

1 | columbia institutional aid and federal financial aid

COLUMBIA INSTITUTIONAL AID

Each school or program within Columbia University may have financial aid programs designed specifically for its students. Contact your financial aid office—see the *Contact List* for telephone numbers.

FEDERAL FINANCIAL AID

The U.S. Department of Education has several student financial aid programs, most of which are known as Title IV programs. A brief description of each program follows. While the eligibility requirements for these programs may vary, all require you to complete a Free Application for Federal Student Aid (FAFSA).

FEDERAL STAFFORD LOAN—money that has to be repaid. Federal Stafford Loans are either *subsidized* or *unsubsidized*. A *subsidized* loan is awarded on the basis of financial need, as determined by the results from the FAFSA. The federal government pays interest on the loan (i.e., subsidizes the loan) until repayment begins and during authorized periods of deferment. An *unsubsidized* loan is not awarded on the basis of need. Interest is charged from the time the loan is disbursed until it is paid in full. If interest is allowed to accumulate, it will be capitalized (i.e., the interest will be added to the principal amount of the loan) and will increase the principal amount that must be financed during repayment. If interest is paid prior to capitalization, less will ultimately be owed. Application for this loan is made through a participating lender, but must be certified by your financial aid office. See the following section on the *Federal Stafford Loan Program*.

FEDERAL PERKINS LOAN—a low-interest loan for undergraduate and graduate students with exceptional financial need as determined by the results from the

FAFSA and the policies of your financial aid office. Awards are made by your financial aid office.

FEDERAL WORK-STUDY—provides jobs for undergraduate and graduate students with financial need as determined by the results from the FAFSA. Awards are made by your financial aid office.

FEDERAL PELL GRANT—money that does not have to be repaid. A Pell Grant is only awarded to undergraduate students who have not yet earned a baccalaureate or professional degree. The amount of the award is based on need as determined by the results from the FAFSA.

FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT—money that does not have to be repaid. It is available to undergraduates with exceptional financial need as determined by the results from the FAFSA. Awards are made by your financial aid office.

HEALTH PROFESSIONS FINANCIAL AID—The U.S. Department of Health and Human Services has several student financial aid programs, most of which are known as either Title VII or Title VIII Programs. These programs are available only to students pursuing a career in one of the health professions. The following programs may be available: Health Professions Student Loan (HPSL), Loans for Disadvantaged Students (LDS), Nursing Student Loans (NSL), Primary Care Loans (PCL), and Scholarships for Disadvantaged Students (SDS). For more information on these programs, contact your financial aid office.

FEDERAL PLUS LOAN—money that a parent may borrow on behalf of a dependent undergraduate student. Application for this loan is made through a participating lender. See the following section on *Federal PLUS Loans*.

Federal Stafford Loan Program

Although you may use any lender that participates in the Federal Stafford Loan program, Columbia University has selected a list of preferred lenders that have proven to provide quality services and have a long-term record in this federal loan program.

The chart outlines the fee structure, interest rates, repayment interest rates, and repayment incentives and options for each lender.

LENDER / PROVIDER	ACCESS GROUP 800-282-1550 LENDER CODE: 808851	CITIBANK 800-967-2400 LENDER CODE: 826878	NELLIE MAE 888-2-TUITION LENDER CODE: 829076
GUARANTEE FEE ¹	0.00%	0.00%	0.00%
ORIGINATION FEE	0.00%	3.00%	3.00%
IN-SCHOOL INTEREST RATE	Subsidized: no interest while in school Unsubsidized: 91-day T-Bill rate + 1.70% (capped at 8.25%)	Subsidized: no interest while in school Unsubsidized: 91-day T-Bill rate + 1.70% (capped at 8.25%)	Subsidized: no interest while in school Unsubsidized: 91-day T-Bill rate + 1.70% (capped at 8.25%)
REPAYMENT INTEREST RATE	91-day T-Bill rate + 2.30%	91-day T-Bill rate + 2.30%	91-day T-Bill rate + 2.30%
GRACE PERIOD	Payment begins 6 months after graduation or when student drops below half-time status.	Payment begins 6 months after graduation or when student drops below half-time status.	Payment begins 6 months after graduation or when student drops below half-time status.
REPAYMENT INCENTIVES AND OPTIONS	A) Reduce interest rate by 0.25% for automatic deduction from checking or savings account. B) Reduce interest rate by 2.00% after first 48 consecutive on-time payments. C) Graduated repayment and income-sensitive repayment options are available.	A) An automatic 2.00% principal reduction at repayment B) 0.25% interest rate reduction for automatic payment C) 2.00% interest rate reduction after first 48 consecutive monthly payments are made on time D) Graduated repayment and income-sensitive repayment options available	A) After the first 33 on-time monthly payments, eligible borrowers receive a check or credit totaling 5.00% of their original principal loan balance. B) Borrowers can access loan and repayment information online through Manage Your Loans SM at www.salliemae.com . C) Graduated and income-sensitive repayment options are available.
TERM	10 years; or up to 30 years with loan consolidation program	10 years; or up to 30 years with loan consolidation program	10 years; or up to 30 years with loan consolidation program

¹ Most guarantors currently waive the allowable 1% guarantee fee; however, if the guarantor does charge a fee, the fee will be applied.

