

**MERCER UNIVERSITY
SCHOOL OF LAW
FREQUENTLY ASKED QUESTIONS
REGARDING FINANCIAL AID**

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Below you will find answers to many frequently asked questions regarding financial aid at Mercer University's School of Law. We hope that you will find this summary informative and useful. If, however, you have any other questions, please do not hesitate to contact us.

Tuition and Living Expenses

What is the cost of tuition?

Tuition is set annually in late April following approval by Mercer's Board of Trustees. For 2008-2009, first-year tuition and fees will equal \$33,190.

How much is allotted for living expenses and how is the living expense allowance determined?

For 2008-2009, the living expense allowance is \$15,000. The living expense allowance for financial aid purposes is set based on the average living expenses of our students for the 9 month academic year, as determined by surveys and a review of area expenses such as rental rates. The living allowance includes rent, utilities, transportation, food, health insurance, books, personal expenses and loan fees.

Why are car payments and credit card payments not included in the living expense allowance?

The federal government will only allow expenses related to obtaining an education to be included in the living allowance for financial aid purposes. It considers car payments and credit card payments to be consumer debt and not related to obtaining an education.

What if my personal budget exceeds the living expense allowance?

As noted above, the living expense allowance is based on an average amount our students generally spend on living expenses. Students who have extenuating circumstances and may require additional aid (such as for childcare expenses), may request a living expense budget increase by submitting the relevant form and documentation to the Financial Aid Office. We do, however, encourage students to minimize living expenses as much as possible.

Types of Financial Aid

What types of financial aid are available for law school?

At Mercer, three broad types of financial aid are available: (1) scholarships; (2) student loans; and (3) Federal Work Study jobs. Each category is explained in more detail below.

How much financial aid can I receive?

Generally, your total financial aid award may not exceed tuition plus the living expense budget. This total amount is your "cost of attendance." For example, the cost of attendance for the Class of 2011 equals \$48,190, calculated by adding \$33,190 (tuition and fees) and \$15,000 (living expenses).

Is financial aid merit-based or need-based?

It depends on the type of aid. All scholarships are merit-based and are awarded, in most cases, on the strength of your admissions application or performance in law school. Student loans are initially awarded based on financial need as determined by the Free Application for Federal Student Aid; however, you may also borrow loans above your amount of financial need, up to the cost of attendance. Federal Work Study eligibility is based on need.

Does Mercer offer grants to students?

No. The only types of aid offered by Mercer that do not require repayment are scholarships and work study.

Eligibility for Financial Aid

Who is eligible for scholarships?

All accepted students are considered for merit-based scholarships awarded by Mercer. The Admissions Committee awards the scholarships during the admissions process.

Who is eligible to borrow federal student loans?

To be eligible for *federal* student aid, including student loans, you must:

- Be a U.S. citizen, a permanent resident, or other eligible non-citizen
- Not be in default on a federal student loan or owe an overpayment on a federal grant or loan
- Be enrolled at least half-time
- Make satisfactory academic progress once enrolled

Other requirements may apply, but most applicants who meet the above requirements will be eligible for federal loans.

Does my parents' financial situation affect my eligibility for aid?

No. Graduate students are automatically considered independent for financial aid purposes. Some law schools may request parental financial information to determine need for institutional funds, but Mercer does not consider parental information.

If I am an international student who is not eligible for federal loans, are there other financial aid options for me?

International students will be considered for scholarships (see the information below). Certain private or commercial lenders also offer loan programs for international students. Please contact the Financial Aid Office to obtain more information.

Scholarships

How do I apply for or obtain a scholarship from Mercer?

With one exception, all accepted applicants are automatically considered for all Mercer scholarships on the strength of their admissions applications. (We encourage applicants to submit your admissions application by early January to be considered for scholarships.) The Woodruff Scholarship, which is a full tuition scholarship plus a \$5,000 stipend, requires a separate application. Applications for the Woodruff Scholarship must be *received* no later than February 1st, and the applicant's admissions application must be complete by that date as well.

Are there other scholarship opportunities from sources outside of Mercer?

