LINCOLN MEMORIAL UNIVERSITY-
DEBUSK COLLEGE OF OSTEOPATHIC MEDICINE

FINANCIAL SERVICES HANDBOOK
2011 - 2012

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INTRODUCTION

The LMU-DCOM Financial Aid Handbook is provided to acquaint students with detailed information regarding financial aid policies and procedures. **It is the responsibility of all medical students receiving TITLE IV assistance or scholarships to become familiar with the information in this handbook.** Information is effective with the 2011-2012 academic year and applies to all students enrolled at LMU-DCOM. While we have made every effort to provide complete and up to date information, neither the LMU-DCOM nor the Office of Financial Services is responsible for any omissions. Information is subject to change and current students will be notified of any major changes through campus email. The Office of Financial Services does not endorse any one program, company or agency above any other. Our job is to advise students on options available to them. The decisions and responsibilities lie ultimately with the students.

PHILOSOPHY

In order to meet individual student needs while complying with federal requirements, guidelines have been established regarding eligibility and allocation of all funds administered by the Office of Financial Services.

- The primary responsibility for financing an education remains with the student and family.
- Programs provided through the Office of Financial Services are geared toward providing financial assistance to those students who would be unable to attend medical school without assistance.
- Standard budgets are developed in accordance with federal guidelines and apply uniformly to all students requesting aid. Current law mandates that only the student's expenses can be included in the budget and that budgets may be only for periods of enrollment.
- All students applying for financial aid at the LMU-DCOM must submit the required Free Application for Federal Student Aid (FAFSA).
- The student's total financial aid package plus other resources available to the student may not exceed their yearly budget.
- Receipt of an award one year does not make it automatic in subsequent years.

NON-DISCRIMINATION POLICY

It is the policy of the LMU-DCOM Office of Financial Services not to discriminate on the basis of sex, race, color, religion, age, national origin, handicap, or personal and

political views in awarding financial aid. Race and sex designations are only used in order to complete reports as required by various federal and state agencies.

PRIVACY POLICY

The Office of Financial Services takes students' privacy seriously and is committed to protecting it. Access to personal information is strictly controlled and limited to only those LMU personnel with a need to know to provide services to students. The staff is required to keep students information confidential and to use that information only to carry out services on behalf of LMU. LMU maintains physical, electronic and procedural safeguards that comply with government regulations to guard customer information.

No personal information on an LMU-DCOM student will be released to any person or outside agency without written permission from the student. Any exception to this policy must be approved by the Director of Financial Services.

SELF-HELP PHILOSOPHY

Due to current economic conditions, the challenge of meeting the costs of attending medical school has become increasingly difficult. It is important that students seek out as much assistance as possible on their own. Careful budgeting, reducing spending and eliminating credit purchases are all self-help methods to be considered and utilized by medical students. (You will find Budget Tips later in this handbook.) As mentioned earlier, student aid budgets are constructed in compliance with strict federal guidelines. While car payments and credit card debt are common obligations, they cannot be considered in the cost of attendance. Students must make allowances to cover these financial responsibilities on their own.

Because of the tremendous academic load carried by all students, outside employment is not always practical. Parental contributions in the form of personal loans should be considered as alternative sources of funds. Accumulation of savings prior to entering school will help alleviate stressful financial situations. Students might also want to consider service contractual programs such as the Military Health Professions Scholarship Program, the National Health Service Corps Loan Repayment Program or similar programs through their home states.

The final responsibility for financing an education rests with the student. Every effort should be made by the student and family to carefully plan a financial program that will reduce the possibilities of unmanageable debt after graduation.

STUDENT RIGHTS

You have the right to know:

- The names of the institutions accrediting or licensing organizations.
- The cost of attendance and the institutional policy on refunds to students who withdraw or stop attending.
- What financial aid programs are available for medical students.
- What deadlines are in place and enforced.
- What criteria is used to select financial aid recipients and how need is determined
- What portion of your financial aid must be repaid, due dates and procedures.
- How the institution determines satisfactory academic progress and what happens if you are not in compliance.
- What special facilities and services are available to the disabled.

