



STUDENT LOANS

Students enrolled in the MBA for Executives Programs at UNC Kenan-Flagler Business School can borrow student loans to cover tuition and living expenses. A student's total financial aid (including company sponsorship and all education loans) cannot exceed the cost of tuition and living expenses.

Types of Funding

Merit-Based Fellowships

All applications will be considered for small merit-based fellowship awards. These awards are offered by the MBA for Executives Programs so inquiries regarding how these awards are made should be directed to our Program Directors.

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.

Additional Loans (to supplement Federal Direct Loans):

Students are eligible to borrow additional funds to cover the costs that exceed the annual maximum of \$20,500 per academic year. 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

Federal Graduate PLUS 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 should exhaust their Federal Direct Loan eligibility before pursuing a Direct Graduate PLUS loan. The interest rate for Graduate PLUS loans is fixed at 7.9%.

Private Loans

Private 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 private education loan. The interest rate for private loans is variable and is based on either the Prime Rate or LIBOR.

TERMS AND CONDITIONS OF STUDENT LOAN OPTIONS

Federal Direct Unsubsidized Loans
Non need-based
Interest accrues from loan disbursement
Interest rate: 6.8% fixed
Origination fee: 1.0% deducted from loan proceeds
Annual maximum: \$20,500
Grace period: 6 months
Repayment period: 10 – 25 years (several repayment options available)
How to apply: 1. FAFSA (www.fafsa.gov) 2. Unsubsidized MPN (www.studentloans.gov) 3. Entrance Counseling (www.studentloans.gov)

Federal Direct Graduate PLUS Loans	Private Loans
Non need-based	Non need-based
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 accrues from loan disbursement	Interest accrues from loan disbursement
Interest rate: 7.9% fixed	Variable and normally based on either the Prime Rate or LIBOR
Origination fee: 4% deducted from loan proceeds	Origination fee: varies, depending on loan
Annual maximum: cost of attendance minus other student aid	Annual maximum: cost of attendance minus other student aid
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: typically 10 years standard
How to apply: 1. FAFSA (www.fafsa.gov) 2. Graduate PLUS MPN (www.studentloans.gov) 3. PLUS Request Process (www.studentloans.gov)	How to apply: online at the lender of your choice's website

EMBA students, regardless of income level, can be considered for federal and private education loans that may cover 100 percent of tuition. Contact UNC's Office of Scholarships and Student Aid (OSSA) Client Services Center with any student aid related questions. Their email address is aidinfo@unc.edu and telephone number is 919-962-8396.

Frequently Asked Questions

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 so long as they meet the basic eligibility requirements (see above). Students can also review the additional loan options to determine the best program for covering the remaining amount of their tuition after their Federal Direct Loan eligibility is exhausted.

How is tuition billed?

All billing will be 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. Specific questions about your tuition charges should be directed to the EMBA Registrar, Miranda Kelly (miranda@unc.edu).

When can I begin the student loan application process?

Student loan applications will not be processed until an applicant is admitted to an academic program, but s/he can begin the process at any time. The FAFSA becomes available each year on January 1st and can be completed online at www.fafsa.gov.

Are Federal Direct Loans guaranteed for all students?

All U.S. citizens and permanent residents are eligible for Direct Loan funding so long as they meet the basic eligibility requirements: not currently in default on an outstanding student 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 for each academic term based on reasonable living expenses for the Chapel Hill area. Students can choose to increase their overall indebtedness to include these estimated living expenses, if they would like.

How do I apply for a merit-based fellowship? If awarded, how would it affect my loan eligibility?

A student's application for admission serves as the application for merit-based fellowships. There is no separate application for these awards. Program Directors will contact all fellowship recipients directly to notify them of their award. A student's fellowship amount will reduce her/his tuition balance and is normally credited equally over all tuition payments. The reduction to the tuition amount proportionately reduces the student's loan eligibility.

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

UNC Kenan-Flagler Business School, in conjunction with Coastal Federal Credit Union, offers a loan for international students, which does not require a U.S. co-signer. You can review the terms and conditions of this loan online at: <http://www.kenan-flagler.unc.edu/programs/MBA/Tuition/aid.cfm#international>. Please note that some student loan lenders do offer private loans to international students, if they have a U.S. co-signer. Students should choose the loan program that best suits her/his individual situation.

Is my tuition tax deductible?

IRS Publication 970 (<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) 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 all lenders will defer repayment of student loans for borrowers who enroll at least half-time at an accredited college or University (all MBA for Executives Programs fall into this category). Be sure to continue making your student loan payments until you have been notified that your outstanding loans have been deferred.

Can I use my Veterans Education Benefits?

Yes! Students can use their veterans' education benefits to help fund their MBA at Kenan-Flagler. Miranda Fearington is the EMBA VA Certifying Official. Feel free to contact her directly with any questions pertaining to VA benefits (miranda@unc.edu).

Can I borrow student loans for the preparatory workshops that occur before the program begins?

No. Because these are not required courses for your degree and occur prior to the academic year, they do not meet Federal eligibility requirements for student loan funding.

Are there private scholarships available to MBA for Executives students?

Be aware that private funding 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. You may find resources such as www.mba.com helpful in beginning your search. Also note that UNC Chapel Hill's GrantSource Library is dedicated solely to assisting graduate/professional students search for funding opportunities. You can search "Funding Databases" online at <http://research.unc.edu/grantsource/>.

What is the process for requesting federal loans at UNC?

The first step in the federal aid process is to file your FAFSA form (www.fafsa.gov). By indicating UNC-CH's federal school code on the aid application (002974), your FAFSA will be sent to the university. The FAFSA application will then be evaluated by the EMBA Financial Aid Officer and your financial aid award will be established. Financial Aid will then contact with you via email to notify you of your loan eligibility. At that time, you will be provided with instructions on how to accept your student loans and how to view your financial aid award eligibility online.

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 not always be as low as it is currently)
- Student's credit score and, if applicable, co-signer's credit score (better credit often means better loan terms)