

*Prospective Law Students
Guide to Financial Aid*

2021-2022

Delaware Law

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Financial Aid Office

Widener University Delaware Law School

Welcome to Delaware Law Financial Aid!

As a prospective law student, we know that you face challenges furthering your education in today's economy. This guide will attempt to help answer one of the most frequently asked questions by our prospective law students: How do I pay for Law School?

In this guide, we have provided necessary information to get you started understanding how the financial aid process works, what types of aid are available and how much a law student can borrow. Information on debt management is included with topics such as loan repayment and the importance of checking your credit report. At the end of the guide, frequently asked questions as well as a glossary of financial aid and credit report terms are provided. Make sure to take the time to read over these terms as this will only help make the financial aid process easier for you.

After reviewing this guide if you have additional questions, please contact the Financial Aid Office.

We look forward to hearing from you and assisting you with your financial aid while attending Delaware Law School!

With Pride,

The Financial Aid Office

Table of Contents

Welcome Letter: Office of Financial Aid

Understanding Financial Aid and How it Works	1
Cost of Attendance (COA).....	1
FAFSA & Estimated Family Contribution (EFC).....	2
Delaware Law School Financial Aid Package	2
Sources of Financial Aid at the Law School	3
Scholarships and Grants	3
Student Loans.....	3
Widener Scholars Loan Program	4
Federal Direct Unsubsidized Loan	4
Federal Direct Graduate PLUS Program (GradPLUS)	4
Alternative/Private Loans	5
Employment Opportunities	5
Veterans Benefits	5
Monthly Payment Plans	5
International Students	6
Applying For Financial Aid: Checklist.....	7
Debt Management.....	8
Loan Repayment	9
Loan Repayment Options.....	10
Credit Reports	11
Frequently Asked Questions	12-15
Financial Aid Glossary.....	16
Financial Aid Terms	16-18
Credit Report Terms	19

Understanding Financial Aid and How it Works

Financial Aid

Financial aid is funding to assist a student in paying for their legal education. The term "financial aid package" is used to describe the combination of funding including loans, scholarships, grants, and work-study that will help students achieve their goal. Sources of assistance include federal and state government programs, institutional aid and funding from private sources. Each student's financial aid package is unique and depends on a number of variables, including academic standing and need.

Cost of Attendance (COA)

All colleges and universities participating in the Title IV Federal Student Aid Programs are mandated to determine a "standard cost of attendance" for students attending their institution. In determining eligibility for all financial aid programs, including supplemental loans, we begin with a student cost of attendance (COA) budget. This budget includes mandatory tuition and fees, an allowance for books and supplies, and living expenses.

The figures below show the current budget for the 2020-2021 academic year for first year students attending Delaware Law School in the Juris Doctor (J.D.) program.

	2020-2021 Cost of Attendance			
	<u>OFF CAMPUS</u>		<u>COMMUTER</u>	
	(includes campus housing)		(Living with Parents or Relatives)	
	Regular Division	Extended Division	Regular Division	Extended Division
Tuition & Fees	\$53,780	\$40,380	\$53,780	\$40,380
Books	\$1,650	\$1,320	\$1,650	\$1,320
Room & Board	\$12,582	\$12,582	\$4,500	\$4,500
Personal Expense	\$3,708	\$3,708	\$3,708	\$3,708
Transportation	\$3,105	\$3,105	\$3,105	\$3,105
Loan Fees	\$1,274	\$1,274	\$1,274	\$1,274
Total Expenses	\$76,099	\$62,369	\$68,017	\$54,287

The expense budgets listed were used in 2020-2021 academic year to determine eligibility for financial aid for first year law students. Tuition is charged on a per credit basis. The COA for First year JD students in the Regular (Day) Division is based on 32 credits and on 24 credits for First year students in the Extended (Evening) Division. Regular Division students in Year 2 & 3 will register for 28-30 credits. Extended Division students will enroll in an average of 22 credits for Years 2, 3 & 4. Individual budgets may be altered to account for unusual or emergency situations that a student may encounter. These adjustments can only be made to expenses necessary for the student's education. The student must fully document any request for an increase in expenses by providing a detailed and documented budget plan.

FAFSA – Free Application for Federal Student Aid and Eligibility for Federal Financial Aid Programs.

There are a variety of factors that determine a student's eligibility to access Federal Financial Aid Programs including citizenship status, enrollment plans, the amount of prior loan borrowing and the repayment status of prior federal loans. The primary instrument used to obtain this information is the Free Application for Federal Student Aid (FAFSA). The FAFSA collects current demographic information and prior prior year Income information. Students must complete this form to begin the process for Federal Financial Aid. The Department of Education uses the data provided on this form to determine a student's expected family contribution (EFC). As a law student only your (and your spouse's) income and asset information is reported on the FAFSA and is used to determine your EFC.

Several financial aid programs are restricted to students who demonstrate *financial need*. To determine a student's financial need, the Financial Aid Office analyzes the student's financial resources and expenses. A student's eligibility for Federal Work-Study is limited to their calculated financial need. Financial need is determined by subtracting the expected family contribution (EFC) from Delaware Law School's cost of attendance (COA).