STUDENT RESPONSIBILITIES

It is your responsibility to:

- Review and consider all information about the institution's program before you enroll.
- Complete all application forms correctly and submit them on time to the right place.
- Submit all documentation, corrections or new information requested by either the Financial Services Office or the Direct Lending processor.
- Read, understand and keep copies of all forms you are asked to sign.
- Comply with the provisions of any promissory note and all other agreements you sign.
- Comply with deadlines for the payment of tuition.
- Notify the institution of a change in your name or address. If you have a loan, you must also notify your loan servicers of these changes.
- Understand the institutions refund policy.
- Report to the Office of Financial Services any outside scholarships or other assistance you are receiving that is not listed on your financial aid award letter.
- Provide written permission before personal information can be released to outside parties.

EDUCATIONAL COSTS

COST OF ATTENDANCE (STUDENT BUDGET)

The “cost of attendance” is the total amount determined by the school to cover educational expenses and equitable living expenses for the student. As per federal guidelines, budgets include costs for an academic year which runs from the first day of class in the fall semester until the last day of class in the spring semester. Cost of Attendance Budgets for OMSI and OMSII are 10 months in length; Cost of Attendance Budgets for OMSIII and OMSIV are 11 months in length. Detailed budgets may be found on the DCOM Financial Aid webpage.

Federal regulations also stipulate that a Cost of Attendance Budget may only include expenses related to the student. Expenses such as food, clothing and health insurance for a spouse and/or children may not be included. In certain instances, allowances for daycare expenses for students with dependent children or allowances for students with disabilities may be permitted. Students must meet specific requirements to qualify and will be required to supply additional information for a complete evaluation of the request. Students with extenuating school-related circumstances that may require special consideration should contact the Office of Financial Services promptly.

Financial aid cannot be used for non-educational expenses such as vacations and is not intended to cover charge card or regular car payments.

BUDGET TIPS

The following economical and practical ideas can assist you in preparing to enter medical school. Not all of them may be logical for you; select those that make the most sense and always be thinking of ways to save money and stay within a budget.

Living Arrangements

1. Live with parents, other relatives, or a roommate.
2. Shop and compare rent payments for an apartment. Consider convenience, security, lease terms and whether or not utilities are included. Get a sublet clause in your lease if you intend to leave for the summer.

Furnishings

1. Ask around. Family, friends, and neighbors may have things they would love to give away.
2. Take advantage of garage sales, consignment and thrift stores.
3. Watch for discounts and two-for-one sales.
4. Get friends and family to help with moving instead of hiring professional movers.

Telephone

1. Shop around for a long distance carrier. Carefully compare programs and monitor your bills. Decrease long distance calls when possible or buy phone cards.
2. Make long distance calls during reduced rate periods.
3. Write letters or use electronic mail to communicate instead of making long distance calls.

Electricity/Gas/Water

1. Use energy efficient bulbs and turn off lights when not in use.
2. Turn the heat down when you are away from home.
3. Shorter showers cost less than long showers.
4. Turn off the water when not in use, example: shaving, brushing teeth.

Clothing

1. Buy only necessary clothing. Shop at discount or second-hand stores when appropriate.
2. Minimize dry cleaning.

Books

1. Consider used books. Ask upper-class students which books are necessary, or if some books can be borrowed.
2. Purchase books on line.

Transportation

1. Join a car pool to save gas money or consider riding a bike or walking.
2. Take higher deductibles on auto insurance.

Food and Shopping

1. Bring lunch from home.
2. Avoid vending machines, fast food and convenience stores.
3. Learn to be a savvy shopper. Clip coupons and comparison shop. Don't buy an item just because a coupon is available; store brand or generic products may be cheaper than the name brand with a coupon.
4. Stock up at sales. Take advantage of double coupon offers.
5. Buy non-perishable items on sale and in bulk.
6. When preparing meals, make larger portions and freeze them for later. Ready-made or frozen meals cost more per serving.
7. Use leftovers.