Yes. Numerous organizations offer scholarship opportunities for students in law school, in particular for second and third year students. See the Scholarship section of our website at www.law.mercer.edu for a list of such opportunities. Outside scholarships for incoming first-year students are generally announced via e-mail. We also encourage students to research for scholarship opportunities.

If I receive a scholarship from an outside private organization, do I need to inform the Financial Aid Office?

Yes. All scholarships are considered part of your financial aid and are included as part of your aid package.

If I am only interested in scholarships, do I need to apply for financial aid?

No. You are only required to complete the financial aid application process outlined below if you are interested in Federal Work Study or borrowing student loans.

Applying for Financial Aid

How do I apply for financial aid?

To apply for financial aid at Mercer, you must

- complete the Free Application for Federal Student Aid (FAFSA); and
- complete the Mercer Application for Financial Aid.

What is the financial aid application deadline?

April 1st is our priority application deadline.

How do I complete the FAFSA?

Electronic filing is the easiest, fastest and most accurate way to submit the FAFSA. You may complete the FAFSA online at www.fafsa.ed.gov. (Be sure you are at the correct website. Similar websites charge a fee to submit the FAFSA. Completing and submitting the FAFSA is *free*.) After you complete and submit the FAFSA, you will receive a Student Aid Report. Be sure to review this report for accuracy, make any necessary corrections and resubmit those corrections for processing. If you do not receive your Student Aid Report within four weeks, check online at the FAFSA site above or call 1-800-433-3243.

Should I include my parents' information in completing the FAFSA?

No. As a graduate student, you are automatically considered independent for the purposes of obtaining federal student aid.

What is Mercer's School Code for completing the FAFSA?

001580

How does Mercer use the FAFSA information?

We use the FAFSA to determine the amount of "need" you have. The student aid report you receive after completing the FAFSA provides a number called your "Expected Family Contribution," (EFC), which is the amount you are expected to contribute towards the cost of attendance. The total cost of attendance minus your EFC and any scholarships you receive is your financial need. The amount you are awarded in Stafford Subsidized Loans, Federal Work Study and Perkins Loans cannot exceed your need. (See the discussion on loans and work study below).

What if I cannot contribute the amount determined to be my Expected Family Contribution?

You can borrow your EFC amount through a Stafford Unsubsidized Loan or a Graduate PLUS Loan.

How do I complete the Mercer Application for Financial Aid?

The Mercer Application for Financial Aid for 2008-2009 is available at our website. You may (1) complete and submit the application online at our website, (2) download a copy of the

application, complete it and submit it to the Financial Aid Office, or (3) request a paper copy from the Financial Aid Office.

When will I find out how much financial aid I am awarded?

Generally, financial aid award letters *begin* going out in May. Your financial aid file must be complete before any financial aid will be awarded. Keep in mind that most students will be eligible for \$20,500 in Stafford Loans, and any additional amounts you wish to borrow will be awarded in either a Graduate PLUS or alternative loan depending on the loans you indicated you were interested in receiving on your application. Actual receipt of the Graduate PLUS or alternative loan will depend on creditworthiness. (See an explanation of the various loans below).

What is verification?

Certain financial aid applications are randomly selected for a process called verification. If you are selected for this process, the Student Aid Report you receive after submitting the FAFSA will indicate that your application was selected. You will be required to submit additional information, such as your tax return, to our office. We will also notify you if you have been selected for verification.

What is the deadline for applying for financial aid?

April 1st. You may submit an application after April 1, but priority in processing is granted to students who submitted a complete application by this date. If you are accepted for admission after April 1, you will be given an alternate priority deadline.

Do I have to reapply for aid every year?

Yes.

Student Loans

What types of student loans are available?

Two broad types of student loans are available: (1) federal and (2) commercial or private loans, which we call “alternative” loans. Federal loans consist of Perkins Loans, Stafford Loans and Graduate PLUS Loans.

What is a Perkins Loan?

Perkins Loans are awarded based on need, as indicated by the information provided on the FAFSA. Mercer has limited Perkins funds; therefore, preference is given to students who demonstrate exceptional need and are usually awarded in the amount of \$3,000 on a first come first served basis. The interest rate for the Perkins Loan is fixed at 5% and interest does not accrue while you are in school or during the 9 month grace period following graduation or withdrawal from school. The maximum repayment period available is 10 years.

