



# University Office of Student Financial Aid

**T**he University Office of Financial Aid is responsible for providing educational-financing services to students in all three colleges of Thomas Jefferson University, as well as debt-management counseling for TJU students and Jefferson Health System (JHS) house staff. More than \$76,000,000 was administered to 2,263 students enrolled in the University during the 2008-2009 academic year. The data in this report focuses specifically on Jefferson Medical College.

## Sources of Financing

Table 1 and Figure 1 following show the total aid awarded to Jefferson Medical College students during the 2008-2009 academic year. In reviewing this data, it is important to note additional characteristics regarding the composition of total funding.

Of the \$35,707,622 borrowed during 2008-2009, \$27,843,127 was from unsubsidized sources (Federal Unsubsidized Stafford, Federal Graduate PLUS, and private alternative loan programs). The amount shown indicates only the principal borrowed; however, interest accrues to the student's account from the date funds are disbursed.

Of the \$6,542,253 awarded in grant and scholarship funding, \$1,248,494 was from service-obligation programs (National Health Service Corps, Armed Forces Health Professions Scholarship, and Federal Work Study). Receipt of these funds requires an "in-school" or post-graduation employment obligation.

## Federal Work Study

Federal Work Study (FWS) is a program by which students may defray a portion of their educational

expenses through employment, either on campus or in the surrounding community. The total amount earned during 2008-2009 is shown in Table 1.

As part of this program's community-service efforts, Federal Work Study remains a primary funding source for summer employment through the Bridging the Gaps (BTG) program. During the 2008-09 year, \$123,301 in Federal Work Study community service funding was earned by 80 university students; \$78,749 community service funds were earned by 50 JMC students. Twenty-one University students working in literacy projects earned \$24,055. Federal Work Study Program regulations require that at least 10% of Federal Work Study funds be earned in community service and include at least one literacy program. As in previous years, the Financial Aid Office continues to meet these federal requirements, and an effort to increase community service projects will continue in the 2009-2010 academic year.

Federal Work Study earnings have consistently increased over the last three years. More students are utilizing this program to assist in meeting educational expenses while gaining valuable employment experience. As employing departments pay no more than 25% of the student's wage, this program continues to be very competitive among University departmental employers. Since the 2006-2007 academic year, earnings for Jefferson Medical College students has nearly doubled from \$136,146 to \$247,139 in 2008-09. Thirty percent of Jefferson Medical College student earnings were attributed to funding community service efforts while other students worked in research and lab positions. How-

ever, as the FWS program is now the main funding source for the Dean's Summer Research Program, it is anticipated that this program will be the leading FWS employer of medical students in the coming year.

### **Student Indebtedness**

Table 2 shows the average debt for Jefferson Medical College's graduating class of 2009, with comparative data for the five preceding years (2003-2008). As shown in Table 2, the average debt for the Class of 2009 had an increase from the previous year. Student borrowing continues to outpace increases in tuition rates and increases in the consumer price index. This has occurred even though the level of scholarships awarded by JMC has increased, and the family (parental) financial strength has remained relatively consistent among classes. One factor that has added to increasing debt averages is a change in the Federal Stafford Loan program annual borrowing limits. Effective in the 2007-2008 academic year, annual unsubsidized loan limits increased \$2000 a year. In addition, effective in the 2006-2007 academic year, the federal PLUS loan program was opened to all graduate students. More students have accessed this loan program due to its less strict credit requirement. Students may perhaps be unnecessarily increasing their annual borrowing due to accessibility. This trend will continue to be reviewed in the 2009-2010 academic year.

Due to the current economic environment, the interest rates for private "alternative" loans have increased. The stress in the credit market has resulted in lenders becoming extremely cautious in providing educational loan funds. Many lenders have discontinued private loans and now only offer federal loans. In some cases lenders have discontinued participating in both the private and federal loan programs. Those lenders who offer private loans are now requiring a credit score of 720 as compared to 675 which was the industry norm 18 months ago. Additionally, many times the borrower is asked to provide a credit worthy cosigner. With this increase in interest rates and the increasing cost of education, it is expected that there will be a corresponding in-

crease in debt in the future. With this in mind, Financial Aid's debt management curriculum continues to focus on the importance of "wise-borrowing" and effective debt management practices.

### **Debt Management Programs**

The Financial Aid Office's long-standing debt-management program for students and JHS residents provides services in the form of seminars, individual counseling and informational publications. The seminar series continues to be widely attended by all students, JHS residents, and the JCGS Post-Doctoral population. The positive evaluations demonstrate that the seminar series will meet the future needs of the TJU student/resident population.

