

Financial Aid and Scholarship Opportunities Executive MBA Program

A graduate degree in business will give you the opportunity for significant professional advancement and personal growth. Obtaining that degree, however, will require a considerable financial investment.

The Stephen M. Ross School of Business at the University of Michigan seeks to admit only the best candidates and believes that the lack of necessary financial resources should not be a barrier to qualified applicants. As such, there are a limited number of scholarships for participants in the non-profit or public sectors, as well as guaranteed loan packages available.

This handout provides an idea of what your financial obligations will be as an Executive MBA participant and how to meet them. It also acts as a guide through the financial aid application process.

Tuition

For the Fall 2006 and Winter 2007 entering Executive MBA classes, the resident tuition for the 20-month program is \$110,000; non-resident tuition is \$115,000.

Tuition includes all expenses associated with the program including all books, course materials, laptop computer, and all housing and meals during the residencies. Travel to and from Ann Arbor is not included. Tuition payments should be payable to *The University of Michigan*.

Payment Schedule

Tuition is payable by two methods: two installments over the 20-month program payable in roughly equal amounts due July 15th (Fall Admits) or November 15th (Winter Admits) of each year; or five installments over the 20-month program payable in roughly equal amounts due on each July 15th, March 15th and November 15th. The \$1,000 non-refundable enrollment deposit is applied to the first payment. The Executive MBA Program Office will send you an invoice before each payment is due. If you do not receive a bill, contact our office at (734) 615-9700.

Financial Aid, Scholarships, and Loans – U.S. Citizens & Permanent Residents (Information for Non-US Citizens can be found on the last page.)

The Ross School of Business participates in the Federal Direct Loan programs. The Ross School of Business also offers scholarships to participants working in the non-profit and/or public sectors based on a combination of financial need and exceptional merit. In addition, private educational loans are available to assist with tuition expenses.

Please note that student loans are the primary source of assistance for most participants. If you meet the following basic criteria, we strongly encourage our participants to apply for the Federal Direct Loan Program prior to applying for a private loan:

- You must be a U.S. citizen or permanent resident.
- You must, by Federal definition, be enrolled at least halftime (8 credit hours) to qualify for a Federal Direct Loan (subsidized and/or unsubsidized). Enrollment in the Executive MBA Program qualifies, by definition, with at least 9 credit hours per semester.

Federal Direct Loan – Subsidized

This is a long-term, low-interest loan. The University of Michigan provides Direct Loans from funding allocated by the Federal government. *Private lenders no longer participate in the program under Direct Lending. The University will provide all loan paperwork for you.* The subsidized maximum is \$8,500 per academic year, and eligibility is based on financial need.

The Federal government collects an origination fee of 1.5% on each loan to offset default costs. The University deducts this fee equally from each loan disbursement.

For all borrowers, the interest rate will be variable with an 8.25% cap. The current variable rate is adjusted annually on July 1st. The July 1, 2005 interest rate on variable rate Federal Loans is 4.70% while in school (prior to graduation) and 5.30% during repayment.

Repayment is deferred until six months after you graduate or cease to be enrolled at least halftime. No interest accrues during this deferment period. The typical repayment period is ten years.

Federal Direct Loan – Unsubsidized

The terms of this loan are the same as the subsidized Direct Loan except that *eligibility is not based on financial need and interest begins accruing as soon as the loan is disbursed.* You may choose to have the accrued interest capitalized (added to your principal balance) or make periodic payments. The unsubsidized Direct Loan maximum is \$10,000 per academic year.

If you do not qualify for all or part of the maximum subsidized Direct Loan, the difference will be awarded in an unsubsidized Direct Loan, thus increasing the maximum unsubsidized Direct Loan eligibility to \$18,500 per academic year.

For borrowers with an outstanding balance on prior Direct Loans, the federal government will send information on loan consolidation prior to graduation.

For all borrowers, the interest rate will be variable with an 8.25% cap. The current variable rate is adjusted

annually on July 1st. The July 1, 2006 interest rate on variable rate is 6.80% while in school (prior to graduation) and 7.14% during repayment.

Repayment is deferred until six months after you graduate or cease to be enrolled at least halftime. The typical repayment period is ten years.

