MICHIGAN ROSS

2015-2016 Loan Repayment Assistance Program

Submit Applications Beginning September 1, 2015, through November 1, 2015

The objective of the Ross School of Business (Ross) Loan Repayment Assistance Program (LRAP) is to provide financial assistance to graduates who pursue careers in nonprofit and public sector organizations. **Award amounts will vary from year to year depending on the number of eligible applicants and available funds.**

The LRAP fund pays a portion of a qualifying graduate's Ross-related, need-based loan obligations (see **Eligibility** below) while the graduate is employed full-time in a position within the public or nonprofit sectors (subject to annual re-application and review). The calculated LRAP fund amount for which the applicant is eligible is based on the applicant's financial position and that of the applicant's immediate family (as defined by Ross Graduate Financial Aid Office guidelines and the applicant's Ross graduation date).

Applicants must apply each year. Applications are due on November 1 (annually) and sent to:

Office of Financial Aid
Stephen M. Ross School of Business
University of Michigan
701 Tappan Street, Room W3700
Ann Arbor, MI 48109-1234

Email and fax is also acceptable. **Email: rossfinaid@umich.edu**
Fax: (734) 764-2129

Administration

The Ross Graduate Financial Aid Office administers LRAP, within the funding constraints, terms and structure of the program. The provisions of the program, subject to change, are as follows:

Eligibility: LRAP is open to all Ross graduates (BBA, MBA, MSCM and MAcc) who are now employed full-time with a qualifying employer (see **Employment** below). The applicant must have demonstrated financial need based on a completed Free Application for Federal Student Aid (FAFSA) and have received U.S. federal direct loans and/or Perkins loans during their enrollment at Ross.

- **Graduates who were enrolled and attended Ross prior to May 2010** may participate in the program within ten years of graduation.
- **Graduates who were enrolled and attended Ross beginning May 2010 and after** may participate in the program within eight years of graduation.
- All applicants must be actively repaying loans and meet the LRAP income and employment requirements.

Applicants must be current on loan repayments at the time of application. Graduates working in positions that have both historically qualified for loan deferment or forbearance and by their nature are limited term assignments (e.g., Peace Corps, Ameri Corps, etc.) are eligible for consideration under the loan repayment program.

Employment: Nonprofit organizations in the United States that are tax-exempt under sections 501(c)(3), (4), or (6) of the Internal Revenue Code are suitable employers for this program. Jobs in local

state or federal governments are also acceptable. Graduates working outside the U.S. for public or nonprofit organizations may be eligible to participate in the program, subject to documentation and approval.

Assets: Qualifying asset values are calculated using the FAFSA formula. A reasonable amount of assets will not disqualify an applicant for LRAP funds. However, possession of substantial physical and financial assets with income may result in ineligibility for LRAP funding.

Application Procedures

A. Applications must include:

1. LRAP Application (**page 5** in this document).
2. LRAP Income and Asset Statement (**page 6** in this document).
3. LRAP Verification of Employment/Salary for Applicant and Spouse (if applicable) (**pages 7-8**).
4. Federal tax return (**signed and dated**) for the most recently completed tax year (**1040 and W-2 only; no schedules**) for applicant and spouse (if applicable). **PLEASE NOTE: The federal tax return must be signed and dated. A current signature and date is acceptable. Electronic signatures are not acceptable.**
5. Educational Loan Summary (available from your lender or loan servicer).
6. Payment schedules (available from your lender or loan servicer) of educational loans for both Ross and non-Ross related loan obligations.

B. Deadline:

1. Applications are due on November 1 at the Ross Graduate Financial Aid Office.
2. **Incomplete applications will not be processed.**

Processing

A. Calculation

1. Adjusted Income (AI)

   The LRAP amount that an applicant receives is based on the applicant's AI. The AI is calculated using: Total Income + Assets (from the Income and Asset Statement), less Exemptions listed on tax return ($9K spouse, $8K per dependent child); and applicant's and spouse's non-Ross educational loan payment.