The seminar series (which includes segments on debt management, insurance planning, investment basics, and considerations of signing a hospital, practice, or employment contract) continued to receive high praise and requests for continuation for the populations we serve.

The number of JHS residents accessing the individual debt-management counseling services provided by this department remains steady. This is due to the increase in the client pool as publication and word-of-mouth efforts have increased awareness of the available service, rising levels of medical-graduate debt, and expanded and somewhat more complex loan repayment options.

The complicated nature of developing an effective repayment strategy, as well as periodic changes in the educational debt market (such as the interest rate increase noted above), will result in the continued reliance of TJU students, alumni, and JHS house staff on the Financial Aid Office's counseling services.

### **Technological Advancements**

For the 2008-2009 academic year, approximately 97% of JMC students filed their Jefferson Financial Aid Application materials online. This is consistent with the previous year. The 3% who did not apply for financial aid electronically are typically students who are conditionally accepted. Paper applications

will continue to be provided to this small population.

Additionally, the Financial Aid Office has changed loan processing computer systems from Whiz Kid to ELM (Electronic Loan Management). The new ELM system has allowed the electronic processing of student loan applications with all lenders nationwide. In the summer of 2008, approximately 138 lenders stopped lending federal and private loans. With federal assistance, many, but not all, returned to the lending market. Because the lenders participating in the student loan market have changed significantly and future participation has remained uncertain, the ELM system is essential to the Financial Aid Office for certifying and disbursing loan funds from any lender the student chooses, and doing so in the most expedient manner possible. Over 1,100 loan applications were processed in 2008-09 for JMC students. The change to ELM enables the Financial Aid Office to support our students' choice of lenders and provide quick, accurate, and timely disbursements of loan funds.

Utilizing the "Self-Service" component of Banner Web, the Financial Aid Office went 'green' starting March 2009. Students may view, accept and decline their financial aid award on Banner Web. All financial aid notifications to students are made using Jefferson email. The elimination of photocopying of paper awards and US Postal mail time, has allowed financial aid award notifications to be available to students in real time. As awards and related award information is available online, students have access nationally and internationally, thereby providing state of the art service to students, especially those on rotation or otherwise not at their mailing address. Once a week emails are sent to students who have missing application requirements when past practice has included a paper notification being mailed on a monthly basis. Students can also view the status of their application material and read student specific messages on Banner Web. Using this combination of email and online access has enhanced student service while saving university resources. The Banner Web financial aid module will continue to be reviewed for future enhancements.

As technological capabilities are constantly improving, the University Office of Financial Aid intends to take full advantage of more online processes to improve the ease of applying for financial aid and provision of all related services to students.

### Legislative Issues

On July 31, 2008, The House and Senate approved the final agreement of the Higher Education Act (HEA) reauthorization. Effective July 1, 2009, the "Higher Education Opportunity Act of 2008" (H.R. 4137) resulted in the elimination of the "20/220 pathway" of the economic hardship deferment, created a new repayment plan called Income Based Repayment, created new loan forgiveness programs, increased annual Perkins loan limits from \$6000 to \$8000, and provided for regulation and oversight of the student financial aid community.

The most important item to come from reauthorization is the failure to reinstate the debt to income ratio economic hardship deferment. Better known as the "20/220 pathway," qualifying medical residents are able to postpone repayment of their federal student loans for up to three years without accruing interest on the subsidized portion of those loans. The College Cost Reduction and Access Act of 2007 eliminated this pathway effective July 1, 2009. Following July 1, 2009, medical residents will only qualify for forbearance for their entire residency training. Forbearance will postpone payments on federal loans during residency but the interest subsidy on all subsidized loan funds will cease to exist.

The American Recovery and Reinvestment Act (a.k.a., The Stimulus Act) enacted in spring 2009 delivered a number of educational benefits that TJU students will be able to access. These include new educational tax credits, an immediate infusion of Federal Work Study funds, and an increase in the Federal Pell Grant for undergraduate students. The Stimulus Act will provide \$300 million for National Health Service Corp and \$200 Million to be divided between the Nursing Workforce Development Programs (Title VIII of the Public Health Service

Act) and the Health Professions Training Programs (Title VII). Additional funding in these programs will directly benefit medical students.