Important Note: The detailed information shown regarding interest rates and repayment incentives is currently under discussion and is correct as of the printing of this chart. If and when Federal Stafford Loan rates, repayment incentives, or any other factors are changed, updated information will be available.

ANNUAL BORROWING LIMITS

FEDERAL STAFFORD SUBSIDIZED					
Year 1	Year 2	Year 3	Year 4	Year 5	Graduate/ Professional
\$ 2,625	\$ 3,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 8,500

FEDERAL STAFFORD UNSUBSIDIZED AND SUBSIDIZED COMBINED					
Year 1	Year 2	Year 3	Year 4	Year 5	Graduate/ Professional ¹
Dependent \$ 2,625	\$ 3,500	\$ 5,500	\$ 5,500	\$ 5,500	
Independent \$ 6,625	\$ 7,500	\$10,500	\$10,500	\$10,500	\$18,500 ¹

¹ Students enrolled in the School of Dental and Oral Surgery and College of Physicians and Surgeons are eligible for a total of \$38,500 in Federal Stafford unsubsidized and subsidized combined. Students enrolled in the Mailman School of Public Health are eligible for a total of \$31,000 in Federal Stafford unsubsidized and subsidized combined.

Who is eligible to apply?

Any student who is registered at least half time is eligible to apply. You must be a U.S. citizen or permanent resident who has satisfied all Selective Service Act requirements. In addition, you must not be in default or owe a repayment on any Title IV program, and must maintain satisfactory academic progress. You must also fulfill the school’s entrance and exit interview requirements.

What are the credit criteria?

There are no credit criteria.

What are the annual borrowing limits?

Loan limits for both subsidized and unsubsidized Federal Stafford Loans differ for undergraduate and graduate/professional students. The loan limits for undergraduate students depend on the student’s year of study and, for unsubsidized Federal Stafford Loans, the student’s dependent or independent status. The table above shows the limits.

What is the interest rate?

Unsubsidized Loan and Subsidized Loan

On an unsubsidized loan, you are responsible for paying the interest. On a subsidized loan, the federal government pays the interest, prior to repayment of the loan. The interest rate varies (adjusted annually on July 1) and is determined by adding 2.30% to the 91-day Treasury Bill rate. Currently the interest rate has an 8.25% cap.

How long is the repayment period?

Generally, the repayment period is 10 years. There are, however, various loan repayment and consolidation programs available, either through a lender or through the federal government, that may extend the period of time depending on the program or your circumstances. For more information on repayment, contact the lender, your financial aid office, Student Financial Services, or Student Administrative Services.

What is the monthly payment?

Monthly payments are calculated based on the amount owed at the start of repayment. Payments may be adjusted based on your income level. Additionally, some lenders offer repayment incentives such as a reduction in the interest rate for payments that are automatically deducted from a checking account or for a certain number of consecutive on-time payments counted from the first required payment. For more information contact the lender, your financial aid office, Student Financial Services, or Student Administrative Services.

How are the funds disbursed?

Loan funds are usually sent electronically to Columbia University for disbursement to the student account. If sent as a check, co-payable to the borrower and Columbia University, the check must be endorsed for deposit to the student’s account.

What are the fees?

Currently the federal government assesses an origination fee of 3%, and the guarantee agency may assess a guarantee fee of up to 1%. However, some lenders waive these fees or pay them on behalf of their borrowers; see chart on page 6. If charged, these fees are deducted before each disbursement.

When is the first payment due?

The first payment is due following a 6-month grace period after you leave school or your status drops to less than half time. Additional deferment periods (i.e., a time when you do not have to make payments) may be available under certain circumstances, such as additional study or financial hardship.

How do I apply?

A Free Application for Federal Student Aid (FAFSA) must be filed to determine eligibility. The FAFSA is available online at <http://www.fafsa.ed.gov/>. Paper applications are also available from financial aid offices and many high schools. To reduce the FAFSA processing time, the online application is recommended. You must also complete a Federal Stafford Loan Master Promissory Note (MPN), which can be obtained from your selected lender or from your financial aid office.

What is the application deadline?

Check with your financial aid office for information about specific deadlines that may be set by the school or the federal government.

Whom may I call with questions?

Call your financial aid office—see the *Contact List for telephone numbers*.

