

## **2018 Loan Assistance Program – Detailed Summary**

### **OVERVIEW**

The Loan Assistance Program is intended to encourage Stern MBA students to take leadership positions in organizations with a social mission. These positions typically pay lower salaries and MBA graduates can add significant value to these organizations and address their needs. However, graduating students and alumni may be reluctant to pursue these positions due to their financial need to repay their student loans. The Loan Assistance Program is designed to help alleviate the financial burden associated with repaying education loans while pursuing a career in these organizations.

The Loan Assistance Program is not an entitlement; eligibility and selection are determined by the NYU Stern Graduate Financial Aid Office and benefits are distributed on a funds-available basis. All determinations are final. The School reserves the right to restructure the program or eliminate the program at any time without notice.

### **ELIGIBILITY**

#### **Year of graduation**

Stern MBA graduates (Full-time, Langone and Executive MBA), from the U.S. or internationally, are eligible to apply for loan assistance within the first ten years following the date of their Stern graduation (see table below). For dual degree graduates, the date of graduation is defined as the date by which the applicant has completed the degree requirements of both schools. Current students graduating in May are also eligible to pre-apply for the Loan Assistance Program using a special pre-application process (see pre-application process below).

#### **Application Deadlines**

December 15, 2018  
December 15, 2019  
December 15, 2020  
December 15, 2021

#### **Eligible Years of Graduation\***

2009-2018  
2010-2019  
2011-2020  
2012-2021

\*Graduation year is determined by the degree conferral date on the official NYU Stern transcript.

## Employment

Loan assistance is available to graduates employed full-time at an eligible organization as described below.

1. A tax exempt organization in the United States (with 501(c)(3) status of the Internal Revenue Code) which provides a clear public benefit.
2. A local, state or federal government unit of the United States.
3. A government or a non-profit organization which provides a clear public benefit located outside of the United States.
4. A multilateral or international governmental organization which provides a clear public benefit.
5. A U.S. low-profit limited liability company (L3C) or certified B Corporation. Organizations attempting 501(c)(3), L3C or certified B Corporation status are not eligible. The status must be approved and in effect by the Loan Assistance Program deadline.

## Salary and Related Compensation

Applicants with annual salary and related compensation up to \$100,000 (gross) are eligible to apply. Calculation of annual salary and related compensation includes bonuses, commissions, housing allowances, and other financial remuneration. Spousal income and dependents are not considered in determining loan assistance. Salary should be calculated as of the date of application. You must be employed by the organization directly (consultants and contractors are not eligible). You must also be receiving a salary or similar financial remuneration by the organization (unpaid positions do not qualify).

## Loans

The applicant must have obtained educational loans to support their NYU Stern MBA education. Loans must have a current outstanding balance, be in repayment status (recent graduates may be in a grace period), and the applicant must be current on loan payments at the time of application, as defined by the loan servicer. The Loan Assistance Program covers **current** student loan balances related to MBA enrollment at the NYU Stern School of Business which are certified by the NYU Stern Graduate Financial Aid Office. Other types of loans are not eligible.

## **BENEFITS**

The amount of annual loan assistance awarded to each individual is based on a sliding scale with a maximum award of \$15,000. You are expected to apply all funds disbursed through the Loan Assistance Program to the repayment of your loans, even if the amount disbursed exceeds the required annual repayment amount. If the award amount is greater than the remaining outstanding loan balance, the award amount will be reduced to the remaining outstanding loan balance.

### **Award Amount**

Determining the loan assistance award is a two-step calculation.

Step one is to take the current total loan amount and multiply that by 0.1364 to determine the base level of loan assistance. The maximum base loan assistance is \$15,000.

Step two is to take the base level of loan assistance and adjust it based on the income level of the applicant:

- Those earning \$60,000 or less will receive the full base level of loan assistance (no adjustment needed for salary)
- Those earning over \$60,000 and under \$80,000 need to adjust the base level of loan assistance by multiplying the base level by  $(1 - (\text{Income} - 60000) \times (1.5/100000))$
- Those earning over \$80,000 and under \$100,000 need to adjust the base level of loan assistance by multiplying the base level by  $(0.7 - (\text{Income} - 80,000) \times (3.5/100000))$

For example, a person with a current student loan balance of \$70,000 has a base level of loan assistance of \$9,548 ( $70,000 \times 0.1364$ ). If that person earns \$70,000, the adjusted loan assistance would be \$8,116 ( $9,548 \times (1 - (70,000 - 60,000) \times (1.5/100000))$ ).

The table below shows many other examples of possible loan assistance amounts based on current loan balance and salary.