Entertainment

1. When eating out, look for "early bird" or "all you can eat" specials.
2. Have potluck dinners, where each person brings a dish. They are fun and economical.
3. Choose low entertainment; free concerts, dollar movies, etc.
4. Rent videos, or borrow them from the library.

Other Money Tips

1. Carry large bills; the smaller the bill, the easier it is to spend.
2. Save loose change.
3. Use credit cards sparingly and wisely. The best cards are those that must be paid in full each month and have low or no annual fees. Before charging something, check the budget to see if you can pay the bill. Do not use credit cards to extend a monthly budget. Consider cards that offer frequent flier miles.
4. Enter charge amounts in a computer program or write them on Post-its and put them in your checkbook or ledger. Subtract the amount from the checking balance to help stay within budget.
5. Minimize the fees assessed against your account.
6. Keep the checkbook balances. Bounced checks can cost $20 or more.

APPLICATION PROCESS

STUDENT ELIGIBILITY

1. Student must be a United States citizen or national, or an eligible noncitizen with appropriate documentation.
2. Student must be enrolled as a regular student.
3. Student must show demonstrated financial need determined through the approved needs analysis system each academic year.
4. Student must not owe a refund of or be in default on Title IV funds, and sign a certification to that effect.
5. Student must be registered with the Selective Service if required, and either confirm that registration or file a Statement of Registration Status each academic year.
6. Student must maintain satisfactory academic progress.
7. Student may not exceed allowable loan limits under any program.
8. Student must complete the verification process if required to do so.
9. Student must provide a verified social security number.
10. Student must not have had federal benefits suspended or terminated as a result of a drug conviction.
11. Student must be credit worthy if applying for GRAD Plus or alternative loan

HOW TO APPLY

1. If you do not already have a federal PIN, you may register for your PIN at www.pin.ed.gov. You must have a federal PIN before you can file your FAFSA on line.

2. Complete the 2011-2012 FAFSA (Free Application for Federal Student Aid) as soon as possible after January 1, 2011. The FAFSA is available on line at www.fafsa.ed.gov. ***The Lincoln Memorial University FAFSA Code is 003502.***

   In order for you to complete the FAFSA, you will need your 2010 federal income tax return (or an estimate), W-2 forms, bank statements and investment information. You should retain these documents in a file so that they are readily available if requested at a later date by the DCOM Financial Services Office. **As a professional student, we do not require your parental information.**

3. If you do not receive the results of your FAFSA within a few days of submission, you should check the status of your application by selecting "Check Status of a Submitted FAFSA" under the FAFSA Follow-up section of the FAFSA home page. It is important that you review the information for accuracy and make corrections if necessary. We will use the expected family contribution indicated on your SAR to determine your eligibility for federal student loans.

4. If your SAR has been flagged for verification by the federal processing center, you will receive a missing information letter from the Financial Aid Office notifying you of the information required to complete verification. You will also receive an email from the DCOM Office of Financial Services. The information requested should be submitted as soon as possible so as not to delay completion of your financial aid file.

5. You will receive an email when your financial aid award has been made. The email will include instructions on accessing your account on WebAdvisor. You should immediately go to your Web Advisor account, review the amounts awarded on each loan program and accept/decline each award. Once this process is complete, be sure to click the "Submit" button. All loans will be awarded at maximum eligibility. If you want to borrow **less** than the amount awarded, DO NOT make the adjustments yourself. You should send an email to patricia.peace@lmunet.edu requesting the reduction.

6. Once you have accepted your loans, follow the instructions on the DCOM Financial Aid webpage under "Financial Aid Award Completion" to complete your loan processing.

CONFLICTING INFORMATION

If a review of student's financial information reveals discrepancies or shows conflicting information, no funds will be released until the discrepancy or conflicting information is resolved. The following guidelines concerning discrepancies are in effect:

- Students who fall into this category may be school-selected for verification. A verification worksheet will be mailed to the student by the Office of Financial Services.
- The student will be given every opportunity to provide an explanation or documentation to resolve the conflict.

