

University of Louisville School of Medicine-Pre-Orientation
SOM Student Financial Aid Office

I. Financing Your Medical Education –Three Steps

- 1. Estimate Your Costs**
- 2. Become aware of and evaluate Your Financial Resources**
- 3. Obtain Your Financial Assistance**

1. Estimate Costs

(Fixed Costs)

Estimated for 17-18 (subject to change)

KY Tuition (\$38,286) ***or NR Tuition*** (\$58,196)

Technology Fee (\$1,250)

Recreation Fee (\$196)

Books & Supplies (\$799)

HSC Health Fee (\$105)

Health Insurance (\$2,345) (May be waived w/ proof of insurance)

Disability Insurance (\$46-Fall only)

Apt. Rental/Mortgage Payment

Apt. Rental Insurance/Home Insurance

Auto Insurance

Life Insurance

Property Taxes (Car, home, etc.)

Start up costs (deposits for Apt. & Utilities)

Auto Payment (Note: cannot be included in Federal COA)

(Variable Costs)

Food

Clothes

Household supplies

Parking

Recreation

Toiletries/Cosmetics

Haircuts

Laundry

Gas

Gifts

Etc.

Be aware that the Financial Aid Office bases their budgets on:

- Known costs adjusted for inflation
- The consumer price index or actual rate of Inflation
- Provides a basic standard of living
- Expenses for student only, does not include expenses for spouses or children
- Based on surveys of reasonable Apt. rental in the area & College Board Figures



A LOOK
at the
BUDGET

2. Consider Financial Resources

Family Resources:

- Be prepared to "Help Yourself"
- Students and their families must assume primary responsibility for financing a medical education
- It is not the Financial Aid Office function to finance your education. The FAO is provided to assist in finding means to help you pay for your education with Loans, Grants and Scholarships. The student is the responsible party to finance their education (apply for aid)
- Spouse's income
- Parental help if possible
(Note: Parental contributions may be considered for PCL or LDS awards regardless of dependency status)

Other Resources:

- Private funding and outside scholarships
- Selection criteria for awards may be:
- Ethnicity*
 - Parent's Occupations*
 - Religious Affiliation*
 - Geographic Location*
 - Specialty*
 - Fraternal Affiliation*
 - Academic*
 - Need Based*
 - Gender*
 - Service Commitment*
 - Etc.*

*Be cautious about scholarship search companies that charge a fee. Some have been investigated for mail fraud and many of the scholarships that are found by the services were obvious, inappropriate, or obsolete. Most often a little time and research on the student's part will net at least the same results and probably better results at no cost. Four years of education financing is worth one day of research!

Great web sites: www.aamc.org/FIRST & www.louisville.edu/medical/financialaid & www.studentloans.gov

3. Obtain your Financial Assistance

Student Loans: What you need to know

- The maximum amount you can borrow per loan type and COA (per academic year)
- The maximum aggregate limits of the Direct Unsubsidized Loan
- The interest rate and capitalization
- Direct Unsubsidized & Grad/PLUS Loans accrue interest while you are in school
- Loan Fee taken out prior to disbursement
- The Grace Period, if any
- Repayment Options: Standard, Extended, Graduated, ICR, IBR, PAYE & REPAY
- Forgiveness Options: PSLF, NHSC Loan Repayment Programs & etc.
- That you can repay the loan at any time without penalty
- Residency Forbearance during Residency and possible Deferment Options

Keep Financial Aid Records

- Copies of Loan Master Promissory Notes-MPN (Sign on-line)
- Any correspondence with your loan servicer as well as the Financial Aid Office

-Create a folder for each academic year

II. Planning and Budgeting

1. Planning

You must plan on a fixed budget & the actual dollars you will have each academic year

Example: *If your Cost of Attendance (COA) is \$61,150 and you choose to accept some Direct Unsubsidized Stafford and the Primary Care Loan then...*