Delaware Law Financial Aid Package

When students apply for and receive financial aid, the aid is awarded in the form of a "package." The package is generally a combination of scholarships, loans, and work-study. Delaware Law offers a competitive scholarship program that students may qualify for based on academic credentials, including LSAT scores and undergraduate GPA. In addition, Delaware Law participates in the Federal Direct Loan Programs and your package is likely to include a suggested Federal Direct Loan of up to 20,500.00. Federal Work-Study is generally not awarded to first year students but can be requested and will be awarded depending on available funds. We suggest a first year student evaluate their academic workload prior to requesting work-study. A returning student should apply by the posted deadline if interested in a Federal Work-Study award.

Sources of Financial Aid at the Law School

Scholarships and Grants

Scholarships and grants are funds that do not require repayment. These are awarded based on a variety of factors, including academic credentials. Some scholarships and grants, however, have other award criteria that may require additional and/or special qualifications.

Widener University Delaware Law School is committed to recognizing the significant achievements of its applicants by providing merit based scholarships. Our awards are intended to reward the many and distinctive academic, personal and professional accomplishments of our entering students. Delaware Law merit based scholarships are awarded at the time of acceptance and renewable for up to three years for full-time students and four years for part-time students provided the student maintains satisfactory academic performance.

First State Merit Scholarship

The State of Delaware holds the distinction of being the first state to ratify the United States Constitution. These merit based scholarship awards are named in recognition of our state's history. First State Merit Awards are offered to entering students with strong academic records established during their undergraduate years and, where applicable, through graduate study. Deserving candidates will have demonstrated leadership and service backgrounds.

Delaware Select Merit Scholarship

Delaware Law School is the only law school in the state of Delaware and part of a legal community nationally renowned for integrity, civility, thoughtful decision-making and a commitment to the greater good. Strong candidates for these awards are ranked in the top of their undergraduate class, achieved an LSAT score that meets or exceeds the median LSAT score of the most recent Delaware Law School entering class, have demonstrated leadership and service backgrounds and are likely to contribute to the Delaware Law School community in meaningful ways.

Dean's Select Merit Scholarship

Delaware Law School is led by Dean Rodney A. Smolla, a nationally recognized legal scholar and champion for student-centered and experiential legal education. Candidates selected for these merit-based awards are among the strongest applicants to Delaware Law School in both academic achievement and personal and professional accomplishments. Candidates will have demonstrated leadership and service backgrounds, extracurricular involvement at the undergraduate level and be of strong character. A review of their accomplishments indicates that they are very likely to contribute to the law school and the communities we serve in significant and meaningful ways.

In addition, Delaware Law Donor Scholarships, established through the generosity of alumni, friends, faculty, foundations, law firms, and corporations are available. A list of scholarships and criteria are available on our website, <http://delawarelaw.widener.edu/FA>.

Fellowship opportunities are available through the Family Law & Policy Institute, the Institute of Delaware Corporate and Business Law and the Dean's Office.

Students looking for additional options can seek private aid in the form of outside scholarships established by private and public organizations, including county and state bar associations, veteran's organizations, church and ethnic organizations, college or university alumni associations, and corporations. A pdf is available on our website at <http://delawarelaw.widener.edu> that can provide a starting point for your scholarship search. Please be aware that no legitimate scholarship will require an application fee.

At Delaware Law, we believe in rewarding success. All first year students are reviewed at the end of their first year for additional Institutional funding through our Widener Scholars Loan Program based solely on academic achievement in Law School. These funds are available for the second academic year and are renewable provided the student maintains the required cumulative grade point average.

Student Loans

Loans are specific sums of money that are awarded to students on the condition that they are repaid. Repayment terms are usually agreed upon when the loans are made; educational loans generally have low interest rates with extended repayment periods available.

Widener Scholars Loan Program

Beginning with the second year of study, law students whose academic performance meets the requirements of the scholarship committee may be offered a Widener Scholars Loan. This loan offers a low **fixed interest rate of 5%**, interest does not accrue while in school and payment is deferred until 6 months after graduation.

Federal Direct Unsubsidized Loan

One of the means of financing your legal education will be the Federal Direct Loan Program. The Federal Direct Unsubsidized loan allows students to borrow up to \$20,500.00 annually to pay towards their education and expenses. There is no credit check and this loan is a non need-based program for students. The interest rate on this loan is set on an annual basis and is fixed for the life of the loan. The interest rate is based on the high yield of the 10 year Treasury Note sold at the last auction in May plus 3.60%. The interest rate for loans disbursed after July 1, 2020 and prior to July 1, 2021 is 4.30%.

The aggregate limit for this program is \$138,500 including any funds borrowed under the Federal Direct and/or Stafford Loan program as an undergraduate student. Interest accrues from the date the funds are disbursed; students may elect to pay this interest while in school or have the unpaid interest capitalized once they enter repayment. Loans will be charged a 1.057% origination fee for loans disbursed on or after October 1, 2020.

Federal Direct Graduate PLUS Loan Program (GradPLUS)

A student can borrow funds for expenses not covered by other financial aid using the Federal Direct Graduate PLUS Loan program. The GradPLUS loan **does** require a credit check and is based on credit history, not credit score. Lack of a credit history does not negatively affect your ability to be approved. Students not able to borrow on the strength of their own credit history will be offered an endorser (co-signer) option. A student may generally borrow up to their cost of attendance minus all other aid received. The interest rate on this loan is set on an

annual basis and is fixed for the life of the loan. The interest rate is based on the high yield of the 10 year Treasury Note sold at the last auction in May plus 4.60%. The interest rate for loans disbursed after July 1, 2020 and prior to July 1, 2021 is 6.30% with a 4.228% origination fee charged at disbursement for loans disbursed after October 1, 2020. Students may elect to make interest payments while in school, or have the unpaid interest capitalized once they enter repayment. Repayment on the loan begins 6 months after the student graduates or ceases to be enrolled at least half time.