2. Qualifying Adjusted Incomes (see attached LRAP Historical Report)

   a) **Graduates who were enrolled and attended Ross prior to May 2010:**
   Under the LRAP formula, applicants with an AI (adjusted income) of $75,000 or less are not expected to contribute any payments towards the qualifying loans for that year. However, LRAP award amounts will vary from year to year depending on the number of applicants and available funds. If available LRAP funds are not sufficient to cover the required payments, the applicant remains responsible for paying the balance of the loan payments due.

   Under the LRAP formula, applicants with an AI over $75,000 are expected to contribute 20% of their income over $75,000 toward the qualifying loans for that year with the balance of loan payments funded by LRAP. However, LRAP award amounts will vary from year to year depending on the number of applicants and available funds. If available LRAP funds are not sufficient to cover the required payments, the applicant remains responsible for paying the balance of the loan payments due.

   b) **Graduates who were enrolled and attended Ross beginning May 2010 and after:**
   Under the LRAP formula, applicants with an AI (adjusted income) of $86,250 or less are not expected to contribute any payments towards the qualifying loans for that year. However, LRAP

award amounts will vary from year to year depending on the number of applicants and available funds. If available LRAP funds are not sufficient to cover the required payments, the applicant remains responsible for paying the balance of the loan payments due.

Under the LRAP formula, applicants with an AI over $86,250 are expected to contribute 20% of their income over $86,250 toward the qualifying loans for that year. The balance of loan payments due will be funded by LRAP. However, LRAP award amounts will vary from year to year depending on the number of applicants and available funds. If available LRAP funds are not sufficient to cover the required payments, the applicant remains responsible for paying the balance of the loan payments due.

NOTE: The $86,250 amount was calculated based on 75% of the median based salary of the 2014 graduation class. This amount will be recalculated each year based on the **most recently available** graduation class median based salary (2015-2016 LRAP based on 2014 graduation class).

3. Eligible Loan(s)

   a) **Graduates who were enrolled and attended Ross prior to May 2010*:***
   All educational loans based on the estimated cost of attendance (COA), including loans borrowed for Ross dual degree program, are eligible for repayment.

   b) **Graduates who were enrolled and attended Ross beginning May 2010 and after*:***
   Only those loans borrowed to cover the estimated COA while enrolled and paying Ross tuition are eligible for LRAP funding. Dual degree students should note that eligible loan debt is Ross specific. Proration will be used to determine LRAP funding in these cases.

4. LRAP Reimbursement Limits

   a) **Graduates who were enrolled and attended Ross prior to May 2010:**
   LRAP participation is limited to the ten years following graduation from Ross. LRAP reimbursement is capped at $100,000 per applicant.

   b) **Graduates who were enrolled and attended Ross beginning May 2010 and after:**
   LRAP participation is limited to the eight years following graduation from Ross. LRAP reimbursement is capped at $8,000 per year, for a total of $64,000 per applicant.

5. Consolidated Loans

   If the applicant has chosen to consolidate their student loans, LRAP will be prorated based on the applicant's qualifying loans.

B. Disbursement

1. After eligibility is determined, available funds will be distributed among all eligible applicants. **Award amounts will vary from year to year depending on the number of eligible applicants and depending on available funds.** Funds will be disbursed between December and February. These payments may be considered taxable income in the calendar year received. Please check with a tax advisor for your tax liability.

2. If the award recipient becomes ineligible for funds received, the recipient must repay that portion for which she/he has become ineligible. Therefore, **all award recipients are required to report a change in employment should one occur**. The details for repayment of LRAP funds will be determined individually with the program administrator. The terms of the repayment will be based on the participant's salary after leaving qualifying employment. The amount to be repaid will be the amount the participant is not eligible for plus 7% simple interest.

LOAN REPAYMENT ASSISTANCE PROGRAM CHECKLIST FOR APPLICANTS

This document is for your use only and does not need to be sent back to Ross Financial Aid.

Application must be received by Ross Financial Aid by November 1, 2015.
Incomplete applications will not be processed.

Eligibility Checklist:

☐ Applicant is employed full-time in a position within the public or nonprofit sectors.