VERIFICATION

An institution is required to verify certain financial and family information of aid applicants who are selected for review and verification on the basis of certain prescribed computer edit checks. Only the students who are selected for verification by the federal processor are verified unless the Office of Financial Services finds a discrepancy on an application that is not selected for verification. If selected, students are governed by this policy:

- From the date of notification by the Office of Financial Services, the student will have 60 days to supply the necessary documentation.
- A student selected for verification will be mailed a verification worksheet to the current address of record.
- A student must submit the completed verification worksheet, a copy of his/her federal tax return, W-2 Forms and any other documentation required to support the information declared.

Once everything has been received, it will be reviewed for accuracy. If all data match, then the application is processed. If there is a discrepancy or a change, a correction is necessary and your award cannot be processed until the correction has been processed. You will receive another SAR as a result of a correction application. **The student's aid award will not be determined until the verification process has been completed.**

NOTIFICATION OF ELIGIBILITY

Beginning in late March or early April, financial aid awards will be made to all students whose files are complete. Students who have been assigned an LMU email account and have access to WebAdvisor will receive an electronic notice that their award is ready for review and accept/reject on WebAdvisor. Other students will be mailed a Financial Aid Award Letter that will identify those aid programs for which they are eligible. Students must indicate the amount accepted from each program, sign and return the Award Letter within 15 days of receipt.

Each student will be awarded funds from various programs to meet the total estimated cost of attendance. An award is subject to change in the event that a student receives additional aid not reflected in the Award Letter**. If a student receives additional aid from any source, the student is required to notify the Office of Financial Services.** The receipt of additional aid may result in a reduction of funds awarded if total resources exceed the cost of attendance.

STUDENT AID REVISION POLICY

In order to prevent or minimize over-awards, reduce student debt and comply with federal, state and private aid programs, the following policy is in effect:

> At the time a student receives other aid after the initial financial aid package is determined, the student's aid will be re-evaluated to determine his or her new eligibility and whether an over-award will occur. The Office of Financial Services will take all steps necessary to reduce or eliminate the over-award.

If an over-award occurs, the procedures listed below will be followed:

1. A new aid award offer will be completed and sent to the student advising him/her of the revision.
2. Subsequent disbursements may be cancelled or reduced accordingly.
3. If the additional resource is credited to tuition (as with scholarships or Vocational Rehabilitation), the resulting refund will be returned to the loan programs to reduce any over-award. In the event a personal check was given to pay any part of the tuition, it will be determined whether an equivalent amount of loan funds was delivered to the student creating the over-award. These funds will also be returned too the lender of the loan program to the extent of the loan funds delivered to the student.
4. After all efforts have been exercised by the Office of Financial Services to reduce/eliminate the over-award, in accordance with federal guidelines, a Stafford Loan borrower who is over-awarded and received funds disbursed directly to him/her will not be required to repay funds that were delivered in excess of need unless the over-award was caused by his/her misreporting or withholding information.

RECEIPT OF FUNDS AND REFUNDS

Funds will be disbursed by electronic funds transfer (EFT).equally between the two semesters and will be automatically credited to the student's account. The student will be notified when the funds have been credited to the account, after which time the student has 14 days in which to cancel these loan funds

If a student's financial aid is more than the LMU-DCOM charges on their student account, a refund for the credit balance will be issued to the student. Students are encouraged to sign up for direct deposit. Students not receiving their refunds by direct deposit will be issued a check. Refunds issued at the beginning of a semester are released on Friday, approximately one week after the first day of class.

LOAN PROGRAMS

Federal Direct Loan Programs

Direct Subsidized Stafford Loans:

The Direct Subsidized Stafford Loan program is a federal student loan program that allows medical students to borrow up to $8,500 per academic year. As of July 1, 2006 these loans have a fixed interest rate of 6.8%. There is no interest while the student is enrolled at least half time.

Direct Unsubsidized Stafford Loans:

Direct Unsubsidized Stafford Loans are subject to the same terms and conditions as Direct Subsidized Stafford Loans with the following exceptions: Interest of 6.8% will accrue during periods of enrollment, grace and deferment. First year medical students are eligible to borrow up to $42,722 per academic year (based on a 10 month budget), minus the amount of any subsidized loan awarded for the same academic period.
NOTE: The total outstanding debt a medical student can have from all Direct Stafford Loans is $224,000 and no more than $65,500 of this amount can be in subsidized loans. Outstanding Stafford Loans received from both the FFEL and Direct Loan Programs for undergraduate or graduate education are included in these aggregate totals.