Ross School of Business Non-Profit Scholarships

The Ross School of Business has made available a limited number of scholarships (ranging from partial to full tuition) to candidates working in the non-profit and/or public sectors. Consideration for these awards is based on a combination of merit and need, working in conjunction with funding from the sponsoring organization. To be considered, you must complete the Executive MBA Program Scholarship Application, available on request from the EMBA Program Office or on the web at <http://www.bus.umich.edu/Admissions/Emba/Financial>

Aid.htm. Award decisions are made at the completion of the admissions cycle, typically in May/June.

Private Educational Loans

The Ross School of Business has named Citibank as its exclusive private lender for Executive MBA participants – including both U.S. and non-U.S. citizens with proper visa status. In exchange, Citibank is offering loan funding through their CitiAssist Program. This program offers an interest rate of prime without any additional fees. Please see the shaded box to learn about the benefits of choosing CitiAssist to help you meet your educational costs. *We strongly encourage individuals to apply for the Federal Direct Loan Program prior to a private loan.* Upon receiving notification of your Federal Loan eligibility, it may be necessary to process a private loan to meet a portion of your educational expenses.

We believe that the customized CitiAssist Program offers a very competitive lending opportunity. Applying for a CitiAssist Loan can be completed online in about 3 minutes at www.studentloan.com. Please be sure to use *school code: 002325-62*. However, if you prefer to seek out other lending opportunities, please be certain that they do not require certification from the Office of Financial Aid before proceeding with the application process.

You can begin applying for CitiAssist funds (if eligible) beginning July 1, 2006. The 2006-2007 application is the only application you can use to borrow loans in the 2006-2007 academic year. This application will be available in late June. (Citibank will not process 2006-2007 applications submitted on the 2005-2006 form. They also will not process 2006-2007 applications submitted before July 1, 2006.)

Before proceeding with private loan options, you should wait to receive your award notification email from the Office of Financial Aid which is automatically produced

once you have successfully submitted your FAFSA online.

Why Choose CitiAssist?

The CitiAssist Loan from Citibank is a borrowing solution that can help eligible **domestic and international participants with proper visa status** meet educational funding needs. Benefits of a CitiAssist Loan include:

Eligibility. All graduate students, domestic and international with proper visa status (see last page), attending the Ross School of Business are eligible to apply.

No loan fees. This means you get 100% of the money you borrow. Citibank does not charge origination or guarantee fees – fees that other student loan providers typically charge.

Straightforward pricing. The interest rate on the loan is based on the Prime Rate as published in *The Wall Street Journal*.

No payments while in school. No payments are due while in school or during the six month grace period after graduating. However, you always have the option of paying interest and principal, without penalty, to help lower your monthly payment once you graduate.

Flexible options. Graduate students can take up to 15 years to repay. Citibank has many options to make your repayment easier.

Loan limits. You may borrow up to the full cost of your education less any financial aid you are receiving. The Ross School of Business will be requested to certify this amount, and the final approved loan amount could be less than the amount requested.

No Co-Signer Required. No co-signer is required for all applicants with a satisfactory credit history.

Private Grants and Scholarships

Resources for Private Grants and Scholarships

Salliemae:

www.collegeanswer.com/paying/scholarship_search/pay_scholarship_search.jsp

Fastweb: www.fastweb.com

CollegeNETMACH25: www.collegenet.com/mach25

We encourage you to explore private grants and scholarships. Most libraries have *The College Blue Book of Scholarships and Fellowships* available that lists opportunities by category. You should also contact any civic, fraternal, religious or service organizations with which you or your family has an affiliation to determine if they offer assistance.

Home Equity Loan as Aid Source. Home equity loans are also available through most lending institutions and may be an option for some students. Please compare the features of the home equity loan against the other loan options listed.

Process for Securing Financial Aid (U.S. Citizens and Permanent Residents)

If you plan to apply for financial aid, we encourage you to begin the process as early as possible to ensure early notification and timely disbursement. Consideration will only begin after a candidate has been admitted to the Executive MBA Program and the following process has been established:

1. **The Free Application for Federal Student Aid (FAFSA).** Is your FAFSA submitted to the Department of Education? Yes (Go to step 2). No. Go to www.fafsa.ed.gov (complete your FAFSA or renewal FAFSA for 2006-2007 – you will need your PIN number for access). Be sure to print a copy of the application information for your records, and ensure that you actually submitted the application.

