

University of California

Berkeley

Haas School of Business

Strategies for Financing your Education

Brought to you by the Haas Financial Aid Office

Agenda

- Cost of Attendance
- Funding Sources
- Financial Aid Process
- Minimizing Debt
- Summary and Questions

Cost of Attendance (COA)

*Subject to increase	Spring '09	Summer '09	Fall '09	Winter '10
Instruction Begins	March	June	August	January
Instruction Ends	May	August	October	March
Fees Due	12/15/2008	5/15/2009	8/15/2009	1/15/2010
Deposit Fee -- PAID	\$2,000			
Haas Fee	\$10,375	\$12,375	\$12,375	\$12,375
Campus Fees*	\$207.75		\$207.75	\$207.75
Health Insurance Fee*	\$849		\$849	\$849
Class Pass Fee*	\$57		\$57	\$57
Summer Session Reg Fee*		\$108		
Total	\$13,488.75	\$12,483	\$13,488.75	\$13,488.75
total tuition only: \$49,500				
Total tuition and fees: \$52,949.25				

Cost of Attendance (COA)

Budget Item	Amount
Tuition	\$49,500
Other Fees	\$902
Health Insurance	\$2,547
Living Expenses	\$29,235
Books & Supplies	\$2,500
Total 12 months	\$84,684

Funding Sources - Overview

- Personal Savings, Assets, Income
- Grants/Scholarships
 - www.haas.berkeley.edu/mba/finaid
 - <http://internationaloffice.berkeley.edu/>
- Federal Loans (only for U.S. Citizens and Permanent Residents)
 - Direct Loan
 - Direct Grad PLUS Loan
- Private Loans

Funding Sources – Direct Loans

- Federal Direct Loan
 - Annual Maximum: \$20,500
 - Up to \$8,500 can be subsidized
 - Subsidized v. Unsubsidized
 - Fixed interest rate of 6.8%
 - Origination Fee of 2% (with a 1.5% rebate)
 - 6 month Grace Period
 - 10 year Repayment
 - Extended repayment options if debt over \$30k

Funding Sources – Grad PLUS Loans

- Federal Direct Grad PLUS Loan
 - Annual Max: Up to COA minus other aid
 - Fixed interest rate of 7.9%
 - Origination Fee of 4% (with a 1.5% rebate)
 - 10 year Repayment
 - Extended repayment options if debt over \$30k
 - Unsubsidized
 - No 6 month grace period!
 - Requires a minimal credit check

Funding Sources – Educational Loans from a Bank

- Private Loans
 - Up to the COA minus other aid
 - Variable Interest rates
 - http://online.wsj.com/mdc/public/page/2_3020-moneyrate.html
 - Usually no fees, 6 month Grace period
 - Requires a credit check
 - www.annualcreditreport.com
 - Intl Students need a U.S. Co-signer

Financial Aid Process – for Federal Loans

- Step 1: Complete the FAFSA
 - Free Application for Federal Student Aid
 - www.fafsa.ed.gov
 - Complete by the end of April for Spr/Sum
 - Complete another for 2009-2010 Fall/Spr
 - The government uses the FAFSA to
 - Determine your Student Contribution (SC)
 - Affects eligibility for Subsidized Loans
 - Verify eligibility for loans
 - Citizenship, Selective Service, etc.

Financial Aid Process - Analysis

- COA minus SC = Need
 - \$80,000 minus \$10,000 = \$70,000
 - \$8,500 Subsidized Direct Loan and \$12,000 Unsubsidized Direct Loan
 - Eligible for \$59,500 in Grad PLUS
- COA minus SC = Need
 - \$80,000 minus \$90,000 = no need
 - \$20,500 Unsubsidized Direct Loan
 - Eligible for \$59,500 in Grad PLUS

Financial Aid Process – Direct Loans

Federal Loans --- Steps to Disbursement

- Step 2: Accept Loans in Bear Facts
 - <http://sis.berkeley.edu/bearfacts>
- Step 3: Complete Entrance Counseling
 - <http://www.ed.gov/DirectLoan>
- Step 4: Sign Master Promissory Note
 - <http://dlenote.ed.gov/empn/StudentLoanSelector.jsp>

Financial Aid Process

For Private Loans ---

- Step 1: Apply for Loan with the Lender
 - <http://www.haas.berkeley.edu/mba/finaid>
 - Will require a U.S. Co-signer if you are an International Student.
- Step 2: Sign Promissory Note with the Lender once loan application approved

Financial Aid Process – Show me the money!

- Funds disburse to the university to pay any billable costs. Any amount beyond that remitted to you as a refund.
- Sign up for EFT
 - <http://eftstudent.berkeley.edu>
- Monitor your account in Bear Facts
- Borrow only what you need!

Financial Aid Process – Sample Repayment

Debt	6.8% Interest Rate		7.9% Interest Rate	
	<i>Monthly Payment</i>	<i>Total Paid</i>	<i>Monthly Payment</i>	<i>Total Paid</i>
\$10,000	\$115	\$13,810	\$120	\$14,496
\$20,000	\$230	\$27,619	\$240	\$28,992
\$40,000	\$460	\$55,239	\$480	\$57,984
\$60,000	\$690	\$82,858	\$720	\$86,976
\$75,000	\$863	\$103,572	\$900	\$108,720
\$100,000	\$1,151	\$138,096	\$1,200	\$144,960

Minimizing Debt - Strategies

Budget Tips ---

- Live with a roommate/a grad student
- Get only a cell phone or a landline
- Make it a matinee and a potluck instead of a full price ticket and a fancy dinner
- Switch to coffee from your double-tall-no-whip-zebra-mocha.

Thank You!


Financial Aid Contact Information:
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Student Services Bldg. 420L

Hours: M-F 9am – 6pm



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