		<b>Annual Salary and Related Compensation</b>					
		<b>&lt;=\$60,000 salary</b>	<b>\$70,000</b>	<b>\$80,000</b>	<b>\$90,000</b>	<b>\$95,000</b>	<b>\$100,000</b>
<b>Current Loan Balance</b>	<b>\$50,000</b>	\$6,820	\$5,797	\$4,774	\$2,387	\$1,194	\$0
	<b>\$60,000</b>	\$8,184	\$6,956	\$5,729	\$2,864	\$1,432	\$0
	<b>\$70,000</b>	\$9,548	\$8,116	\$6,684	\$3,342	\$1,671	\$0
	<b>\$80,000</b>	\$10,912	\$9,275	\$7,638	\$3,819	\$1,910	\$0
	<b>\$90,000</b>	\$12,276	\$10,435	\$8,593	\$4,297	\$2,148	\$0
	<b>\$100,000</b>	\$13,640	\$11,594	\$9,548	\$4,774	\$2,387	\$0
	<b>&gt;=\$110,000</b>	\$15,000	\$12,750	\$10,500	\$5,250	\$2,625	\$0

If you are receiving or have received funds from any other loan assistance or loan forgiveness program, including the School of Law's Loan Repayment Assistance Program or the Federal Loan Public Service Loan Forgiveness Program, you must disclose that amount on your application. Your award from NYU Stern will be reduced by the annualized amount of such other assistance applicable to your NYU Stern MBA educational loans.

### **Tax Treatment**

The program is intended to provide loan assistance awards that are potentially excludible from the recipient's U.S. income under Section 108(f) of the Internal Revenue Code. Under current guidance from the IRS, in order for the award to be excludible the recipient is required to work (1) in occupations with unmet needs or in areas with unmet needs, and (2) for or under the direction of a governmental unit or a Section 501(c)(3) non-profit organization.

Additional information can be found in Section 5 of IRS Publication 970, which can be found at <http://www.irs.gov/pub/irs-pdf/p970.pdf>. If you have additional questions, you are advised to consult with a financial advisor regarding tax consequences. NYU is not responsible for any tax consequences.

### **SELECTION PROCESS**

Applications will be reviewed by the NYU Stern Graduate Financial Aid Office. In addition to financial need and employment eligibility, selection is based on the following qualitative criteria:

**Quality of position:** Based on level of responsibility, level of need for this type of position in the community, significance of managerial opportunity, and opportunity for managerial development. Of particular interest are jobs that 1) require the applicant to use business and managerial skills gained at NYU Stern and 2) allow the applicant to produce significant, sustained benefits for the employer.

**Job fit:** Applicant's background and previous experience as evidence of potential for a successful match between the applicant and the job, and applicant's ability to succeed in that job.

**Commitment and long-term goals:** Applicant's commitment to the relevant social mission as well as applicant's long-term career goals.

## **APPLICATION PROCESS - GRADUATES**

### **Deadline**

The deadline for Stern receiving all required application materials is December 15. (Applications and application materials will not be accepted prior to November 15). Applications submitted after the deadline will not be considered. All required application materials must be submitted to the NYU Stern Graduate Financial Aid Office. Applications will not be processed until all information is complete and accurate. Supplemental information may be requested by the NYU Stern Graduate Financial Aid Office.

Applicants will be notified within 6 to 8 weeks of the application deadline (assuming all application materials and/or supplemental materials were submitted by the deadline).

Applicants are awarded funding for one year and must reapply to receive funding in subsequent years. Lack of repaying the **FULL AMOUNT** of assistance from the prior year to your loan balance will disqualify you from being eligible to receive assistance for the following year. Applicants who have been turned down for loan assistance may reapply in a subsequent program year -- provided they are still within ten years of their date of graduation and meet all other eligibility requirements as outlined above. Applicants awarded funds in one year are not guaranteed funds for subsequent years.

### **Award disbursement**

If selected for loan assistance, applicants will receive an award letter from the NYU Stern Graduate Financial Aid Office (see timing above).

Recipients will be asked to sign the award letter and return it to the NYU Stern Graduate Financial Aid Office. Checks will be mailed within 4 to 6 weeks after receipt of the signed award letter.

### **Required application materials**

- Completed Loan Assistance Program application.
- Personal statement, not exceeding 500 words, describing the organization, the nature of the position, your reasons for taking the position, the contributions you are or will be making to the organization using your MBA skills, and your long-term career goals. This information may be shared with program donors.
- Current resume.
- Official NYU Stern transcript.