If you choose to complete a paper copy of the FAFSA, include the *University of Michigan Title IV Code #002325*. Mail the application directly to the processing agent in the envelope provided or to the address indicated on the form. Processing takes 4-6 weeks by mail and 2 weeks via the web - the web application is strongly encouraged.

You will receive a Student Aid Report approximately 3-5 days (web application) or 5-6 weeks (paper application) after submitting the FAFSA. Verify the FAFSA was processed by locating the "EFC" in the upper right hand corner. If it is blank, your FAFSA has not been processed and more information may be required. Please verify your Social Security Number and that the University of Michigan is listed.

The University of Michigan Office of Financial Aid (OFA) requires two additional documents in order to process your financial aid package: *Direct Deposit and Corporate Sponsorship Forms*. It is important to inform the Executive MBA Program Office about any/all scholarships or other benefits (fellowships, tuition programs, veteran's benefits, company scholarships, company loans, etc.) you will receive. Once notified, we are required by federal law to adjust your financial aid accordingly. These documents are available on the respective class CTools website. (For incoming students, contact the EMBA Program Office.) Please be sure to complete the forms and mail or fax them to our office as soon as possible.

If you are required to register with Selective Service, as indicated on the Student Aid Report, please do so now. Failing to do so may jeopardize your ability to receive financial aid.

2. **Financial Aid Award Notice.** Did you receive notification by email from OFA that you have an award notice available on Wolverine Access (www.wolverineaccess.umich.edu)? Yes. If you have any problems completing the required steps in the email from OFA, please contact the EMBA Program Office for instruction on how to proceed. (Go to Step 3). No. Entering students will begin receiving award notification emails in late March, continuing students in May. You will not receive an award notification until your FAFSA data has been reviewed and all other document requests have been received. *Only after this award notification is received should you proceed further with private loan sources.*

Please note that the University of Michigan participates in the Federal Direct Student Loan (Direct Loan) Program. As a result, all application forms for loan packages sponsored by the Federal government will be originated from the University of Michigan Office of Financial Aid. Under the Direct Loan program, the University works with the Federal government to determine an applicant's loan eligibility, processes the loan and delivers the funds directly to the applicant's student account. The Master Promissory Note should be signed electronically (step 3) in order to receive disbursement of Direct Loans offered.

3. **Master Promissory Note.** Did you sign your Direct Loan Master Promissory Note (MPN) to accept award/funding? Yes (Congratulations, your Federal funding should be complete). No or don't know. If you received Direct Loan disbursements during 2005-2006, you have signed your MPN and do not have to repeat the signature process. If this is your first time applying for Direct Loans, go to www.dlenote.ed.gov to complete a new MPN (Internet Explorer works better than earlier Netscape browsers). Please make sure that you receive online confirmation that the process is complete and an electronic signature was received. This is a very important step. Use the school code: G02325 associated with the UNIVERSITY OF MICHIGAN - ANN ARBOR - 503 THOMPSON STREET, ANN ARBOR, MI 48109-1340 address selection.

Following these steps will prepare you to receive disbursement of funds. Begin the application process early to ensure ample time to process your aid, prepare required documents, receive your award notice, and accept your aid. Disbursement of funds borrowed in excess of tuition will be refunded to you at the beginning of October and the beginning of February (assuming all paperwork is in order).

Upon completing the Federal Direct Loan Program, it may be necessary to borrow additional funding from a private loan program to meet a portion of your educational expenses. Please review the section about Private Educational Loans on the previous page for guidance.

Scholarships and Loans – Non-U.S. Citizens

Financial Aid

In general, Federal financial aid is only available to U.S. citizens. For more information eligibility for non-U.S. citizens, see www.finaid.umich.edu/apply_and_receive_aid/applying_for_aid/international.asp.

Ross School of Business Non-Profit Scholarships

The Ross School of Business has made available a limited number of scholarships (ranging from partial to full tuition) to candidates working in the non-profit and public sectors. Consideration for these awards is based on a combination of merit and need, working in conjunction with funding from the sponsoring organization. To be considered, you must complete the Executive MBA Program Scholarship Application, available on request from the EMBA Program Office or on the web at <http://www.bus.umich.edu/Admissions/Emba/FinancialAid.htm>. Award decisions are made at the completion of the admissions cycle, typically in May/June.

