



THE MBA THAT DELIVERS<sup>®</sup>

## FINANCIAL AID CHECKLIST

### *All MBA Students*

Review your award letter and make sure that your name, address, and credit-hour assumptions are accurate.

If you choose to decline any of the awards, please send an e-mail request to [sfs@babson.edu](mailto:sfs@babson.edu).

If you will need additional financing, initiate an application for one of the supplemental (credit-based) loan programs described in the brochure *Financing Your MBA*, and on our Web site, [www.babson.edu/offices/sfs](http://www.babson.edu/offices/sfs).

### *New MBA Students Only*

You will receive a request from the College Board Imaging and Documentation Service (IDOC) for your signed 2007 federal tax return (including all pages and schedules), W-2 forms, and the federal Verification Worksheet. The request will include instructions and a cover sheet for you to complete and return to the College Board with your information. Electronic images of all materials will be forwarded to Babson.

For students who received a Federal Stafford Loan as part of their package, we will have a list of recommended lenders for you to choose from in April 2008 and will follow up at that time with additional information and instructions. We recommend lenders based on the quality of service, the attractiveness of the repayment options, and the ease of processing the loan, however, you are in no way limited to these options. Once you have selected a lender, please watch for an electronic master promissory note (MPN) which you should complete and submit for processing as soon as possible. The MPN will cover your Federal Stafford Loan borrowing for this and subsequent years at Babson.

## HOW YOUR AWARD WAS CALCULATED

The formula for calculating your financial need is:

**Cost of Attendance – Resources = Financial Need.**

Our estimate of your expenses varies by program, year, and whether you rent/own or commute from your parents' home. For new students, 2008-2009 cost of attendance information is included with your acceptance packet and online at [www.babson.edu/mba](http://www.babson.edu/mba) in the Tuition and Financing section. For returning students, the information is available on our Web site at [www.babson.edu/offices/sfs](http://www.babson.edu/offices/sfs).

We have listed our assumptions about your course load on the award letter. Please notify us immediately if these assumptions are not correct, as changes may result in an adjustment to your financial aid package. Our calculation of your resources is based primarily on your income and assets, and was derived using the Federal Methodology as required by law for students applying for federal financial aid. The student resources figure is subtracted from the average costs to determine your financial need.

### **NEED-BASED FINANCIAL AID PROGRAMS**

We have met your financial need to the extent we are able with funds from one or more of the programs listed below.

**Federal Perkins Loan.** This federal loan is awarded by Babson to students who demonstrate exceptional financial need based on the availability of funds. If your award letter includes a Federal Perkins Loan and you choose to accept it, you must sign a promissory note. Entrance and exit interviews are also required. New students will be notified by our loan servicer to sign a Master Promissory Note (MPN). For returning students who completed the MPN previously, that note covers your Federal Perkins Loan borrowing for this and subsequent years at Babson. Federal Perkins Loan funds are credited to students' accounts each semester. The interest rate of the Federal Perkins Loan is fixed at 5 percent. Interest starts accruing and repayment begins nine months after graduation.

**Federal Stafford Loan (Subsidized).** We have listed on your award letter your maximum subsidized Stafford eligibility for the academic year. The interest on the loan is subsidized by the federal government as long as you remain enrolled on at least a half-time basis (i.e., six credits per semester) and for a six-month grace period after you leave school. Repayment begins after the grace period. Borrowers are required to complete an entrance interview prior to receiving their first disbursement, and an exit interview prior to graduation.

Federal Stafford Loan funds are issued in two disbursements, typically timed to coincide with the start of each semester. Disbursements are made to the student's account via EFT (Electronic Fund Transmittal). For 2008-2009, the interest rate is fixed at 6.8%.

**Federal Stafford Loan (Unsubsidized).** Graduate students may apply to borrow up to \$20,500 per year through the Stafford Loan program. The portion of that amount that is subsidized is listed on your award letter. You can apply for the balance (\$20,500 minus the subsidized portion) through the Unsubsidized Federal Stafford Loan program. The terms are the same as for the subsidized loan described above; however, students must

either pay the interest as it accrues, or have it capitalized (added to the principal) into a repayment schedule that starts after graduation.