- Verification of total student loan balance at graduation and current outstanding student loan balance from lenders or servicers, including a summary statement of total outstanding loan balances, required monthly repayment and history of previous loan payments. This information must be current and can be pulled from the National Student Loan Data System (<http://www.nslds.ed.gov>) for federal loans. For private loans, you will need to contact your lender directly for this information. Please note you must have a current student loan balance to be eligible to apply. Other types of loans are not eligible.
- Graduates who have received loan assistance from the NYU Stern Loan Assistance Program for a prior year must submit proof of loan repayment for the prior year, in the form of canceled checks or statements from the lender or loan servicer reflecting the **FULL AMOUNT** of the award. Proof of loan repayment must be dated from the loan assistance check date to December 15, 2018 only. Dual degree students must submit proof of repayment for loans borrowed toward their Stern degree.
- Current **signed** and dated letter from your employer/supervisor on official company letterhead. It must indicate the start date of employment, the nature of your position, hours worked per week, and your annual salary (including any bonuses, commissions, housing allowances and other financial remuneration). You must be employed by the organization directly (consultants and contractors are not eligible). You must also be receiving a salary or similar financial remuneration by the organization (unpaid positions do not qualify). Please note the start date of employment must be no later than December 15 (the date of application) in order to be considered.
- Information about the organization, its mission, program activities and demonstration of clear public benefit (e.g. annual report, brochure).
- Proof of your employer's status (as described below):
  - Proof of your employer's 501(c)(3) tax exempt status, or equivalent tax exempt status outside of the United States. The document must specify the type of tax-exempt status, not merely state that the organization is tax-exempt.
  - Proof of your employer's L3C status or certified B Corporation status.
  - Individuals working for government units or multilateral governmental organizations do not need to submit proof of tax exempt status.
  - Organizations attempting 501(c)(3), L3C or certified B Corporation status are not eligible. The status must be approved and in effect by the Loan Assistance Program deadline.

- A **SIGNED** copy of your most recent U.S. Federal Tax Return (1040), including all schedules and/or equivalent tax return documents filed outside of the United States. If copy does not include signature, please sign and note today's date on page 2 of the 1040.
  - For foreign tax statements, include copies of the most recent tax statements from any and all countries in which you filed and a written statement indicating all countries with which you filed tax return documents. If you filed a U.S. 1040 NR form, please provide a copy of this as well.
  - If you did not file a tax statement in any country, please provide a written explanation.
  
- A copy of your most recent W-2 form(s).

## **PRE-APPLICATION PROCESS – CURRENT STUDENTS**

### **Program**

Current students with or without a job offer, who are graduating the May prior to the December 15 graduate Loan Assistance Program deadline, may pre-apply for the program.

If a current student is pre-approved, receiving funding will be contingent upon completing the full application for graduates as described above by December 15 and meeting the criteria set forth by the program.

If a current student is not pre-approved, they are still eligible to apply again via the application for graduates as described above by December 15.

Award disbursement and timing is the same as that described in the application for graduates section above.

### **Deadline**

The deadline for Stern receiving all required pre-application materials is February 1. (Pre-applications and pre-application materials will not be accepted prior to one month before the deadline). Pre-applications received after the deadline will not be considered.

All required application materials must be submitted to the NYU Stern Graduate Financial Aid Office. Pre-applications will not be processed until all information is complete and accurate. Supplemental information may be requested by the NYU Stern Graduate Financial Aid Office.

Pre-applicants will be notified within one month of the pre-application deadline (assuming all pre-application materials and/or supplemental materials were submitted by the deadline).

### **Required pre-application materials**

1. A completed Loan Assistance Program pre-application.
2. A personal statement, not exceeding 500 words, describing the organization or target organizations, the nature of the position or potential positions, your reasons for wanting the position(s), the contributions you are or will be making to the organization(s) using your MBA skills, and your long-term career goals. This information may be shared with program donors.
3. A current resume.
4. A list of current extracurricular activities and past activities and achievements that demonstrate a commitment to providing social benefit.
5. Verification of your total loan balance at graduation and current outstanding loan balance from lenders or servicers, including a summary statement of total outstanding loan balances, required monthly repayment and history of previous loan payments. This information must be current and can be pulled from the National Student Loan Data System ([http://www.nslds.ed.gov/nslds\\_SA/](http://www.nslds.ed.gov/nslds_SA/)) for federal loans. For private loans, you will need to contact your lender directly for this information.
6. If you already have a job offer, a current signed letter from your employer/supervisor indicating the start date of employment, the nature of your position, hours worked per week, and your annual salary (including any commission, bonuses and other financial remuneration).
7. Information about the organization or target organization(s), the mission, program activities and demonstration of clear public benefit (e.g., annual report, brochure).
8. An unofficial transcript showing courses completed and currently enrolled.

### **CONTACTS**

General inquiries about the application process and program guidelines should be directed to the NYU Stern Graduate Financial Aid Office: [fin-aid@stern.nyu.edu](mailto:fin-aid@stern.nyu.edu).