Private Loans

The Ross School of Business has named Citibank as its exclusive private lender for our Executive MBA Program participants. In exchange, Citibank is offering loan funding through their CitiAssist Program for both domestic and international students with proper visa status. This program offers an interest rate of prime (as published in *The Wall Street Journal*) without any additional fees. Please see the shaded box on the previous page for the benefits of choosing CitiAssist to help you meet your educational costs. In order to be eligible for private education loans, you must have one of the following visas: F1, F2, J1, J2, E1, E2, G4, H1, H1B, H2, H3, H4, I, L1, NATO 5, NATO 6, TC1, or TN.

You can begin applying for CitiAssist funds (if eligible) beginning July 1, 2006. The 2006-2007 application is the only application you can use to borrow loans in the 2006-2007 academic year. This application will be available in late June. (Citibank will not process 2006-2007 applications submitted on the 2005-2006 form. They also will not process 2006-2007 applications submitted before July 1, 2006.)

We believe that the customized CitiAssist Program offers a very competitive lending opportunity. However, if you prefer to seek out other lending opportunities, please be certain that they do not require certification from the Office of Financial Aid before proceeding with the application process.

Process for Private Financing and/or Scholarships (Non-U.S. Citizens)

If you plan to apply for private financing or scholarships, we encourage you to begin the process early to ensure full consideration and early notification. Consideration

for private financing as well as scholarships begins only after a candidate has been admitted to the Executive MBA Program. To be considered for financial aid through the Ross School of Business, the following process has been established:

- 1. Ross School of Business Scholarships.** Are you employed in the non-profit sector and/or public sector? No (Go to step 2.). Yes. Complete the Executive MBA Program Scholarship Application, and return it to the Executive MBA Program Office. Use 2005 income information (estimates are acceptable). If you have applied for and are eligible to receive a scholarship, you will receive notification from the Executive MBA Program Office by mid-June.
- 2. Documentation Required.** The University of Michigan Office of Financial Aid (OFA) requires two additional documents in order to process your financial aid package: *Direct Deposit and Corporate Sponsorship Forms*. It is important to inform the Executive MBA Program Office about “any/all” scholarships or other benefits (fellowships, tuition programs, veteran’s benefits, company scholarships, company loans, etc.) you will receive. Once notified, we are required by federal law to adjust your financial aid accordingly. These documents are available at the EMBA website at www.emba.bus.umich.edu. Please be sure to complete the forms and mail or fax them to the EMBA Program Office as soon as possible.
- 3. Financial Aid Award Notice:** An official award notification will be sent to you by email from the OFA. Steps necessary for obtaining private loans through the CitiAssist Program will be included in this notification. If you choose to proceed with a lender other than Citibank, you would need to meet that institution’s application requirements.

Following these steps will prepare you to receive disbursement of funds. Begin the application process early to ensure ample time to process your aid, prepare required documents, receive your award notice, and accept your aid. Disbursement of funds borrowed in excess of tuition will be refunded to you at the beginning of October and the beginning of February (assuming all paperwork is in order).

We have made every attempt to assure the validity of the information presented herein. Please note that the Office of Financial Aid administers the Financial Aid program within the Executive MBA Program.

**Executive MBA Program
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September 2006

Federal Direct PLUS Loan for Graduate Students (Grad PLUS)

Recent legislation now allows graduate students to borrow through the Federal Direct PLUS program. Formerly, this program was only available to the parents of undergraduate, dependent students. The Grad PLUS program is a non-need-based federal loan that allows graduate students to borrow up to the full cost of attendance, minus any other financial aid they are receiving. This program may be of interest to students who:

1. have little or no eligibility for need-based financial aid programs,
2. need additional assistance to pay college costs after other forms of aid have been awarded.

Students should compare the Grad PLUS program with private/alternative loan options available on the back of this page.

You may also want to compare the terms of home equity loans (available through most lending institutions) and retirement plan loans (contact your employer's benefits representative) to the programs listed here.

