

## MBA@UNC Student Loan Information

Students enrolled in the MBA@UNC program at UNC's Kenan-Flagler Business School can borrow student loans to cover the cost of tuition as well as living expenses. A student's total financial aid (including: corporate sponsorship, outside grants, fellowships, and all education loans) cannot exceed the cost of tuition and living expenses. In order to be eligible for federal loan funding, students must be enrolled in at least 4.5 credits per university semester (please note that two quarters – July/October and January/April – are the equivalent to one university semester).

### TYPES OF FUNDING

#### Fellowships

MBA@UNC awards a limited number of partial tuition fellowships to outstanding admitted applicants who have demonstrated excellence in many areas of their applications. No additional application is required for fellowship consideration. The number of fellowships granted and the monetary award amounts may vary each year.

#### Federal Direct Loans

The Federal Direct Loan program is available to all U.S. citizens and permanent residents who meet basic federal requirements (i.e., student has never defaulted on a federal loan and/or is not currently involved in filing bankruptcy). Students are eligible to borrow a maximum of \$20,500 per academic year through the Federal Direct Loan Program. See page 4 for terms and conditions of this loan program.

#### Additional Loans (to supplement Federal Direct Loans)

Because Federal Direct Loans have a maximum amount of \$20,500 per academic year, students are eligible to borrow an additional loan to cover the costs that exceed the annual maximum. Typically, students choose one loan type to supplement their Direct Loans. Most MBA students choose the Direct Graduate PLUS Loan, but you should choose the program that best suits your situation.

**Federal Direct Graduate PLUS Loans** provide additional funding for those students (U.S. citizens and permanent residents only) whose costs exceed the maximum Direct Loan eligibility of \$20,500 per academic year. Students should exhaust their Federal Direct Loan eligibility before pursuing a Direct Graduate PLUS Loan. See page 4 for terms and conditions of the Federal Direct Graduate PLUS Loan program.

**Private loans** provide additional funding for those students (U.S. citizens and permanent residents) whose costs exceed the maximum Direct Loan eligibility of \$20,500 per academic year. Students usually exhaust their Federal Direct Loan eligibility before pursuing a private education loan. The interest rate for private education loans varies and is based on either the prime rate or LIBOR. See page 4 for general terms and conditions for private loans.

### STUDENT LOAN FAQs

#### Will I know what my financial aid award is before I have to submit an enrollment deposit?

Possibly, however, all students should anticipate being eligible to borrow the maximum Federal Direct Loan amounts as long as they meet the basic eligibility requirements (as described above). Students can also review the additional loan options to determine the best program for covering the remaining amount of their tuition and, if needed, living expenses after their Federal Direct Loan eligibility is exhausted.

#### How will I be reimbursed for the enrollment deposit I submit?

All enrollment deposits are credited toward the student's first tuition payment.

#### When can I begin the student loan application process?

Student loan applications will not be processed until an applicant is admitted into the program, but s/he can begin the process at any time by completing the Free Application for Federal Student Aid (FAFSA) online at [www.fafsa.ed.gov](http://www.fafsa.ed.gov).

#### Are Federal Direct Loans guaranteed for all students?

All U.S. citizens and permanent residents are eligible for Direct Loan funding as long as they meet the basic eligibility requirements: not currently in default on an outstanding loan, not currently filing bankruptcy, no drug convictions, etc.

#### Do I have to borrow the maximum loan amounts?

No. Students can borrow as much or as little of the maximum loan amounts available to them.

**Am I eligible to borrow loan funding for living expenses?**

Yes. Financial aid budgets include cost of living estimates for each student and these are updated each academic year based on reasonable amounts. Students can choose to increase their overall indebtedness to include these estimated living expenses, if they would like.

**What are my loan options if I am not a U.S. citizen or permanent resident?**

International students with a U.S. co-signer may be eligible for select private student loans. There are no loan options available through the University for international students. Funding for international students would be independent of the financial aid process (i.e., personal loans).