**Federal Work-Study Program.** For students authorized to work on campus under the Federal Work-Study Program, the federal government pays 75 percent and Babson 25 percent of their wages. Students are paid biweekly for the hours worked at a typical rate of \$12 per hour. The amount of the Federal Work-Study award cannot be deducted from your tuition bill. Federal Work-Study students receive preference in hiring at Babson. Positions are available in academic departments and administrative offices.

## **MERIT AWARDS**

The F.W. Olin Graduate School of Business at Babson awards fellowships, scholarships, and assistantships to the most highly qualified MBA candidates. Awards are made on the basis of academic, professional, and personal merit, without regard to financial need. Candidates are notified of merit awards upon acceptance into the MBA program.

Fellows and assistants are required to work ten hours per week for 12 weeks each semester, in an academic department or administrative office. Every effort will be made to place you in a position related to your educational and career goals.

Before you decide to accept a fellowship or assistantship, you should consider your academic work load and your ability to fulfill the obligation to work during the semester. Students who fail to work the required hours will have that portion of their award cancelled.

If you are offered and accept a fellowship or assistantship, you should complete a W-4 form. Babson will determine your tax liability for the portion of your fellowship or assistantship that is considered earned compensation (calculated at 120 hours per semester x \$12 per hour), based on the tax withholding status from your W-4 form. The appropriate tax liability will then appear as a debit on your student account. The amount of earned compensation and payroll taxes withheld will be reported to students each calendar year on a W-2 form.

New fellows and assistants must complete the Employment Eligibility Verification Form I-9 at the Student Employment Office as soon as they arrive on campus. A special note to international students: assistants who are here on an F-1 visa must complete an Alien Information Form at the time they complete the I-9 form, and must arrange to get a Social Security number.

## **COURSE LOAD REQUIREMENTS**

You will be considered for financial aid for the number of credits required for the degree. You will not receive funding for repeated or substituted courses or compensatory

credits (taken because of a below-satisfactory grade or withdrawal from a course), or for courses not needed to complete degree requirements.

Any requests for funding for credits beyond those specified above or beyond the minimum degree requirements must be made in the form of an appeal to the Director of Student Financial Services.

Your financial aid award letter indicates the number of credits on which your financial aid award is based. If you enroll in fewer credits than we assumed, your financial aid eligibility will be recalculated.

You must be enrolled in 12 or more credits per semester in order to receive consideration for Federal Perkins Loan, Federal Work-Study, and merit awards. You must be enrolled in six or more credits per semester in order to receive consideration for Federal Stafford Loan funds.

### ***For New Two Year MBA Students***

Because federal funds must be disbursed in two payments, your award letter lists awards and credit-hour assumptions for “fall” and “spring” instead of by module. The total of 32 credits you will earn during the year exceeds the minimum requirements listed above for the Federal Perkins Loan, Federal Stafford Loan, Federal Work-Study, and merit awards.

## **WITHDRAWING FROM THE COLLEGE**

If you are planning to withdraw from Babson, we encourage you to schedule an appointment with your Student Financial Services (SFS) counselor to discuss the financial implications of your decision. The withdrawal must be approved by the Office of Program Management.

### ***Refund of Institutional Charges***

The following refund policy applies to any student who withdraws from the College.

- If the approved date of withdrawal is before or during the official drop/add period, the student will receive a full refund of tuition, fees, room, board, and any other semester-based charges.
- If the approved date of withdrawal is after the last day of the official drop/add period, and on or before the 60 percent point in the semester, the student’s tuition, room, and board will be calculated on a pro rata basis, equal to the percentage of the semester that was completed before the student withdrew. Enrollment deposits, housing deposits, and the semester fee are nonrefundable. The pro rata calculation will determine the unearned, or refundable, portion of the tuition, room, and board that is equivalent to the period of enrollment that remains in the semester. That amount will be refunded to the student, less any unpaid charges owed by the student, less any nonrefundable fees, and less any amounts that must be returned to federal or College financial aid programs.