Federal PLUS Loans

Although parents of dependent undergraduate students may use any lender who participates in the Federal PLUS program, Columbia University recommends that they use Nellie Mae or Citibank for Federal PLUS. We have found that Nellie Mae and Citibank provide exceptional customer service.

Who is eligible?

Parents of dependent undergraduate students registered at least half time with good credit histories are eligible. The parent must be a U.S. citizen, permanent resident, or eligible noncitizen, and cannot be in default or owe a repayment to any student financial aid program.

What are the credit criteria?

Federal standards of creditworthiness are substantially more flexible than those required under private loan programs. If these standards are not met, it is possible to qualify by using a cosigner.

What are the annual borrowing limits?

The maximum amount that may be borrowed in a year is your cost of attendance minus any financial aid you receive.

What is the interest rate?

The interest rate varies (adjusted annually on July 1) and is determined by adding 3.10% to the 91-day Treasury Bill rate. Currently the interest rate has a 9.00% cap.

How long is the repayment period?

Borrowers have up to 10 years to repay the loan.

What is the monthly payment?

Monthly payments are calculated based on the amount owed at the start of repayment. For more information contact your lender.

How are the funds disbursed?

Loan funds are sent electronically to Columbia University for disbursement to the student account. If sent as a check, co-payable to the borrower and Columbia University, the check must be endorsed for deposit to the student's account.

What are the fees?

The federal government assesses an origination fee of 3%, and the guarantee agency may assess a guarantee fee of up to 1%. These fees are deducted before each disbursement.

LENDER / PROVIDER	NELLIE MAE 888-2-TUITION LENDER CODE: 829076	CITIBANK 800-967-2400 LENDER CODE: 826878
GUARANTEE FEE ¹	0.00%	0.00%
ORIGINATION FEE	3.00%	3.00%
SPECIAL PROGRAMS	<p>A) Parents can prequalify online at www.nelliemae.com or by phone at 888-2-TUITION. All eligible borrowers will receive an instant credit decision.</p> <p>B) Parents who are not initially approved are offered a second review and credit counseling that may result in PLUS Loan approval.</p> <p>C) Parents may request to make no payments while the student is in college (available for up to 5 years).</p> <p>D) PLUS Loan credit decisions are good for 180 days.</p>	<p>A) Parents can prequalify by receiving a 3-minute² credit decision online at www.studentloan.com or by phone at 800-394-7035.</p> <p>B) PLUS Credit Assistance Program reviews credit denials to determine if derogatory credit items can be overridden or repaired.</p> <p>C) PLUS in-school forbearance option—ability to defer principal and interest payments up to 48 months.</p> <p>D) Online borrower account access offers the ability to sign a PLUS application electronically and make payments and service the account online.</p> <p>E) PLUS Loan credit decisions are good for 180 days.</p>
REPAYMENT INTEREST RATE	91-day T-Bill rate + 3.10% (capped at 9.00%)	91-day T-Bill rate + 2.35% (capped at 8.25%)
GRACE PERIOD	Repayment begins within 60 days after final disbursement.	Repayment begins within 60 days after final disbursement.
REPAYMENT INCENTIVES AND OPTIONS	<p>A) Eligible PLUS borrowers will receive a credit of 2.00% of the original principal balance (1.00% after making the first 12 scheduled monthly payments on time and an additional 1.00% after the 24th monthly payment has been made on time).</p> <p>B) Borrowers will receive a .25 percentage point interest rate reduction when their monthly payment is automatically deducted from a checking or savings account.</p> <p>C) Parents can choose to make either 2, 3, or 4 years of reduced payments that may be as low as interest only, followed by standard payments of principal and interest.</p>	<p>A) An automatic 0.75% interest rate reduction at repayment. Interest rate cap of 8.25% in repayment, which is 0.75% less than the standard cap of 9.00%</p> <p>B) 0.25% interest rate reduction for automatic payment</p> <p>C) Graduated repayment and income-sensitive repayment options available</p>
TERM	10 years; or up to 30 years with loan consolidation program	10 years; or up to 30 years with loan consolidation program

¹ Most guarantors currently waive the allowable 1% guarantee fee; however, if the guarantor does charge a fee, the fee will be applied.

² The 3-minute credit response is for application submitted from 7 a.m.–11 p.m. ET daily. Additional documents and data verification may be required for final loan approval.

When is the first payment due?

Generally, the first payment is due within 60 days after the loan is disbursed. There is no grace period, and both principal and interest must be paid while you are in school.

How do I apply?

Parents must submit a completed Application and Promissory Note for Federal PLUS Loan to your financial aid office.

What is the application deadline?

Check with your financial aid office for information about specific deadlines that may be set by the school or the federal government.

Whom may I call with questions?

Call your financial aid office—see the *Contact List for telephone numbers*.