Alternative/Private Loans

We recommend that a student first determine their eligibility for a Federal Direct GradPLUS loan before investigating private loan programs. Alternative/private loans are available to students who choose not to borrow or are unable to borrow a GradPLUS loan. These loans require a credit check and students not able to borrow on the strength of their own credit **may** be offered a co-signer option. The interest rate on these loans may be fixed, variable (most change on a quarterly basis) and they generally have no interest rate cap. A student may borrow up to their cost of attendance minus all other aid received. In order to access a private loan, students should contact the lender directly.

Employment Opportunities

Paid employment is available through the Federal Work-Study Program or Delaware Law Non-Work Study program. Federal Work-Study positions can be held on-campus with the University or off-campus with a non-profit, non-partisan organization. Students may work part-time or full-time (during the summer) but cannot work more than 20 hours per week if registered for 13 or more credits.

Veterans Benefits

Veterans and/or spouses and dependents of Veterans may be eligible to receive GI Bill education benefits through the Veterans Administration depending on the length of service and the start and end date of that service. For more information, visit their website at www.gibill.va.gov or contact the Veterans Administration by calling 1-888-442-4551.

Individuals should contact the Registrar's Office to alert them of approved or pending GI Bill education benefits. The Registrar's Office will provide additional paperwork that must be completed for benefit certification. The Financial Aid Office can be contacted to discuss the impact of GI Bill education benefits on your financial aid package.

Widener University Delaware Law School is a participating institution with the Yellow Ribbon program for Veterans who are 100% eligible for the Post 9/11 GI Bill education benefits. The Yellow Ribbon Program allows an institution to fund up to 50% of an eligible Veteran's tuition after base benefits are exhausted with the VA matching the amount Delaware Law provides. The result is an eligible recipient will pay little, if any tuition out of pocket. Delaware Law does not cap on the number of Veterans receiving Yellow Ribbon funding.

Monthly Payment Plans

Widener University offers students an interest-free monthly payment option. You may use this option to pay your entire bill or a portion of your tuition in monthly installments. Information regarding the payment plan option is available at <http://sites.widener.edu/bursar/tuition-and-fees>.

International JD Students

There is limited availability of financial aid for foreign nationals to study in the United States, with the possible exception of citizens of Canada. Students admitted will be considered for Widener's merit based scholarships. However, most grants, scholarships and loans from public and private sources are restricted to U.S. citizens. If you are an eligible non-citizen, you may be eligible for Federal Financial Aid programs, such as the Federal Direct loans, and should explore this option. Some organizations offer private loans to international students, although many require a credit-worthy U.S. citizen as a co-signer.

Applying For Financial Aid Checklist

Incoming students will receive an informational email from the Financial Aid Office once you have been accepted and after January 1, 2021. This email will contain detailed instructions and all necessary links. To apply for any form of financial aid administered by the Law School, students **MUST** complete and follow the instructions below.

- After November 1, visit <https://studentaid.gov> to complete the 2021 - 2022 Free Application for Federal Student Aid (FAFSA). The FAFSA must be completed for each academic year.
 - All students wishing to apply for Federal Aid (Federal Direct Loans and Federal work-study) must complete the FAFSA.
 - You will need to have a FSA User ID to electronically sign your FAFSA. You will be prompted to create one if you do not have an FSA User ID.

School Code B04724- Widener University Delaware Law School

- Complete the Widener University Delaware Law School Financial Aid Data Form.
 - Completed each year and available online after November 1st at <http://delawarelaw.widener.edu/dataform> . Student who prefer paper may download a pdf from our website.
- Students electing to borrow the Federal Direct Unsubsidized Stafford Loan must complete the electronic Loan Agreement (Master Promissory Note (MPN)) at <https://studentaid.gov>.
 - This MPN will be valid for your entire Juris Doctor (J.D.) career at Widener University Delaware Law School.
 - Students should choose Widener University Delaware Law School as their school when completing their MPN.
- Students electing to borrow the Federal Direct Graduate PLUS (GradPLUS) Loan must apply electronically at <https://studentaid.gov> after **April 2, 2021**.
 - Must be completed each academic year by students who plan to borrow funds in excess of the Federal Direct Unsubsidized Loan of \$20,500.
 - Like the Direct Unsubsidized Loan, students must complete an MPN for the GradPLUS loan which is good for 10 years. If an endorser is required for approval or loan is approved on appeal, a new MPN is needed for each loan.
- All JD students borrowing federal loans are **REQUIRED** to complete an Entrance Counseling Session. Students will be notified as to when and how Entrance Counseling Sessions will be conducted.
- All students will be required to acknowledge their prior (if any) federal education loan debt before any new loan funds disburse each academic year at <https://studentaid.gov>

Once packaged, all students will receive an email with directions on how to access their online Financial Aid Offer through our student portal, MyWidener. Financial Aid Offer Letters only need to be printed and returned if students would like to decline or decrease their awarded aid.