**How is tuition billed?**

All billing is handled through the Office of Student Accounts, which is where all financial aid is disbursed. Student loan funds will be credited directly toward any outstanding tuition balance due.

**Is my tuition tax deductible?**

IRS Publication 970 ([www.irs.gov/pub/irs-pdf/p970.pdf](http://www.irs.gov/pub/irs-pdf/p970.pdf)) covers tax benefits for education. This publication typically addresses most general questions that students have and the IRS website ([www.irs.gov](http://www.irs.gov)) is user-friendly for searching on other topics. Keep in mind that financial aid officers are not trained accountants and, therefore, are unable to answer tax questions.

**Do I have to continue making student loan payments for my outstanding loans?**

Most lenders will defer repayment of student loans for borrowers who enroll at least half-time at an accredited college or university (please note that UNC students must be enrolled for a minimum of one class per quarter/two classes per semester to be considered half-time). Be sure to continue making your student loan payments until you have been notified that your outstanding loans have been deferred. To view your current, outstanding student loans, you should log in to “financial aid review” at the National Student Loan Data System (NSLDS) website: [www.nsls.ed.gov/nsls\\_SA](http://www.nsls.ed.gov/nsls_SA).

**Where should I send my questions and/or my financial aid form?**

Both questions and financial aid forms can be e-mailed to [onlineMBAfinancialaid@unc.edu](mailto:onlineMBAfinancialaid@unc.edu). If fax is preferred, then fax to 919.869.1898.

**Where can I find information on MBA@UNC fellowship opportunities?**

The most up-to-date information regarding fellowships can be found online at the MBA@UNC website: [onlinemba.unc.edu/admissions/mbaunc-fellowships](http://onlinemba.unc.edu/admissions/mbaunc-fellowships). Questions regarding these funds should be directed to the MBA@UNC Admissions Office.

**FINANCIAL AID TIPS**

- A student’s tuition amount is determined by the number of courses s/he will be enrolled in for each quarter. In order to be eligible to borrow federal student loan funding, all MBA@UNC students must be enrolled in at least one class per quarter/two classes per semester equaling at least 4.5 credits per semester. This ensures that s/he meets the federal regulation of half-time enrollment. If a student’s enrollment drops below this minimum after loan disbursement, then all federal loan funds may be returned to the lender(s) to cancel these loans.
- Keep track of where you are in the process. The most common oversight students make is reviewing the financial aid process after they have decided to submit an enrollment deposit. If you know that you will apply for financial aid, then start preparing early — adjustments can be made to financial aid if your situation changes.
- Student loan funding is normally processed for a single academic year at a time. This means that you would not submit a financial aid application for the entire cost of tuition now. Instead, your financial aid will be determined based on the academic year in which you are admitted. You will receive a reminder to complete the financial aid process for the second year of your program.
- Tuition bills are processed through the UNC Chapel Hill’s Student Accounts and University Receivables. This office is referred to as the Cashier’s Office. Financial aid is disbursed directly to the Cashier’s Office to pay toward tuition. However, any specific questions about your tuition charges should be directed to the MBA@UNC registrar, [OnlineMBARegistrar@kenan-flagler.unc.edu](mailto:OnlineMBARegistrar@kenan-flagler.unc.edu).
- All Federal Direct Loans have an origination fee so that the disbursed amount is less than the principal amount. This could result in a balance being owed if the student does not include the origination fee in their Direct Graduate PLUS or private student loan principal amount.