<u>AID TYPE</u>	<u>GROSS</u>	<u>NET</u>	
Direct Unsubsidized	\$20,500	\$20,281	(less fees)
Primary Care Loan	\$40,650	\$40,650	(0% fees)
TOTAL AID	\$61,150	\$60,931	
<i>Less Tuition (R)</i>		-38,286	
<i>Less Health Insurance</i>		- 2,345	
<i>Less Health Fee</i>		- 105	
<i>Less Technology Fee</i>		- 1,250	
<i>Less Recreation Fee</i>		- 196	
<i>Less Disability Insurance Fee</i>		- 46	
<i>Less Estimated B&S</i>		- 799	
		\$43,027	Total Fixed Curriculum

Net Aid \$60,931 minus \$43,027 Fixed Curriculum Costs=\$17,904 Living Expenses

\$17,904 Living expenses ÷ 10 Months (COA) = \$1,790 Per Month
\$17,904 Living expenses ÷ 12 Months (COA) = \$1,492 Per Month

Example: *If your Cost of Attendance (COA) is \$61,150 and you choose to accept only the Maximum Direct Unsubsidized Loan & zero grad/PLUS then...*

<u>AID TYPE</u>	<u>GROSS</u>	<u>NET</u>	
Direct Unsubsidized	\$42,722	\$42,266	(less fees)
TOTAL AID	\$42,722	\$42,266	
<i>Less Tuition (R)</i>		-38,286	
<i>Less Health Insurance</i>		- 2,345	
<i>Less Health Fee</i>		- 105	
<i>Less Technology Fee</i>		- 1,250	
<i>Less Recreation Fee</i>		- 196	
<i>Less Disability Insurance Fee</i>		- 46	
<i>Less Estimated B&S</i>		- 799	
		\$ 43,027	Total Fixed Curriculum

Net Aid \$42,266 minus \$43,027 Fixed Curriculum Costs= (\$761 more needed)

No funds for Living expenses

Example: If your Cost of Attendance (COA) is \$81,060 and you have a scholarship offer and choose to accept the full Direct Unsubsidized Loan then...

<u>AID TYPE</u>	<u>GROSS</u>	<u>NET</u>	
Scholarship(65% Tuition)	\$37,827	\$37,827	
Direct Unsubsidized	\$42,722	\$42,266	(less fees)
TOTAL AID	\$80,549	\$80,093	
Less Tuition (NR)		-58,196	
Less Health Insurance		- 2,345	
Less Health Fee		- 105	
Less Technology Fee		- 1,250	
Less Recreation Fee		- 196	
Less Disability Insurance Fee		- 46	
Less Estimated B&S		- 799	
		\$62,937	Total Fixed Curriculum

Net Aid \$80,093 minus \$62,937 Fixed Curriculum Costs= \$17,156 Living Expenses

\$17,156 Living expenses ÷ 10 Months (COA) = \$1,716 Per Month

\$17,156 Living expenses ÷ 12 Months (COA) = \$1,430 Per Month

Example: If your Cost of Attendance is \$81,060 and you choose to accept the full Unsubsidized Stafford and grad/PLUS Loan up to the COA then...

<u>AID TYPE</u>	<u>GROSS</u>	<u>NET</u>	
Direct Unsubsidized	\$42,722	\$42,266	(less fees)
Direct Grad/PLUS Loan	\$38,338	\$36,700	(less fees)
TOTAL AID	\$81,060	\$78,966	
Less Tuition		- 58,196	
Less Health Insurance		- 2,345	
Less Health Fee		- 105	
Less Technology Fee		- 1,250	
Less Recreation Fee		- 196	
Less Disability Insurance Fee		- 46	
Less Estimated B&S		- 799	
		\$62,937	Total Fixed Curriculum