Direct PLUS Loans:

Direct PLUS Loans have a fixed interest rate of 7.9%. The maximum amount a student may borrow per academic year is the cost of attendance minus any other financial aid received for that same academic period. A credit check is required for PLUS Loans. If you have adverse credit, you will be denied by the lender. If you are denied, you may reapply with a credit worthy cosigner. Interest accrues from the time the funds are disbursed. Repayment begins at graduation, but may be deferred.

ENTRANCE AND EXIT COUNSELING

All students receiving a loan for the first time at LMU-DCOM will be required to complete Entrance Counseling. During this session, the students will review the terms of their loans, their rights and responsibilities, default and its consequences, estimated payments, deferments, forbearance, and other repayment options. **Funds cannot be released until the interview has been completed.** Students may complete online Entrance Counseling by going to the Web site www.studentloans.gov.

All students receiving a loan will be required to complete Exit Counseling before graduation or upon leaving LMU-DCOM. Basically, students will review the same topics covered in Entrance Counseling, with a greater emphasis on repayment options. Students are advised to complete online Exit Counseling by going to the Web site www.studentloans.gov. Additional exit counseling will be provided to graduating students during the week of graduation.

MASTER PROMISSORY NOTE (MPN)

A Master Promissory Note (MPN) for each of the Federal Direct Stafford and Direct Grad Plus Loans will be required for new borrowers at LMU-DCOM. Multiple loans for multiple years will be under a single promissory note; therefore, once you have signed your MPN's, you will not be required to sign again while enrolled at LMU-DCOM. Students must go on line to electronically sign their MPN. They should go to the Web site www.studentloans.gov to esign their MPN's. The amount of each loan accepted on the Award Letter will be the amount that will be processed.

DEBT MANAGEMENT

Education loans have long-term implications and excessive student borrowing could negatively impact a student's future. We encourage students to use serious consideration in planning to control their debt level, both personal and educational, from the very beginning.

It is important that students maintain credit worthiness in order to qualify for borrowing needed for their medical education as well as in future years. It is recommended that students request a copy of their credit reports from a credit bureau to make sure there are no problems. If there are problems, then perhaps they can be resolved prior to applying for loans. A free credit report may be requested at www.annuyalcreditreport.com.

It is imperative that you keep accurate records of all debts, including, but not limited to the following:

- copies of loan applications
- copies of promissory notes
- loan disclosure statements

- correspondence from lenders
- repayment schedules
- correspondence from the Office of Financial Services

Loan repayment may seem too far away to think about; however, you must be sure that you familiarize yourself with the following terms and/or information:

- Your rights and responsibilities as a borrower in each loan program as specified on the promissory note and the information section attached to the loan application.
- The rate of interest on your loan(s) and the manner in which interest is accessed. This will affect your monthly payment and your total pay back.
- Deferment periods are periods during which a student is not required to make loan payments while engaging in specified activities. Specific deferrals vary among loan programs. It is the student's responsibility to make sure the lender receives appropriate documentation of eligibility for a deferral.
- Borrowers temporarily unable to make full monthly payments may request forbearance from their loan servicers. During forbearance, reduced payments are accepted. Under certain conditions, loan servicers are required to grant forbearance when it is requested.
- If you fail to make required loan payments in a timely manner, you will become delinquent on your obligation. Delinquency will be reported to credit bureaus and result in poor credit rating.
- Loans in delinquent status for a specified period of time (example, Federal Stafford Loan – 180 days for loans on monthly repayment schedule) are declared in default. The declaration of default means the lender has determined the borrower does not intend to repay the loan. Defaulted federally guaranteed loans are turned over to the federal government or a guarantee agency for collection. Defaults are reported to credit bureaus. To collect defaulted loans, the government can: employ a collection agency, sue the borrower, withhold income tax refunds, decrease federal payment due for professional services (example: Medicare reimbursement), and garnish wages if the borrower is a federal employee. A borrower who defaults can be held responsible for legal fees, court costs and other expenses incurred in collection activities. Check out the Department of Education's publication called Your Federal Student Loans – Learn the Basics and Manage your Debt at www.studentaid.ed.gov/repayingpub.