Debt Management

We want our students to be informed about the financial aid available to them. In keeping with that theme, the good news is that for the vast majority of students, regardless of their financial situation, there are sufficient funds to attend and complete their education at Widener University Delaware Law School. **The reality, however, is that most of the available funds come in the form of loans, and these loans must be repaid. Because of this, it is important that students make informed decisions concerning the expenses they will incur during their legal education.**

While it may, on the surface, seem advantageous to live in an apartment or off-campus housing while in school, it may make better financial sense to live with family, if feasible, and not incur the debt necessary to pay rent. If you are planning to live in an apartment, we strongly encourage you to have a roommate so you can split expenses. These decisions are personal and individual, but keep in mind that in the end it is the student who will be responsible for their education debt.

As an example, an RD student who started law school for 2020-2021, figured their expenses for the year and only borrowed \$43,000 of their eligibility. With an average yearly increase of 4% for tuition and 1% for living expenses, the cost of attendance for this student for this and the next 2 years (based on the expected credit load of Yr2 = 30 cr and Yr3= 28cr) would be **\$76,099 (1L)**, **\$76,386(2L)** and **\$76,512 (3L)**. If we assume that this student will maintain a constant level of borrowing during their three years of law school, we can obtain a reasonable estimate of their law school education debt at graduation.

Loan Type	First Year (1L)	Second Year (2L)	Third Year (3L)	Total Debt at Graduation	Total Debt if Maximum Borrowed
Federal Direct	\$ 20,500	\$ 20,500	\$ 20,500	\$ 61,500	\$ 61,500
GradPLUS	\$ 23,000	\$ 23,000	\$ 23,000	\$ 69,000	\$ 97,840
Totals	\$ 43,500	\$ 43,500	\$ 43,500	\$ 130,500	\$ 159,340

This student was able to save over **\$38,497** in student loan debt by borrowing wisely and not taking the maximum eligibility each year while in law school.

Loan Repayment

Now that we have an estimate of the student's total law school debt, we can estimate their repayment schedule. The Federal Direct and GradPLUS loans carry a standard 10-year repayment term after the student graduates from law school. However, for most of our students, extending their repayment plan based on their cumulative debt level allows for a more realistic repayment schedule. The Federal Direct and GradPLUS repayment schedules listed below are based on a 20-year Fixed Extended repayment schedule.

Note: For purposes of this analysis we have used the current prevailing interest rates for the Federal Direct Loan (6.08%) and the GradPLUS loan (7.08%) with a 20-year repayment term.

Loan Type	Amount Borrowed	Monthly Payment	Total Payments
Unsubsidized	\$ 61,500	\$ 443	\$ 106,320
GradPLUS	\$ 69,000	\$541	\$ 129,840
Total	\$ 130,500	\$ 984	\$ 236,160

As we can see by this example, law students have the option to accrue a significant amount of debt while attending law school. **Assuming that the student in the example has a starting salary at graduation of \$55,000 the projected monthly payment would constitute 22% of their gross income.** It must be noted that not all students incur this level of debt, and **we are not recommending that students borrow at this level.** However, we want you to be aware of the level of debt that you may incur, and hope that you seriously consider what this debt may mean when you begin your career.

***The repayment example above is an estimate and does not include accrued interest. Actual repayment amounts will vary depending upon prevailing interest rates and will be determined by your servicer. It also assumes the student is receiving \$20,000 in Institutional funding.**

Loan Repayment Options

Student borrowers have many loan repayment options and the repayment term will vary from 10 to 25 years depending on the repayment plan that you select. Repayment Plan Options include Standard, Graduated, Extended (Fixed and Graduated), and several Income Driven Repayment Options. The various repayment options offer additional avenues to manage loan debt.

Income Based Repayment (IBR)

Under this repayment plan your monthly loan payment is based on your household's adjusted gross income (AGI), household size, and annual poverty guideline corresponding to your household size and state of residence. For most students, their payments will be less than 15% of their gross income. Eligibility for this plan is reviewed on an annual basis by your servicer and will be adjusted to reflect changes to your AGI, household size or the poverty guideline. Your monthly payment may be less than the interest that accrues during the billing period. This causes negative amortization and will increase your debt even though you are making payments. The maximum repayment period is 25 years and any remaining debt at the end of the 25 year period is cancelled. However, at this time the cancelled debt will be considered taxable income by the IRS. If the student borrower in our previous example elected to use IBR as their repayment plan and we assume that he/she is single, with a family size of 1, an annual salary of 55,000, their starting payment would be \$460/month for the first year of repayment and would be recalculated on an annual basis.

Pay As You Earn (PAYE)

Similar to Income Based Repayment, PAYE is available to students who borrowed their first Federal Education Loan after July 1, 2008. Under this repayment plan, your monthly loan payment is based on your household's adjusted gross income (AGI), household size, and annual poverty guideline corresponding to your household size and state of residence. For most students, their payments will be less than 10% of their gross income. Eligibility for this plan is reviewed on an annual basis by your servicer and will be adjusted to reflect changes to your AGI, household size or the poverty guideline. Your monthly payment may be less than the interest that accrues during the billing period. This causes negative amortization and will increase your debt even though you are making payments. The maximum repayment period is 20 years and any remaining debt at the end of the 20 year period is cancelled. However, at this time the cancelled debt will be considered taxable income by the IRS. Using the same example as above, and the student borrower elected to use Pay As You Earn (PAYE) as their repayment plan and we assume that he/she is single, with a family size of 1, an annual salary of 55,000, their starting payment would be \$307/month for their first year of repayment and would be recalculated on an annual basis.