Net Aid \$78,966 minus \$62,937 Fixed Curriculum Costs= \$16,029 Living Expenses

\$16,029 Living expenses ÷ 10 Months (COA) = \$1,603 Per Month

\$16,029 Living expenses ÷ 12 Months (COA) = \$1,336 Per Month

2. Budgeting

- A positive attitude will help to make budgeting less painful.
- Know the difference between a “NEED” and a “WANT”
- Be aware of the money coming in, is it large lump sums or monthly increments? Both have advantages and disadvantages. Lump sums can be difficult to control overspending during the initial receipt of the money. While monthly income makes it harder to save for large outputs such as tuition.
- Review your checking and savings accounts every couple of years to ensure that you are getting the best deal in terms of service fees, monthly charges, minimum balances, credit card fees, etc. Also review insurance policies.
- Pay your bills on time to maintain a good credit record. If you get into trouble, contact your creditors and explain your situation. Do not ignore it!
- Each budget is unique to that individual in regards to living arrangements & etc. It is a fact of life that people usually spend what they have or make. Quality of life can only be viewed in the eye of the beholder!

Becoming Familiar with the Mechanics of a Budget

- The easier and more realistic a budget is then dealing with it on a consistent basis will be helpful.
- List all of your sources of income (loans, scholarships, family)
- List all of your fixed expenses. Fixed expenses are monthly or yearly expenses that are unavoidable because you have already committed yourself to them. They are usually unchanging in their amounts.
- List all of your variable or day to day expenses. Variable expenses are those that occur in different amounts, and may not occur with regularity.
- Try to experiment by keeping track of every penny you spend for two weeks. By doing this you will see what your priorities are and where you are spending money. You will probably be surprised at how quickly small incidental expenses add up. (Can you name some?...soft drinks, snacks from the vending machine, eating out, coffee, gifts, parking tickets and etc.)
- Periodically review your fixed and variable expenses and adjust your budget accordingly.



Make a Budget Worksheet: Fixed Expenses and Variable or Flexible Expenses

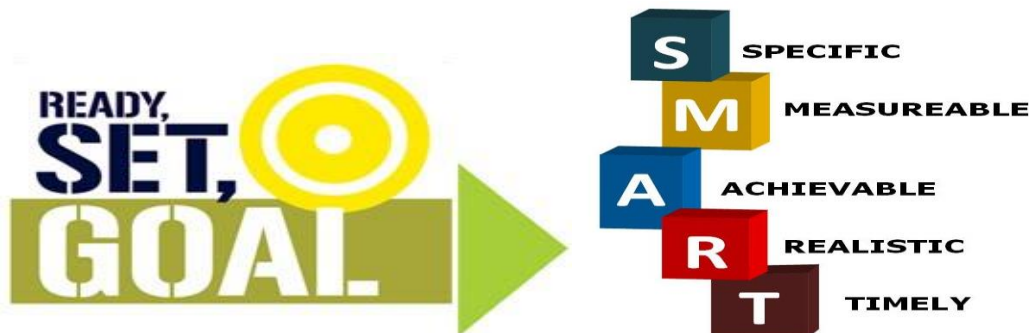
Advice from Sylvia Porter – Financial Advisor

*There are three categories that usually lead to the collapse of a financial plan if not considered:

- ✓ **Nibblers** - little things which you take for granted that eat at your money (laundry, haircuts, snacks, gifts, coffee shop, vending machine, impulse buying and etc.)
- ✓ **Bouncers** - expenses which occur once or twice a year and are easy to overlook (insurance premiums, federal, state and local taxes, personal property taxes.)
- ✓ **Sluggers** - emergency unplanned expenses that are disastrous if you have no savings account to fall back on (*Emergency Fund-talk to your parents/relatives before something happens*) (medical expenses, appliance replacement, emergency travel & etc.)

Develop Comfortable Financial Goals

- Long, Mid and Short Term Goals are important to begin to form and write down. There are thousands of Goal Setting Websites to find out more about setting your Life Goals.



**Information taken from Financial Planning and Management Manual
Association of American Medical Colleges/Revised August 1994.

- . *Cost of tuition depends on the school YOU choose.*
- . *Cost of Rent depends on where YOU choose to live.*
- . *Cost of food depends on how/where/what YOU choose to eat.*
- . *Cost of transportation depends on what mode of transportation YOU choose to use.*

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(UofL SOM Pre-Orientation 2-18-2017)