☐ Applicant must have demonstrated financial need based on a completed FAFSA and and have received U.S. federal direct loans and/or Perkins loans during their enrollment at Ross.

☐ Applicant is a Stephen M. Ross School of Business graduate.

- Applicants who were enrolled and attended Ross prior to May 2010 may participate within ten years of graduation. LRAP reimbursement is capped at $100,000.
- Applicants who were enrolled and attended Ross beginning May 2010 and after, may participate within eight-years of graduation. LRAP reimbursement is capped at $8,000 per year and $64,000 total per applicant.

☐ Applicant is actively repaying loans and current on loan repayments at the time of application.

☐ Applicant must submit completed (including attachments) LRAP Application **by November 1, 2015**.

Application Checklist:

The LRAP Application consists of four pages (Pages 5 through 8). Applicant is to complete:

☐ LRAP Application (Page 5 of Application Packet). *Be sure to include your eight-digit student ID number (UMID number) or unique name on application.*

☐ LRAP Income and Asset Statement (Page 6 of Application Packet).

☐ LRAP Verification of Full-Time Employment/Salary of Applicant (Page 7 of Application Packet).

☐ LRAP Verification of Full-Time Employment/Salary of Spouse, if applicable (Page 8 of Application Packet).

Applicant must also include:

☐ Employer Proof of Tax-Exempt Status. ***NOTE: Employer is to include this with the LRAP Verification of Full-time Employment/Salary of Applicant (Page 7 of Application Packet).***

☐ Federal tax return (**signed and dated**) for the most recently completed tax year for applicant and spouse (if applicable). Include 1040 and W-2 only (no schedules). ***NOTE: The federal tax return must be signed and dated. A current signature and date is acceptable. Electronic signatures are not acceptable.***

☐ Educational Loan Summary (available from your lender or loan servicer).

☐ Payment Schedules (available from your lender or loan servicer) of educational loans for both Ross and non-Ross related loan obligations.

LRAP APPLICATION 2015-2016

Name:_____ UMID No. or Unique Name:_____

Home Address:_____
(Full Address with City, State and Zip)

Telephone:_____ Fax Number:_____

E-Mail Address:_____

Year of Graduation:_____ Dual Degree: ☐ Yes ☐ No

Employer:_____

☐ Full-Time ☐ Part-Time

Your Title:_____

Employer Address:_____

Employer Telephone:_____

Date of Employment:_____

Please describe your employer's activities and your responsibilities in the organization. Address the public service aspects of the organization. You may attach additional sheets and/or a resume.

_____

_____

_____

_____

_____

Required Application Documents

1. LRAP Application (**page 5**);
2. LRAP Income and Asset Statement (**page 6**);
3. LRAP Verification of Employment/ Salary for applicant and spouse (if applicable) (**pages 7-8**);
4. Federal tax return (**signed and dated**) for the most recently completed tax year for applicant and spouse (if applicable). Include 1040 and W-2 only (**no schedules**). ***NOTE: The federal tax return must be signed and dated. A current signature and date is acceptable. Electronic signatures are not acceptable.***
5. Educational Loan Summary; and
6. Payment schedules (available from your lender) of educational loans for both Ross and non-Ross related loan obligations.

Signature and Certification

I declare that the information in this application is correct and complete to the best of my knowledge. The Ross Graduate Financial Aid Office may investigate and verify the information I have provided.

_____ _____
Signature Date

LRAP Income and Asset Statement

Name:_____

Filing Status: ☐ Married ☐ Single _____ Number of Children (Dependents)

Name of Dependents:

Name	Relationship

Income

Applicant's Current Annual Salary $_____
Spouse's Current Annual Salary $_____

Other Current Income
- Total Dividends $_____
- Total Interest $_____
- Other (List Below) $_____

_____
_____

Total Other Current Income $_____

Total Income **$**_____

Asset Information

Cash, Savings and Checking Accounts $_____
Stocks, Bonds, CDs and Investments $_____
Trust Funds Total Value $_____
Other (e.g., Real Estate)—Please explain below. $_____

_____

Total Assets **$**_____

Education Debt Prior to Ross *(Detail on Educational Loan Report)*

Applicant's Annual Payments $_____
Spouse's Annual Payments $_____

Total Annual Payments of Education Debt Prior to Ross **$**_____

Ross Debt *(Dual degree totals will be prorated for graduates who attended Ross beginning May 2010 per LRAP processing/calculation, step 3.)*

Principal $_____
Current Annual Payments $_____

LRAP Verification of Full-Time Employment/Salary - Applicant

Instructions:

Applicant: Complete Part 1 and forward directly to employer.
Employer: Read Part 1. Complete Part 2. Sign and return to the Ross School of Business.