- If the approved date of withdrawal is after the 60 percent point in the semester, there is no refund; the student is considered to have incurred, or earned, 100 percent of the tuition, room, and board charges for the semester.
- In the event that a student does not notify the Office of Program Management of his/her intent to withdraw, Babson will use the midpoint of the semester to calculate the refund of institutional charges (unless a later date can be documented by the College).
- In the event of a military reservist being called to active duty and not being able to complete a semester, the student will be entitled to a full refund of tuition and fees, and a pro rata refund of room and board charges.
- In the event a student is suspended or dismissed from the College and/or from College housing as a result of disciplinary action or violation of local, state, or federal law, the semester's housing charge will not be refunded, and the student will lose lottery privileges for room selection the following year. Tuition and board charges will be calculated on a pro rata basis in the manner described above for students withdrawing from the College.

#### ***Earned vs. Unearned Financial Aid***

For a student receiving financial aid who withdraws from the College, Babson will calculate the portion of the semester's financial aid that must be returned to the funding source, because it is unearned, as follows:

- If the approved date of withdrawal is before or during the official drop/add period, 100 percent of the financial aid will be considered unearned and will be returned.
- If the approved date of withdrawal is after the last day of the official drop/add period, and on or before the 60 percent point in the semester, the earned financial aid will be calculated on a pro rata basis, equal to the percentage of the semester that was completed before the student withdrew or took a leave of absence. The balance is considered unearned and will be returned.
- If the approved date of withdrawal is after the 60 percent point in the semester, 100 percent of the financial aid will be considered earned, and none will be returned.

#### ***Return of Federal Financial Aid Funds***

Babson will return the lesser of either: a) the unearned amount of financial aid, or b) the amount of unearned institutional charges. In the case where the unearned aid is greater than the unearned institutional charges, the student is obligated to return the difference.

Federal Title IV aid will be returned in the following sequence:

- 1st Unsubsidized Federal Stafford Loan
- 2nd Subsidized Federal Stafford Loan
- 3rd Federal Perkins Loan

4th Any other federal Title IV assistance

Please note that Federal Work-Study funds are not subject to this return policy. Any work-study earnings paid to the student through the student payroll do not need to be returned.

### ***Return of Other Financial Aid Funds***

Any other unearned financial aid will be returned to the funding source.

Please keep the following points in mind when considering a leave of absence or withdrawal.

- You are eligible for institutional financial aid for only “one time through” the academic requirements you must complete in order to graduate from Babson. If you leave during the middle of an academic period and have to repeat it in order to graduate, you will not receive institutional financial aid for the repeated academic period.
- If you have a federal student loan, you must begin repayment six months (for Federal Stafford) or nine months (for Federal Perkins) after you leave school. If you return, you will be eligible to defer your payments as long as you remain enrolled in six or more credits.
- If you decide to return to Babson, please contact Student Financial Services in advance of your expected date of return to request financial aid information.

## **SATISFACTORY ACADEMIC PROGRESS**

Federal regulations and Babson policy require students to be making satisfactory academic progress to be eligible to receive financial aid. Satisfactory academic progress is defined as progress toward the MBA degree and satisfactory grades.

### ***Progress Toward the MBA Degree***

Two-Year MBA students are generally expected to complete the degree within two academic years; One-Year MBA students within 12 months. Evening MBA students must complete the requirements for the MBA degree within eight years of their entry date.

### ***Satisfactory Grades***

Students are required to maintain grades according to the academic policies of the F.W. Olin Graduate School of Business (see the graduate student handbook). Any student whose grades fall below the required level is reviewed by the Academic Standards Committee and notified of specific requirements to be achieved in subsequent academic periods.

A student whose grades fall below the required level will be placed on financial aid probation. If the student’s grades are not brought up to the level required by the Academic Standards Committee, the student’s progress will be reviewed to determine eligibility for continued funding.

Satisfactory academic progress for financial aid programs is reviewed by the Director of Student Financial Services in conjunction with the Academic Standards Committee. Students who are denied financial aid may appeal the decision in writing to the director of financial aid within 30 days of receiving notification. Decisions on appeals will be made within two weeks of the appeal. In no case will funds be awarded to a student who has completed and/or attempted credits in excess of 150 percent of those required for the degree.

## **SOME COMMON QUESTIONS**

### **What financial aid can I expect in future years?**

You will be eligible for a similar level of assistance as your first year, provided that funds are available and that you continue to demonstrate financial need, submit an application by the deadline, and maintain satisfactory academic progress.