What is a Stafford loan?

Stafford Loans are loans provided by the federal government and consist of subsidized and unsubsidized loans. The interest rate on Stafford Loans is fixed at 6.8%, and repayment begins 6 months following graduation or withdrawal from school.

What is the difference between a Subsidized and Unsubsidized Stafford Loan?

The federal government pays the interest on the Subsidized Stafford Loan while you are in school, during your grace period and during certain deferment periods. Interest accrues daily

on the Unsubsidized Stafford Loan beginning on the date the loan is disbursed. You may defer the interest payments while you are in school and in your grace period, but any deferred interest will be capitalized (or added to your principal amount) at repayment. The loan limits for each type of loan also differs.

How much can I borrow per year in Stafford Loans?

You may receive \$20,500 in Stafford Loans each year. You may borrow up to \$8,500 per year in a Subsidized Stafford Loan, although the amount awarded to you may not exceed your financial need. (See the explanation of need under *Applying for Financial Aid.*) You may receive up to \$20,500 per year in an Unsubsidized Stafford Loan, less any amount awarded to you in a Subsidized Stafford Loan. (For example, if you receive the maximum Stafford Subsidized Loan of \$8,500, you may only receive \$12,000 in an Unsubsidized Stafford Loan).

Is there an overall maximum that I can borrow in Stafford Loans?

Yes. The total amount that you may borrow in Stafford Loans is \$138,500. Only \$65,500 of the \$138,500 may be borrowed in Subsidized Stafford Loans. These limits include all Stafford Loans you borrowed before beginning law school.

What if I need to borrow more than the \$20,500?

If you need to borrow more than the Stafford limits, you must borrow either a Graduate PLUS Loan or an alternative (private) loan.

What is a Graduate PLUS Loan?

The Graduate PLUS Loan is a loan provided by the federal government with a fixed interest rate of 7.9%. The amount you may borrow in a Graduate PLUS Loan is only limited by your cost of attendance. The Graduate PLUS Loan is contingent on credit approval.

What are the advantages and disadvantages to borrowing a Graduate PLUS loan versus an alternative loan?

Advantages: The Graduate PLUS Loan has a fixed interest rate of 7.9%, while, depending on your credit score, a loan through a private lender may exceed that interest rate and will likely be variable. The Graduate PLUS Loan will qualify for the new public service loan forgiveness program, while an alternative loan will not. For many borrowers, it is easier to qualify for the Graduate PLUS Loan. Graduate PLUS Loans may be consolidated with the Stafford Loans; private loans cannot be consolidated with federal loans. Additionally, because Mercer is a Direct Lending School, it is not necessary to apply through a lender for the Graduate PLUS Loan.

Disadvantages: The Graduate PLUS Loan does not have a repayment grace period following graduation, while most private lenders do offer such a grace period. (You may, however, be able to obtain a forbearance or economic hardship deferment while studying for the bar exam; you will simply have to apply for the deferment or forbearance.) The Graduate PLUS Loan also has an origination fee equal to 2.5% of the loan amount (after a 1.5% up front interest rebate is applied). This fee is deducted from your loan disbursement. Many private lenders do not charge an origination fee.

Does my credit matter?

Yes, if you need to borrow a Graduate PLUS Loan or alternative loan. We recommend that you review your credit report for inaccuracies before applying for aid (or address any problems that can be corrected). You can obtain a free credit report from each major credit bureau once per year at www.annualcreditreport.com.

How will credit issues affect my approval for a Graduate PLUS Loan or alternative loan?

You will not qualify for a Graduate PLUS Loan if you have an “adverse credit history.”

Adverse credit history means that you are 90 or more days delinquent on any debt or, if within the past 5 years you have been the subject of a default determination, bankruptcy, discharge, foreclosure, repossession, tax lien, wage garnishment or write-off of a federal student aid debt. However, from a credit standpoint, the Graduate PLUS Loan may be a good option if you have a limited credit history. The credit criteria for alternative loan approval will vary based on the lender.

If I do not qualify for a Graduate PLUS or alternative loan, is a cosigner a possibility?