Revised Pay As You Earn (RePAYE)

Similar to Pay As You Earn, this repayment plan is available to all borrowers regardless of when they borrowed their first education loan. However, the period of repayment if you have graduate loan debt is 25 years prior to being eligible for cancellation.

Public Service Loan Forgiveness

This is a program that allows federal student loan borrowers who work in certain public service jobs (as defined by the Department of Education) to have a portion of their federal debt forgiven. It will provide loan forgiveness on the remaining debt of Federal Direct or Stafford, GradPLUS and Federal Consolidation

loans made under the Direct Lending Program *after* ten years of eligible payments and employment. Students who borrowed through the FFELP loan program can switch to the Direct Loan program by completing a Federal Direct Consolidation loan.

Public service organization would mean:

- A Federal, State, local or Tribal government organization agency or entity
- A public child or family service agency
- A non-profit organization that qualifies under section 501(c) (3) of the IRC that is exempt from taxation under section 501 (a) of the IRC.
- A Tribal college or university or
- A private organization that provides the following public services: emergency management, military service, public safety, law enforcement, public interest law services, public child care, public service for individuals with disabilities and the elderly, public health, public education, public library services, school library, or other school-based services.

For those attorneys that do not work for a 501(c) (3) nonprofit or the government, employment can still qualify if the employee provides “public interest law services” for a “public service organization.” Public interest law refers to legal services provided by a public service organization funded at least in part by a local, state, federal or tribal government and is not organized for profit, a labor union, a partisan political organization, or organization engaged in religious activities.

Borrowers need to make 120 monthly payments and complete the required paperwork in order to have the remaining federal loan debt forgiven. A form referred to as the PSLF Employment Certification form may be submitted to Fed Loan Servicing annually or whenever you change jobs so that it can be used to determine whether the job position counts towards the requirements for Public Service Loan Forgiveness (PSLF). This form can be found at <http://studentaid.ed.gov/repay-loans/forgiveness-cancellation/charts/public-service> . However, it is still highly suggested that employment documentation is kept by the borrowers as well. This may include W-2s, tax forms, employment contracts or any other material that will verify your employment ten years from now.

The monthly payment must be made under one of the income driven repayment plans, Income Based Repayment (IBR), Pay As You Earn (PAYE), RePay As You Earn (RePAYE), Income Contingent Repayment (ICR), standard ten year term, or some other payment plan whose payment is at least equal to the amount under the ten year plan.

Additional information regarding this program can be found at www.ibrinfo.org or www.studentaid.ed.gov

Credit Reports

With debt management and loan repayment, students should always monitor their credit report. Monitoring your credit helps protect against identity theft and allows students to learn the negative aspects of delinquency and default when in repayment.

As part of the Fair and Accurate Credit Transactions Act of 2003, consumers are able to request one free credit report from each of the three authorized credit reporting agencies, Equifax, Experian, and TransUnion in a 12 month period. These reports can be requested from one central location, <https://www.annualcreditreport.com/index.action> Consumers can request, view and print one, two or all

three credit reports via this secure web site. These reports are **free**. Any other website will require you pay for the credit reports. You **will not** be able to receive your credit score with the free reports unless you pay for it separately.

It is good practice to review your credit report for inaccuracies and to protect against identity theft. Please visit <https://www.annualcreditreport.com/index.action> if you have specific questions. The website provides good information that is helpful when reviewing your credit reports. You should review your credit report annually to insure it is free of errors, to clear any delinquent or defaulted accounts and to update necessary information. A glossary of helpful terms for understanding your credit report is located in the Financial Aid Glossary at the end of this book.

Frequently Asked Questions

Q) When is the financial aid application deadline?

A) Entering students do not have a specific deadline, however, they are encouraged to apply as early as possible as some programs have limited funding. Financial aid is processed on a first-come, first-served basis.

Q) What information will I need to fill out the FAFSA application?

A) In order to fill out the FAFSA, it is helpful to have a copy of your 2019 Federal Tax Return for the 2021-2022 academic year application. The easiest way to provide your tax information will be to transfer your tax information from the IRS to the FAFSA. The FAFSA website will guide you step by step for this process. As a law student you are considered an independent student and your parental information will not be considered.

Q) What forms do I have to fill out?

A) All students wishing to apply for aid must complete a FAFSA, a Delaware Law Data Form, a Federal Direct Unsubsidized MPN and, if desired, a Federal Direct GradPLUS Application and Direct GradPLUS MPN. Some students will also need to submit additional paperwork upon request.

Q) What is the maximum amount that I can borrow per academic year?

A) All students are eligible to access the Federal Direct Unsubsidized Loan for \$20,500 and may be eligible to borrow additional funding in a GradPLUS loan. Please refer to “Sources of Financial Aid at the Law School” to learn more about the Federal Direct Unsubsidized and GradPLUS loans.

Q) Will I have to make payments on prior Stafford loans while in school?

A) No. You are not required to make payments on previous federal educational loans when you are in school and attending at least half-time. When you return to school as at least a half time student, you will be eligible to request an in-school deferment from your lender. This deferment will only be good as long as you are enrolled at least half-time. You can request the form from your lender and submit it to the Registrar’s Office for completion once classes begin. The deferment will stop once you graduate or drop below half-time status and you will begin repayment on your prior loans. There is no penalty to make payments on

accruing interest while you are in school, although you are not required. If you choose this option, you will only be responsible for the principle and any remaining interest when you have finished school.

Q) I was working full time last year and quit to return to school. How will that affect my eligibility?

