Bursar's Office divides payments for tuition and fees for an academic year into two billing cycles. The first bill for the fall semester is mailed in late June with payment due on or before August 1. Spring semester bills are mailed in late November and payment is due in the Bursar's Office by January 1. Please note that although the third and fourth years of medical school are academically divided into quarters, charges are billed and financial aid is disbursed on a semester basis. Hence, the loans that you accept and Brown scholarship funds will be credited in two equal portions toward each semester's bill. The dates on which your financial aid will be disbursed to your student account each semester will depend upon the start date of your fall and spring semester in each academic year. Refer to *Disbursement Schedule* listed on the 2009-2010 Loan Disbursement Dates chart in this guide for the approximate dates that funding will be credited to your student account. Note that federal loans cannot be disbursed in the fall semester prior to July 1, 2009. Payment of your remaining billed charges minus anticipated aid should be mailed to the Cashier's Office (Box 1911, 164 Angell Street). Significant financial penalties are assessed if payments are not received by the due dates.

Monthly Payment Plan

The Bursar's Office offers a payment plan option to help families distribute billed charges over an eight-month period beginning in October. The Bursar's Office includes information regarding the Brown University Graduate/Medical Payment Plan Agreement with the mailing of the first billing statement in June. You also may refer to the Bursar's Office website for the details:

http://brown.edu/Administration/Financial_Services/Bursar/Information/installment_payment_graduate.html

Refunds

Once funding has been credited to your student account in the Bursar's Office and all Brown charges have been paid for the semester, your account may reflect a credit balance. Credit balances, which are common for students whose financial aid exceeds billed charges, are intended to cover part or all of your living expenses for a given semester. The amount of your credit balance will depend upon the aid amounts that you have accepted.

In order to receive a refund check for this overpayment, you will need to complete a Refund Request Form. This form is available on the Student Financial Services website listed in the above section. Alternatively, you may complete a paper request form available in the Bursar's Office. (For new students, please note that you will complete a refund form during your orientation program.) We recommend that you complete and submit this form on the first day of class each semester. To expedite your refund, we also recommend that you indicate on the refund form that you would like your check to be held for pick up in the Cashier's Office rather than to have it mailed to you. You can expect your refund within 10 business days of the disbursement dates listed on the 2009-2010 Loan Disbursement Dates chart in this guide.

Disbursement Schedule

The dates on which loans and scholarship funds will be credited to your student account are listed on the 2009-2010 Loan Disbursement Dates chart in this guide. Please note that they are not the dates on which you will receive a refund. Allow 10 business days from the disbursement dates for receipt of your refund.

2009-2010 Loan Disbursement Dates

| | Year 1 MD '13 | Year 2 MD '12 | Year 3 MD '11 | Year 4 MD '10 |
|------------------------|------------------|------------------|------------------|------------------|
| Fall Semester | | | | |
| Federal Stafford Loans | 8/17/2009 | 8/24/2009 | 7/01/2009 | 7/01/2009 |
| Brown Loans | 8/17/2009 | 8/24/2009 | 7/01/2009 | 7/01/2009 |
| Spring Semester | | | | |
| Federal Stafford Loans | 1/11/2010 | 1/02/2010 | 11/09/2009 | 11/09/2009 |
| Brown Loans | 12/28/2009 | 12/28/2009 | 11/09/2009 | 11/09/2009 |

Financial Aid Orientation/Loan Counseling

Regulations governing the disbursement of federally guaranteed loans require that every new borrower receive loan counseling before their loans may be disbursed. The purpose of this counseling is to familiarize you with the process of financing your medical school education, including your rights as a borrower, your obligations, benefits (e.g., deferment options), and personal budgeting issues. The Brown Loan Office offers an online loan counseling option to satisfy the federal government's requirement. Additional instruction regarding this option is included with your promissory notes.

Please note that you are considered a new borrower if you are receiving loans for the first time at this medical school. Therefore, entering Brown-Dartmouth students, first-year students, advanced standing students and all other first-time borrowers are required to satisfy the loan counseling requirement.

Adjustments to your Awards

If the information you and/or your parent(s) provided on the FAFSA or Need Access Form has significantly changed since the receipt of your award, please send our office a letter of explanation in writing so that your financial need may be reassessed. Your award may be adjusted for the following reasons:

- You receive additional assistance from non-University sources;
- The University does not receive sufficient funds from the federal government to meet its awards under the Perkins Loan Program or sufficient repayment income from institutionally-based loan programs;
- The medical school does not receive sufficient endowment and gift income to meet its scholarship awards;
- Your financial circumstances or enrollment status for yourself or family members changes. For example, if you listed on the Need Access form that a sibling or parent would be enrolled in college or graduate school in 2009-2010, your need and possibly your aid will be reduced if he/she does not enroll as planned.