### **What if I have concerns about my financial aid award?**

Please contact Student Financial Services. We will discuss with you the assumptions we made to determine your financial aid award. If there are circumstances that we have not already considered, we will be glad to review your financial aid award upon receipt of a written appeal. We will also advise you regarding supplemental financing options as described in the brochure *Financing Your MBA*.

### **How many credits do I need to take each semester to receive federal loans?**

Students need to maintain half-time status (6 credits) each semester in order to receive federal loans. There are private loan options available for students who are less than half-time. Please contact Student Financial Services for more information.

### **What if my educational expenses exceed the average cost figures, or if they include the purchase of a computer?**

Please contact Student Financial Services. We will request a letter from you documenting your expenses, and, in the case of a computer, the copy of your receipt from the purchase (which must be within three months of the start of classes to be considered part of your educational expenses). We will factor in allowable educational expenses, which in most cases will enable you to qualify for more educational loan monies.

### **What happens if I receive an outside scholarship?**

You are required to notify Student Financial Services of private scholarships. It is possible that a portion of your financial aid package will be reduced.

### **Is it possible to receive aid for study abroad?**

Yes, as long as the credits will be used to fulfill degree requirements. Some restrictions apply in the case of study-abroad programs not sponsored by Babson. Contact Student Financial Services for more information.

### **How much can I expect to earn working on campus?**

MBA students working under the Federal Work-Study Program are typically scheduled for eight to ten hours per week at \$12 per hour. Students cannot work more than 20 hours per week on campus when classes are in session.

**Will I lose my other financial aid if I decline my Graduate Assistantship or Federal Work-Study?**

No.

**Does my need-based aid depend on my grades or campus activities?**

No, with the exception that you must maintain satisfactory academic progress according to the standards outlined above.

**What will happen to my financial aid if I live with my parents?**

If we assumed you would be renting an apartment and you decide to live with your parents, we estimate that students in the two-year program will have approximately \$10,584 less in expenses and students in the one-year program will have approximately \$14,104 less in expenses for the 2008-2009 academic year. Because your costs are less, your financial aid may be reduced.

**What can I do in the case of a financial emergency?**

If an emergency arises and you need cash immediately, contact Student Financial Services. Requests should be made only for unanticipated expenses, and may not be used to pay for tuition or fees.

**I am borrowing money through the student loan program(s) to help with my living expenses. When will this money be available to me?**

The College will refund to you any credit balance that exists on your student account, after the end of the drop/add period. Enrolled students can view their student account and request a refund online at <http://portal.babson.edu> under Financial Services. Students who have federal Title IV student aid disbursements in an amount that exceeds the costs of tuition, mandatory semester fees, and any room and board charges, will automatically have the amount of the Title IV credit balance refunded. The timing of when a credit balance will exist on your account depends on 1) when you complete the loan application(s) and required documentation, including when you sign the promissory note(s), 2) the scheduled disbursement of the loan(s), 3) when the loan funds are received by the College, and 4) when you complete any entrance interview requirements.

**When will my Federal Stafford Loan money be disbursed?**

All Federal Stafford Loans are issued in two equal disbursements. If your loan period corresponds to the traditional academic year (September to May), the first disbursement will be timed to arrive at the beginning of each semester. This time frame applies only if all required documentation is submitted at least eight weeks prior to the beginning of the term.

**What lender should I use for my Federal Stafford Loan?**

For returning students who completed a master promissory note in a prior year at Babson, that note covers your Federal Stafford Loan borrowing for this and subsequent years at Babson. There is no need for you to sign another promissory note.

For new students, we will have a list of recommended lenders for you to choose from in April 2008 and will follow up at that time with additional information and instructions. We recommend lenders based on the quality of service, the attractiveness of the repayment options, and the ease of processing the loan, however, you are in no way limited to these options.

***The Student Financial Services staff will be happy to assist you with any aspect of your financial planning for your college expenses. Feel free to contact us with any questions or concerns.***

***Phone: 781-239-4219***

***Fax: 781-239-5510***

***E-mail: [sfs@babson.edu](mailto:sfs@babson.edu)***