A) The FAFSA does analyze your prior prior year's income and assets. If you are not eligible for any need-based aid (Federal Work-Study), you have the right to request that we use your anticipated income for the current year. To file an appeal, please contact the Financial Aid Office.

Q) What do I have to do to secure financial aid each year?

A) Every student wishing to apply for financial aid must complete a new FAFSA and Delaware Law Data Form each year. All students will be required to acknowledge their prior (if any) educational loan debt with the Department of Education prior to new loans disbursing for each academic year.

Q) What does Federal Direct Unsubsidized Loan mean and how does it work?

A) The Federal Direct Unsubsidized Loan is a Federal loan with a fixed interest rate that is determined on an annual basis. The interest rate for loans disbursed after July 1, 2020 and prior to July 1, 2021 is 4.30%. From the date of disbursement, interest will begin accruing on the loan and all law students are eligible for \$20,500 each academic year. This is assuming students have not already borrowed the maximum aggregate limit for graduate students (\$138,500).

Q) What happens if I have borrowed close to or my total maximum Federal Direct Unsubsidized loan limit of \$138,500?

A) Graduate students who meet their maximum aggregate loan limit either before or during their enrollment may still be eligible to borrow Federal Direct Loan Funds through the Federal Direct GradPLUS loan program. The student's ability to continue borrowing through this particular loan program is determined by reviewing the student's credit history, not credit score.

Q) Why would a student be interested in borrowing a Federal Direct GradPLUS Loan if they could borrow a Private Loan with a lower interest rate?

A) While the Financial Aid Office will gladly certify a Private Loan for a student, we encourage our students to learn about and weigh the other significant differences between the two loan types. The Federal Direct GradPLUS Loan comes with the same protections as the Federal Direct Unsubsidized Loan and is eligible for the same income driven repayment plans. Private loans are not eligible for any of the federal income driven repayment plans, nor are they eligible for consolidation with Federal Direct student loans. Also, the terms and conditions set by the private lender are not disclosed to the Financial Aid Office. Therefore it is up to the student to inquire about what their responsibilities will be once their Private Loan goes into repayment status.

Q) What types of financial aid are available?

A) Please refer to "Sources of Financial Aid at the Law School" in this guide.

Q) How do I appeal my financial aid award?

A) In order to appeal any financial aid award decision, you may write an appeal letter to the Director of Financial Aid. Appeals for budget increases should include a detailed and documented budget plan.

Q) What scholarships are available for law students?

A) Please see Sources of Financial Aid at the Delaware Law School for information on academic scholarships provided by Widener University Delaware Law School. We suggest that students complete individual scholarship searches for outside funding. An online listing of outside scholarships is provided on our website, <http://delawarelaw.widener.edu/FA> to provide a starting point for our applicants. A student should never pay anyone to do a scholarship search for them.

Alumni and friends of the Law School have donated several endowed scholarships. These scholarships are awarded annually by the Scholarship Committee based on the criteria determined by the individual donors. Applications are available to current students in the spring. The Admissions Committee handles all endowed and merit scholarships for incoming Juris Doctor (J.D.) students.

Q) I was awarded a scholarship from a private outside organization; do I need to inform the financial aid office?

A) Yes. All outside financial aid must be included in your final financial aid package. Outside scholarships are typically forwarded to the institution to be applied towards your tuition.

Q) What if the amount of my Federal Direct Loan and any other financial aid does not cover the cost of my tuition?

A) You may want to consider borrowing a Graduate PLUS loan or plan to utilize the payment plan.

Q) What impact does my credit report have on my ability to obtain educational loan funds?

A) If you have adverse credit history, you may have difficulty obtaining a GradPLUS loan to cover living expenses or tuition balances. If the student is turned down for credit, the student may choose to appeal the decision to the Department of Education or attach an endorser (co-signer) to your denied application. You will be given the options available if you are denied for credit on <https://studentaid.gov>. In addition, you will need to complete the “Additional PLUS Credit Counseling” on <https://studentaid.gov>. The Federal Direct Unsubsidized Loan does not require a credit check.

Q) What is adverse credit history?

A) Adverse credit is defined as the applicant being 90 days or more delinquent on a debt, having been subject to a default determination, foreclosure, repossession, tax lien, wage garnishment or write-off of a Federal Student Aid debt and discharge of debt within the last five years as part of a bankruptcy. The absence of any credit history is not considered adverse credit.

Q) Where can I get a copy of my credit report?

A) You can visit <https://www.annualcreditreport.com/index.action> to request one free credit report from each of the three authorized credit reporting agencies, Equifax, Experian and TransUnion in a 12 month period. **It is recommended that you review your credit before you start the application process for the GradPLUS loan.**

Q) Does the school require entrance and exit interviews?

A) Yes. Even if you have attended another institution, you are required to complete a new entrance and exit interview at Widener University Delaware Law School. Entrance interviews are held during your orientation, while exit interviews are scheduled approximately a month prior to your graduation. If you have additional specific questions, you can always make an appointment to see a counselor.

Q) How is my expected family contribution (EFC) calculated?

A) When a student completes and submits the FAFSA, an automatic federally mandated calculation is completed based on the information provided. Your expected family contribution is calculated as follows.

- 1) Student's Income (will include spouse if applicable) - Expenses & Allowances = Available Income
- 2) Student's Assets (will include spouse if applicable) – Asset Protection Allowance = Net Assets
- 3) (Available Income x Assessment Rate) + (Net Assets x Assessment Rate) = EFC

Q) How, when, and where are financial aid funds disbursed?