Yes. The Graduate PLUS Loan does allow for an “endorser” if you have an adverse credit history. The endorser would of course need to meet the same credit criteria. Additionally, many private lenders do allow for cosigners.

What fees do I have to pay?

The U.S. Department of Education charges an origination fee of 2% of the principal amount of each Stafford Loan beginning July 1, 2008 (reduced from 2.5%). The Department of Education charges a loan fee of 4% of the principal amount of each Graduate PLUS Loan. An up front interest rebate repayment incentive of 1.5% applies to both the Stafford Loans and the Graduate PLUS Loans, which effectively results in a loan fee of .5% and 2.5% respectively at the time of disbursement. Fees for alternative loans vary based on lender.

Do I have to apply separately through a lender for the Stafford and/or Graduate PLUS loans?

Not at Mercer. We are a Direct Lending School, which means all loans are processed directly between the university and the Department of Education. This status also means that all Stafford and Graduate PLUS Loans you obtain while attending Mercer will be eligible for public service loan forgiveness. See the section on *Repayment of Loans*.

How much can I borrow through a Graduate PLUS or alternative loan?

There is no pre-set limit; however, your total financial aid package, including these loans, may not exceed your total cost of attendance.

If I borrow living expenses, when do I receive my money?

You will receive monies you borrow for living expenses on the first day of class each semester.

Federal Work Study

What is Federal Work Study?

Certain on-campus jobs within the Law School or at certain public service organizations, such as the U.S. Attorney’s Office, may be designated as “work study” jobs. Federal Work Study essentially allows you to earn a portion of your financial aid, rather than borrow it. Work study is based on need, and the amount you earn, plus any other aid you receive, cannot exceed your total cost of attendance.

How can I determine if I am eligible for Federal Work Study?

If you are interested in a work study job, please talk with the Financial Aid Office and we can review your individual eligibility. If you have borrowed the maximum amount of loans, you may need to reduce your loans before work study can be approved. First-year students generally are not eligible for work study.

What if I am interested in working in public service or receive a lower paying job after graduation—how will I repay my loans?

First, regardless of whether you are planning to enter public service or private practice following graduation, it is important to minimize the amount you borrow. However, for those who enter public service and have a high debt load, programs are available to assist with repayment. Some states or individual employers will offer loan repayment programs. The federal government also recently passed important legislation called the College Cost Reduction and Access Act of 2007, which offers significant debt relief opportunities for graduates who accept lower paying positions and most importantly for those entering public service.

What is the College Cost Reduction and Access Act of 2007?

This Act addressed a number of issues in the financial aid arena, but the main points of this legislation for our students are the creation of (1) an income based repayment plan and (2) loan forgiveness for public service.

- **Income Based Repayment:** The new income-based repayment plan becomes effective July 1, 2009 and limits the total monthly payment based on a person's income and amount of debt. This plan is even more generous than the current income sensitive repayment options and is open to anyone who qualifies regardless of their employment.
- **Public Service Loan Forgiveness:** If a person completes 10 years of public service, which includes a wide array of employers, all eligible Federal Direct Loans will be forgiven. (The Direct Stafford Loans and Direct Graduate PLUS Loans provided through Mercer are eligible federal student loans). If a student is interested in pursuing this opportunity, it is important that he or she discuss all eligibility criteria with the Financial Aid Office as certain repayment plans, loans and employment will be required.

Does Mercer offer a Loan Repayment Assistance Program?

Yes. Currently Mercer offers a one-time grant of \$5,000 for those who both worked as a Public Interest Fellow during one summer of Law School and work for a public interest employer for at least 2 years following graduation.

Other Useful Websites

FINAID: The Smart Student's Guide to Financial Aid www.finaid.org

FastWeb: Scholarship Search and Expert Tips and Financial Aid www.fastweb.com

FICO Score: Order your credit report and score www.myfico.com

Contact Information

If you have other questions regarding financial aid, please contact Stephanie Powell (Director of Financial Aid/Asst. Director of Admissions) or Terry Trussell (Office Specialist for Admissions and Financial Aid) at (478) 301-2147, (800) 342-0841 Ext. 2147 (inside Georgia), or (800) 637-2378 Ext. 2147 (outside Georgia).