PART 1

TO (Name and Address of Employer):_____

_____

_____

I have applied to the University of Michigan's Ross School of Business Loan Repayment Assistance Program and stated that you are my employer. My signature below authorizes you to verify my employment information to the Stephen M. Ross School of Business at the University of Michigan.

Signature of Applicant:_____ Date:_____

Applicant's Name:_____

Applicant's Address:_____

PART 2—Verification of Employment

Applicant's Date of Employment:_____ Employed Full-Time: ☐ Yes ☐ No

Present Position Title:_____

Probability of Continued Employment:_____

Current Base Salary *(Enter appropriate salary below.)*

$_____Annual $_____Monthly $_____Weekly

$_____Hourly If paid hourly, please indicate average number of hours per week:_____

If a bonus or overtime is applicable, please describe:_____

_____

Please provide proof of your tax-exempt status.

Name of Employer/Supervisor:_____

Title:_____

Signature of Employer:_____ Date:_____

Return to: Loan Repayment Assistance Program—Financial Aid
Stephen M. Ross School of Business
University of Michigan
701 Tappan Street, Room W3700
Ann Arbor, MI 48109-1234
Fax: 734.764.2129
Email: Rossfinaid@umich.edu

LRAP Verification of Full-Time Employment/Salary - Spouse

Instructions:

Applicant: Complete Part 1 and forward directly to employer.
Employer: Read Part 1. Complete Part 2. Sign and return to the Ross School of Business.

PART 1

TO (Name and Address of Employer):_____

_____

I have applied to the University of Michigan's Ross School of Business Loan Repayment Assistance Program and stated that you employ my spouse. My spouse's signature below authorizes you to verify employment information to the Stephen M. Ross School of Business at the University of Michigan.

Applicant's Name:_____

Applicant's Spouse Name:_____

Signature of Applicant's Spouse:_____ Date:_____

PART 2—Verification of Employment of Spouse

Spouse's Date of Employment:_____ Employed Full-Time: ☐ Yes ☐ No

Present Position Title:_____

Probability of Continued Employment:_____

Current Base Salary *(Enter appropriate salary below.)*

$_____Annual $_____Monthly $_____Weekly

$_____Hourly If paid hourly, please indicate average number of hours per week:_____

If a bonus or overtime is applicable, please describe:_____

_____

Name of Employer/Supervisor:_____

Title:_____

Signature of Employer:_____ Date:_____

Return to: Loan Repayment Assistance Program—Financial Aid
Stephen M. Ross School of Business
University of Michigan
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Email: Rossfinaid@umich.edu

MICHIGAN ROSS

Loan Repayment Assistance Program (LRAP)
Historical Report

Academic Year	Average Payment
1997-1998	$ 4,086.20
1998-1999	$ 5,258.33
1999-2000	$ 3,660.33
2000-2001	$ 2,900.00
2001-2002	$ 1,130.00
2003-2004	$ 2,409.00
2004-2005	$ 2,240.00
2005-2006	$ 622.00
2006-2007	$ 5,827.00
2007-2008	$ 6,917.86
2008-2009	$ 7,177.27
2009-2010	$ 2,563.11
2010-2011	$ 3,136.00
2011-2012	$ 2,658.00
2012-2013	$ 2,006.52
2013-2014	$ 2,640.43
2014-2015	$ 3,136.00

2014 – 2015 Highest Payment: $6,750

2014 – 2015 Lowest Payment: $1,042

Note: Award amounts are subject to change annually, based on funding availability.