Listed below is an example of a standard out-of-state student budget:

AUGUST ENTERING CLASS						
Due Dates	July	November	March	July	November	TOTAL
Federal Direct*	9,112	9,112	9,112	9,112	9,112	46,250
Add'l Loan Eligibility**	25,000	25,000	25,000	25,000	25,000	125,000
Total Tuition Due	23,000	23,000	23,000	23,000	23,000	
	Complete Applications by July 1		Complete Applications by March 1	Complete Applications by July 1		

JANUARY ENTERING CLASS						
Due Dates	November	March	July	November	March	TOTAL
Federal Direct*	9,112	9,112	9,112	9,112	9,112	46,250
Add'l Loan Eligibility**	25,000	25,000	25,000	25,000	25,000	125,000
Tuition Due	23,000	23,000	23,000	23,000	23,000	
	Complete Applications by November 1		Complete Applications by July 1		Complete Applications by March 1	

* The Federal Direct loans have a 1.5% origination fee which I have calculated into the amount per term but I have shown the total loan amount for the last column.

** The Additional Loan Eligibility amount exceeds your tuition amount for travel expense, if needed.

Loan Program Comparisons for Graduate Students

If you are interested in borrowing additional education loans, we encourage you to evaluate the options we list below.

Loan Program/ Sponsor	Federal Direct PLUS Loan for Graduate Students (Grad PLUS) Federal loan through U.S. Department of Education	CitiAssist Private loan through Citibank®
Eligible Borrower	<ul style="list-style-type: none"> • U.S. citizen or eligible non-citizen of the U.S. at the graduate/professional level. • Enrolled at least half-time in degree or certificate program. • Making satisfactory academic progress. • Not in default on prior educational loans. 	<ul style="list-style-type: none"> • All graduate students, domestic and international with proper visa status, attending the Ross School of Business are eligible to apply. • Not in default on prior educational loans.
Loan Amount	<ul style="list-style-type: none"> • Cost of attendance minus other aid. • No cumulative maximum. 	<ul style="list-style-type: none"> • Cost of attendance minus other aid. • \$120,000 cumulative maximum.
How to Apply	<ul style="list-style-type: none"> • Application instructions available at www.finaid.umich.edu/types_of_financial_aid/loans/federal_loans/gradplus.asp. 1. Complete electronic MPN at http://dlenote.ed.gov. 2. Complete and submit a Federal Direct Grad PLUS Borrower Confirmation Form (available on OFA website). • Borrower must complete the Free Application for Federal Student Aid (FAFSA). 	Citibank® P.O. Box 6160, Sioux Falls, SD 57117-6160 1-800-967-2400 Lender code: 002325-62 Two options to apply: 1. Apply online at www.studentloan.com . 2. Request a paper application from OFA that you can complete and mail or fax back to OFA.
Interest Rates & Fees	<ul style="list-style-type: none"> • Fixed interest rate of 7.9%. • 2.5% origination fee (4.0% fee with a 1.5% rebate if first 12 monthly payments are made on time). • Interest begins accruing immediately, may be paid periodically or capitalized. 	<ul style="list-style-type: none"> • Interest rate varies quarterly based on the Prime Rate (as of 6/29/06 8.25%) + 0.00%. The interest rate is based on the Prime Rate as published in <i>The Wall Street Journal</i>. • No loan fees. • Interest begins accruing immediately, may be paid periodically or capitalized.
Repayment Terms	<ul style="list-style-type: none"> • Can opt to pay interest and principal while in school. • No penalty if prepaid. • Repayment of principal and interest can be deferred while borrower is enrolled at least half-time (borrower must request an in-school deferment). • Multiple repayment options available. • Up to 20 year maximum repayment period. 	<ul style="list-style-type: none"> • Can opt to pay interest and principal while in school. • No penalty if prepaid. • Interest-only repayment option available for 24 or 48 months. • Repayment deferred up to 4 years (with 6-month grace period) after first disbursement. • Repayment period up to 15 years.
Credit Requirements	Basic credit check: Borrower cannot be 90 days or more delinquent on the repayment of any debt or the subject of a default determination, bankruptcy discharge, foreclosure, repossession, tax lien, wage garnishment or write-off of a Title IV debt during the last five years.	<ul style="list-style-type: none"> • No credit check required. • No co-signer is required for all applicants with the Ross School of Business
Other Information	<ul style="list-style-type: none"> • 0.25% interest rate reduction with electronic auto-debit payments. • PLUS Loans can be consolidated with other federal loans. 	<ul style="list-style-type: none"> • 0.25% interest rate reduction with Citibank E-Z Pay, for borrowers who have loan payment automatically deducted from their bank accounts. • 0.50% interest rate reduction with CitiExtras Savings for borrowers who make their first 48 consecutive monthly payments on time.