A) Financial aid cannot be disbursed until 7 days before the start of classes for any semester. All funds are disbursed to Widener University Delaware Law School. If a credit balance exists after disbursement, the Bursar's Office will create a refund, which is generally available 7 to 10 days after the disbursement, but cannot be released before the first official day of classes. Please be aware that there will be a delay in processing and receipt of funds if your paperwork is not completed until August or later.

It is recommended that students have access to emergency funds should their loan funds be delayed. While Widener University School of Law will wait for tuition payments, books will need to be purchased and rent will need to be paid. It makes for a less stressful first month if access to emergency funds is available.

Q) If I do not need the full loan amount offered to me, do I have to borrow that amount?

A) No. The Financial Aid Office always encourages students to only borrow what they need. If you have applied for more than you need, funds can be sent back to your lender at any time. Once your loan is processed, you will receive an award agreement indicating the loan amount processed. If you would like to reduce your loan amount, make the changes on the award agreement and return it to the Financial Aid Office. At any time, you can reject all or part of your financial aid package.

Q) What should I do if I have questions that are not answered in this section?

A) **Widener University Delaware Law School**
4601 Concord Pike
Wilmington, DE 19803-0474
Phone: (302) 477-2272 email: DelawareLawFinAid@widener.edu

Financial Aid Glossary

Financial Aid Terms

Accrued Interest – Interest that accumulates on a loan and is payable by the borrower.

Amortization – Paying a loan over time through periodic payments calculated to pay off the debt at the end of a fixed period, including accrued interest.

Annual Percentage Rate (APR) – A percentage calculation that reflects the total cost of a loan (interest plus all fees) on an annual basis.

Capitalization – The process of adding accrued interest and/or fees to the principal balance of a loan. Interest then accrues on the new principal balance.

Cost of Attendance (COA) – All schools participating in the federal loan programs must determine the standard cost of attendance. It includes tuition, fees, books and supplies and living expenses. It changes and varies annually for each student.

Deferment – A period during which the repayment of the principal amount of the loan is suspended as a result of the borrower's meeting one of the requirements established by law and/or contained in the promissory note. During this period, the borrower may or may not have to pay interest on the loan.

Deferred Interest – Accrued interest that the borrower does not have to pay until a later date. Any deferred (accrued) interest will be capitalized.

Direct Student Loans – A federal program of education loans including the Federal Subsidized/Unsubsidized Direct loan, Federal PLUS loan and Federal Consolidation loan. These loans are regulated, guaranteed and financed by the Department of Education.

Disclosure Statement – A statement of the actual loan costs, including the interest rate and any additional fees, which is presented to the borrower at the time the loan is made (see also "Repayment Disclosure Statement").

Endorser – An endorser is required when a student is unable to obtain a Graduate PLUS loan due to adverse credit. The endorser must be a US citizen or eligible non-citizen and be able to pass all the credit requirements required by the lender. Remember that each endorser is responsible for repaying the loan if the primary borrower does not.

Entrance Counseling – A borrower must participate in loan entrance counseling prior to the first disbursement of a Federal Direct Loan and/or Graduate PLUS Loan at a school. The purpose of this counseling is to: (1) reinforce the importance of repaying student loans; (2) describe the consequences of defaulting on the loan; (3) explain the use of the Master Promissory Note (MPN); (4) provide sample monthly repayment information; and (5) explain how interest accrues on unsubsidized and Grad PLUS loans. Other useful budgeting and debt management information is also recommended. All Widener University School of Law JD students must attend this session during orientation in order for loan funds to disburse.

Estimated Family Contribution (EFC) – The amount the Department of Education determines a student should be able to contribute to their education based on the information provided on the FAFSA. Students are not required to contribute this amount to their education, but the EFC is used when determining a student's financial need.

Exit Counseling – A mandatory session for federal student loan borrowers where information is presented prior to graduation or following a drop in enrollment status to less than halftime. Information presented includes loan repayment and debt management strategies.

Extended Repayment – A loan repayment option that allows borrowers to repay their loans over a maximum of 25 years, with either equal or graduated payments. Available only to those who first borrowed FFELP loans on or after October 7, 1998, and have a total FFELP loan debt exceeding \$30,000.

Federal Consolidation Loan – A federal loan program offered by the Department of Education that allows most federal education loans to be refinanced into a single new loan, often with a longer repayment term and, thereby, a lower monthly payment.

Federal Direct Unsubsidized Loan – A federal education loan issued by the Department of Education. Unsubsidized Federal Direct Loans are not based on need, and the borrower is responsible for paying all the interest that accrues after the funds are disbursed or can defer the interest while in school.

Forbearance – An agreement by the loan holder/servicer and the borrower to accept a temporary suspension of scheduled loan payments, smaller payments than were previously scheduled, or an extension of time for making payments. A forbearance may be given for circumstances not covered by deferment that adversely affect the borrower's ability to meet loan payment obligations, such as economic hardship.

Grace Period – This period begins the day after the borrower ceases to be enrolled at least half-time at an eligible school and continues until the loan repayment period begins. No payments are required during the grace period and interest continues to be subsidized on any subsidized loans during this period. The grace period for Federal Direct Subsidized/Unsubsidized Loans is six (6) months.