**Committee of Student Advisors**

The members of the Committee of Student Advisors (CSA) continued their important role as advisors in the delivery of high-quality services to students in all three colleges. During 2008-2009, this committee is comprised of the University Registrar, Director and Associate Director of Financial Aid, Senior Associate University Registrar, Associate Registrar, Manager of the Tuition/Cashier’s Office, senior member of the Jefferson Information Technology (Jeff-IT) team and more than 60 student representatives. At monthly meetings, current campus issues, such as the campus wireless system were widely discussed. Additionally, CSA student members hosted the third annual “Jeff Spirit” month in spring as a way to foster intra-University relations. Working with Raelynn Cooter, PhD and the Activities Office, “Spirit Month” consisted of multiple sport and group activities as well as a many TJU outings. Students, faculty, and administration participated in the events.

Committee activities also included student participation in a highly successful holiday toy drive for local homeless shelters, participation in numerous advisory committees and continued assistance in the development of the FWS literacy program. This committee continues to prove beneficial to both students and the administration by promoting ongoing communication and enhancing important student services. Our goal is to further enhance the effectiveness of this committee for all administrative areas that serve essential roles in students’ academic careers.

**Personnel Changes**

Again, this year has been one of change regarding the Financial Aid Office staff. Most notably, Conchita Rivera, has stepped down as Associate Director of Financial Aid. Due to the current economic climate, a search for a replacement may not be conducted at this time.

**Susan McFadden, BS**  
Director

**Table 1**  
**Summary of Student Financial Aid, 2008-2009**

<b>Type of Award</b>	<b>Amount</b>
<b>Institutional Scholarships</b>	<b>\$3,708,042</b>
<b>Institutional Loans</b>	<b>\$1,259,050</b>
<b>Other Scholarships</b>	<b>\$2,587,072</b>
<b>Other Loans</b>	<b>\$34,448,572</b>
<b>Federal Work Study</b>	<b>\$247,139</b>
<b>Total</b>	<b>\$42,249,875</b>

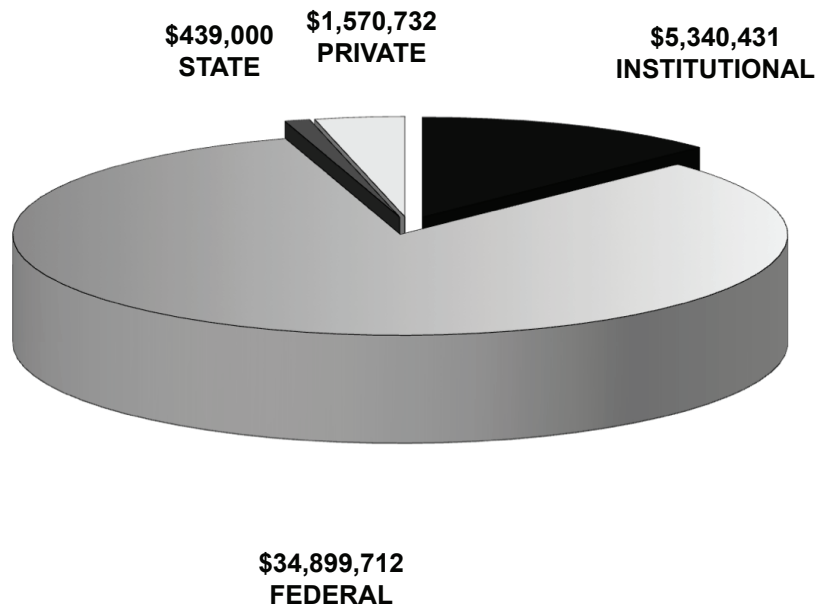
**Table 2**  
**Average Indebtedness\* of Graduating Seniors\*\***

<b>Graduating Class</b>	<b># of Borrowers</b>	<b>Average Debt</b>
<b>2009</b>	<b>215</b>	<b>\$174,864</b>
<b>2008</b>	<b>174</b>	<b>\$170,855</b>
<b>2007</b>	<b>185</b>	<b>\$159,887</b>
<b>2006</b>	<b>184</b>	<b>\$161,029</b>
<b>2005</b>	<b>195</b>	<b>\$145,472</b>
<b>2004</b>	<b>198</b>	<b>\$140,916</b>
<b>2003</b>	<b>151</b>	<b>\$136,439</b>

\* Includes funds borrowed prior to the student entering Jefferson Medical College.

\*\* In calculating the average, the population included only those students with cumulative debt level greater than zero.

**Figure 1**  
**Total Financial Aid Jefferson Medical College Academic Year 2008-2009**  
**Distribution By Source**



**TOTAL AID    \$42,249,875**