To assure that students have been informed of their rights and responsibilities concerning their student loan debt, both Entrance and Exit Counseling are mandatory and ongoing fiscal counseling is recommended.

LEAVE OF ABSENCE

A student may request and be granted a leave of absence from DCOM. Any student on financial aid who is granted an approved leave of absence must notify the Office of Financial Services to be exited properly. Only students who are in good standing with DCOM and are granted a leave of absence without condition may be granted financial aid leaves. Financial aid leaves can cover up to 180 days out of a 12 month period.

SATISFACTORY ACADEMIC PROGRESS STANDARDS

Federal Law requires that all students receiving financial assistance from Title IV funds maintain satisfactory academic progress as defined by the institution. In the policy, the institution must explain how the progress of each student will be evaluated in two categories: quantitative and qualitative. The quantitative policy must establish the maximum time frame in which a student must earn the degree. The qualitative policy must explain how a student's academic performance will be evaluated during that time.

Quantitative Assessment:

The degree of Doctor of Osteopathic Medicine is granted to, and conferred upon, candidates who are of good moral character and have satisfied all graduation requirements. A minimum of 45 months must elapse between the date of matriculation and graduation. All degree requirements, however, must be completed within six years following matriculation, (excluding approved leaves of absence).

Qualitative Assessment:

The academic progress of each student is monitored and evaluated by the Student Progress Committee. This committee reviews the records periodically throughout the year to determine if the student has fulfilled all academic requirements. These students may be placed on academic probation. Any student failing to meet one or more of the academic standards at the end of the academic year will be placed on financial aid probation. While on financial aid probation, the student may receive financial aid for one semester. At the end of that semester, the student must be making satisfactory academic progress as defined by the Student Progress Committee or financial aid eligibility will be suspended. Financial aid personnel will notify and explain the loss of eligibility to the student.

RETURN OF TITLE IV FUNDS POLICY

This policy shall apply to all students enrolled at the LMU-DCOM who receive financial aid from Title IV funds and who totally withdraw, drop out or stop attending all classes without officially withdrawing. Students who withdraw from all classes before completing more than 60% of an enrollment term will have their aid recalculated based on the percent of the term they completed. For example, a student who withdraws completing only 30% of the term will have "earned" only 30% of any Title IV aid received. The remaining 70% must be returned. The Office of Financial Services encourages you to read this policy carefully. If you are thinking about withdrawing from all classes PRIOR to completing 60% of the semester, please contact the Office of Financial Services to see how your withdrawal will affect your financial aid and your possible repayment.

"Title IV Funds" refers to the federal financial aid programs authorized under Education Act of 1965 (as amended) and includes: Federal Subsidized and Unsubsidized Stafford Loans and Grad-Plus Loans.

A student's withdrawal date is:

- the date the student began the institution's withdrawal process or officially notified the institution of intent to withdraw; or
- the midpoint of the period for a student who stops attending all classes without notifying the institution.

Any student intending to officially withdraw must submit a letter of resignation to the Assistant Dean of Admissions and Student Advancement.

Refunds on all institutional charges (tuition, fees, room and board) will be calculated according to the LMU refund schedule.

The percentage of Title IV aid unearned to be returned to the appropriate program shall be 100% minus the percent earned. Unearned aid shall be returned first by LMU from the student's account to the appropriate programs in the following order:

1. Unsubsidized Stafford Loan
2. Subsidized Stafford Loan
3. Grad-Plus Loan

No program can receive a refund if a student did not receive aid from that program. Students are responsible for any portion of institutional charges that are outstanding after Title IV funds are returned.

When the total amount of unearned aid is greater than the amount returned by LMU from the student's account, loan amounts are returned by the student according to the terms of the promissory note.