

Q & A on US loans

- **Am I able to apply for US Federal Student loans through your office? How? What loans am I eligible for?**

Full time students at HEC can borrow two types of loans: Direct Unsubsidized Loan and Direct PLUS Loan.

The first step is to complete a FAFSA (Free Application For Student Aid) online at <http://www.fafsa.ed.gov/>. Then the HEC Financial Aid Office will be able to check if you are eligible for the Direct Loan program.

You also have to complete a MPN (Master Promissory Note) and an Entrance Counselling for both loans at <https://studentloans.gov/myDirectLoan/index.action>.

After this process, please contact the HEC Financial Aid Office at usfunding@hec.fr. You will receive an Award Letter with the maximum amounts you are allowed to borrow for each loan (Unsubsidized and PLUS). You will have to return this signed Award Letter with the amounts you have chosen to borrow. Then, everything will be ready for your arrival at HEC Paris.

- **What does the Entrance counselling consist of?**

The Entrance counselling is an educational session that borrowers must complete before the loan's funds can be disbursed.

- **What does the Master Promissory Note consist of?**

A MPN is a legal document that specifies the terms and conditions of a loan. It is mandatory. The loans cannot be processed without completing it.

- **Do I have the same payment schedule as the one sent in the payment agreement?**

If you borrow from the US Department of Education, your payment schedule will follow the disbursements calendar.

- **When do I get the funds?**

For the MBA participants, 3 disbursements are scheduled during the first year (one on the beginning of each term). For the Master's programs participants, 2 disbursements are scheduled during each academic year (One in September and one in January).

When, funds arrive at HEC Paris, the remaining due amount of tuition fees is divided by 3 for MBA participants and 2 for Master's programs participants and credited on your HEC Paris student's account. If the disbursement amount was over this amount, the remaining amount is credited on your personal bank account for your living expenses.

For the MBA participants, a last disbursement is scheduled during the last term and is fully transferred to you for your living expenses.

- **Do the living expenses funds get transferred to my bank account in € or \$ currency?**

HEC Paris receives your funds in Euros. So the amount corresponding to your living expenses is also transferred in Euros.

- **The funds will be borrowed in \$. If they are disbursed in € to HEC Paris, what exchange rate is used and are there other fees or issues?**

The exchange rate used is the one in force on the day of the transfer from the US. So for each disbursement, a different exchange rate will be used. Please note that origination fees are deducted by the US Department of Education before the transfer of the funds to HEC Paris. About 1 % is deducted on the Unsubsidized loan and about 4,2 % on the PLUS Loan.

- **When will my loan re-payments begin?**

After your last course at HEC Paris (not after graduation date), you will have a six-month grace period before you begin repayment. During this period, you will receive repayment information from your loan servicer, and you will be notified of your first re-payment due date. Payments are usually due monthly. When you leave HEC Paris, you have to complete the Exit counselling which is a session providing the borrowers basic information about student loans and the terms and conditions of the Loan program.

- **What is the maximum amount I can borrow? How much of each loan can I borrow?**

A calculation is made (which is defined and managed by the US Department of Education) as follows: Cost Of Attendance minus the Estimated Financial Assistance (EFA) like scholarships...

The Coast Of Attendance is composed of the tuition fees and the main living expenses like housing, travels, books and meals...

The maximum amount you can borrow will be calculated upon your personal data. The maximum amount you can borrow for the Unsubsidized loan is \$20,500.

Please note that if you are awarded a scholarship, the COA will be lowered.

- **Can I change the amounts I want to borrow during my enrollment at HEC?**

No, you cannot change the amount. The Award Letter you sign is your final decision. No reconsideration is possible.

- **Is it possible for US Citizens to borrow from French banks?**

You can only borrow from a French bank if you have a French guarantor.

- **If I apply for a Federal loan, can I go in exchange in partner institutions?**

You can go in partner institutions and still receiving your loan if the institution is eligible for federal aid. Otherwise, you will have to fund yourself this part of the program.

- **Can I choose the Double Degree option if I receive a loan from the US Department of Education?**

Unfortunately, you cannot choose this option; contact your Financial Aid Office for further information.

- **Can I borrow from Prodigy?**

You can borrow from Prodigy by applying online at <https://prodigyfinance.com/hec-paris/loan>. All information needed is available on Prodigy website. The loan is disbursed at the beginning of the program. If you borrow more than what is due to HEC Paris, a wire transfer will be made on your personal bank account.

- **Can I borrow from Sallie Mae?**

You can borrow from Sallie Mae. You will find more information on <https://www.salliemae.com/>. Sallie Mae is not a preferred lender and this does not represent a preferred lender arrangement.

- **Can I borrow from VA GI Bill? How?**

The Post-9/11 GI Bill provides financial support for education and housing to veterans and to their eligible spouse or dependent. If you want to know more about it: http://www.benefits.va.gov/gibill/get_started.asp.