- Adjustments to student loan eligibility can be made if an individual's circumstances change. For example, sometimes employers may reduce or even eliminate tuition support after a student begins their studies. This can and should be taken into consideration when calculating student loan eligibility. Students are responsible for notifying a financial aid officer of these changes.
- Read information carefully and be aware that you have a devoted financial aid officer to answer your questions as well as to address concerns you might have.
- Keep your FAFSA PIN in a place that is secure and accessible to you at all times. Many applications require it for electronic signature. Do not share your PIN with others as it is also a security tool.
- If you are eligible for veterans benefits, be aware that the MBA@UNC program may be eligible for VA funding. Students should contact the Department of Veterans Affairs to confirm that they are eligible for benefits as well as the type of benefit they are eligible to receive. All veterans are encouraged to visit the U.S. Department of Veterans Affairs website ([www.gibill.va.gov](http://www.gibill.va.gov)) for more information. You can review MBA@UNC's information on veterans benefits online at [onlinemba.unc.edu/admissions/military/mba-uncveteran-benefits](http://onlinemba.unc.edu/admissions/military/mba-uncveteran-benefits). Please note that the MBA@UNC veterans certifying official is Karsen Spain, [kfvetaffairs@kenan-flagler.unc.edu](mailto:kfvetaffairs@kenan-flagler.unc.edu)
- Begin searching for scholarship/grant/fellowship funding provided by private organizations early. You may find resources such as [www.howtomba.com](http://www.howtomba.com) helpful in beginning your search. Be aware that private scholarships may not be as readily available for graduate/professional students and especially for MBA students, but there may be resources available. Be diligent in your search.

## FINANCIAL AID TIPS

Federal Direct Unsubsidized Loans	Federal Direct Graduate PLUS Loans	Private Loans
Non need-based	Non need-based	Non need-based
Interest accrues from loan disbursement	Credit requirement: good credit history or no credit history (no delinquent accounts or bankruptcy on credit report)	Credit requirement: most lenders require students to have a particular credit score to be approved without a co-borrower
Interest rate: 6.6% fixed	Interest accrues from loan disbursement	Interest accrues from loan disbursement
Origination fee: 1.066% deducted from loan proceeds	Interest rate: 7.6% fixed Origination fee: 4.264%	Variable and normally based on either the prime rate or LIBOR
Annual maximum: \$20,500	Annual maximum: cost of attendance minus other student aid	Annual maximum: cost of attendance minus other student aid
Grace period: 6 months	Grace period: not automatic, but can contact lender to request 6 month grace period	Grace period: normally 6–9 months, depending on loan
Repayment period: 10–25 years (several repayment options available)	Repayment period: 10–25 years (several repayment options available)	Repayment period: typically 10 years standard
How to apply: 1. FAFSA ( <a href="http://www.fafsa.ed.gov">www.fafsa.ed.gov</a> ) 2. Unsubsidized MPN ( <a href="http://www.studentloans.gov">www.studentloans.gov</a> ) 3. Entrance counseling ( <a href="http://www.studentloans.gov">www.studentloans.gov</a> )	How to apply: 1. FAFSA ( <a href="http://www.fafsa.ed.gov">www.fafsa.ed.gov</a> ) 2. Graduate PLUS MPN ( <a href="http://www.studentloans.gov">www.studentloans.gov</a> ) 3. PLUS request process ( <a href="http://www.studentloans.gov">www.studentloans.gov</a> )	How to apply: online at the lender of your choice's website

The majority of Kenan-Flagler Business School students choose to borrow federal loans (Direct Unsubsidized Loan first, then Graduate PLUS Loans); however, each student must choose the loan that best suits her/his individual situation.

Factors to consider include:

- Amount of loan debt
- Timeline for repayment (Is it possible for you to repay the loan quicker than the standard 10 year repayment period?)
- Base interest rate (keep in mind that the prime rate will fluctuate)
- Student's credit score and, if applicable, co-signer's credit score (better credit often means better loan terms)

Anna Kerns is the assistant director of financial aid devoted to all students applying to the MBA@UNC program. She is available to answer your questions as well as to address any concerns you might have. All questions regarding financial aid should be directed to her using the following contact information: [anna\\_kerns@kenan-flagler.unc.edu](mailto:anna_kerns@kenan-flagler.unc.edu) or 919.962.0135.