Graduate PLUS Loan (GradPLUS) – Unsubsidized federal education loans that graduate students can borrow. An amount up to the cost of attendance less any other financial aid (such as federal work study, scholarships or grants) can be borrowed in a given academic year.

Graduated Repayment – A student loan repayment option in which monthly payments are lower at the beginning of repayment and increase in steps during the repayment period.

Income-Sensitive Repayment – A student loan repayment option that is available for FFELP loans. It is based on the borrower's income and total federal student loan debt. Payments increase as income rises. The repayment term on a Federal Stafford Loan or a Federal PLUS Loan may be lengthened by up to an additional five years when using this option.

Interest – A charge for the use of money. Interest is calculated as a percentage of the loan principal. The interest rate charged can be fixed, which means it does not change over the life of the loan, or the rate can be variable, in which case, it changes periodically. The percentage rate may be tied to one of several financial indexes such as the Prime Rate, LIBOR, or U.S. Treasury Bills.

Loan Period – The academic year or portion thereof for which the applicant is enrolled and is seeking one or more loans.

Master Promissory Note (MPN) also referred to as Loan Agreement by DOE – The legally binding contract between the borrower and the Department of Education. By signing a Federal Direct Unsubsidized Loan MPN or a Federal Direct Graduate PLUS Loan MPN, the borrower agrees to all terms and conditions, including the responsibility to repay all borrowed funds along with any interest and fees that are charged. Unlike other promissory notes where only one loan can be borrowed per signed note, the MPN allows a student to borrow multiple Federal Direct Loans or Federal PLUS Loans using a single note (for up to 10 years) for the respective loan type from the specified lender.

Origination Fee – A loan processing fee that is paid to the federal government. It is calculated as a percentage of the principle amount borrowed. This fee is deducted from the amount of the loan disbursement.

Principle Balance – The outstanding amount of the loan. Generally, as the loan is repaid, a portion of each payment goes to accrued interest and a portion reduces the outstanding principle balance. The principle balance can increase when accrued interest and/or fees are capitalized.

Repayment Disclosure Statement – A statement of the loan’s repayment terms that is sent to the borrower by the Department of Education Servicer prior to the due date of the first payment of the loan.

Repayment Period – The length of time the borrower has to repay a loan. The start date and length of the repayment period will be defined in the loan agreement/repayment disclosure statement. The length of the repayment period may differ by loan type and/or by the repayment option chosen by the borrower.

Repayment Schedule – A plan which sets forth the principal and interest due in each installment, the maximum number of payments allowed to pay the loan in full, the current interest rate, and the due dates of the first and subsequent payments.

Servicer – An organization that handles billing, collections, deferments, customer inquiries, and other loan transactions for the Department of Education.

Standard (Fixed) Repayment – A student loan repayment option that allows borrowers to pay an equal or level amount each month. All payments include both interest and principal.

Terms – The specific conditions of a loan, including the requirements governing receipt and repayment of a loan. It is often used more specifically to refer to the charges for the loan, such as the interest rate and fees.

U.S. Department of Education – The federal agency that administers several major student aid programs, including the Federal Direct Loan, the Federal Direct PLUS Loan, and Federal Direct Consolidation Loan programs. The U.S. Department of Education produces, distributes, and processes the Free Application for Federal Student Aid (FAFSA), which is used to determine students’ eligibility for federal funds.

Credit Report Terms

Collections - failure to make payment on a delinquent or defaulted account may result in the creditor or lender contacting an agency or moving your account into their department that specializes in collecting payment from delinquent accounts. **This status will affect your credit score negatively.**

Credit Inquires – requests for your credit report and credit score. A **hard inquiry** is a request by a creditor/lender to pull your credit report and credit score that has been authorized by you, the potential borrower. These inquiries take place when a borrower wants a new credit card or is interested in a car loan. **Hard inquiries do affect your credit score.** A **soft inquiry** is request from prospective employers, inquiries made by current creditors, and companies wanting to offer a new credit card to view your credit report. **Soft inquiries do not affect your credit score**

Credit Report - a summary of the information contained in an individual's credit history. Creditors use this information to evaluate the likelihood that the individual will repay future loans. A credit report is created from payment information and credit account information that creditors/lenders report to the three authorized credit reporting agencies. A person begins to build credit by having a credit card, consumer loan, student loan, or some form of personal credit.

Credit Score - a quick, accurate, consistent and objective method that uses statistical models to determine a borrower's future credit risk. The higher the credit score the more likely a borrower is to repay a future loan. Credit scores can range from 300 to 850, but each lender/creditor determines its cutoff points and underwriting criteria for potential borrowers.

Default – non-payment of a loan or credit card balance. The lender, guarantee agency, or creditor may require full payment of the debt in addition to associated fees and fines. Federal Direct Loans are put in default status after 270 days of non-payment. **This status will affect your credit score negatively.**

Delinquency – failure to make payment on a due/past due account typically characterized in thirty day increments of lateness. For example, 30 days delinquency, 60 days delinquency, etc. **This status will affect your credit score negatively.**

Installment Accounts – an account where an amount is borrowed at once and paid back to the lender/creditor in set amounts over a set period of time with either a fixed or variable interest rate. Examples include: mortgages, education and car loans

Revolving Accounts – accounts that allow you to add and carry forward debt until you reach a pre-determined maximum amount. Interest accrues on the balance at some point in time during the billing cycle. Examples include: credit cards, retail charge accounts, finance accounts and personal lines of credit. There may be fees associated with use of the card.