



University Office of Student Financial Aid

The 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 \$68,000,000 was administered to 2,024 students enrolled in the University during the 2007-2008 academic year. The data in this report focuses specifically on Jefferson Medical College.

Sources of Financing

Table 1 and Figure 1 show the total aid awarded to Jefferson Medical College students during the 2007-2008 academic year. In reviewing this data, it is important to note additional characteristics regarding the composition of total funding.

Of the \$33,145,604 borrowed during 2007-2008, \$24,203,385 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 \$5,757,288 awarded in grant and scholarship funding, \$1,161,549 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. For the fourth year, total scholarship funds have de-

creased. This is directly due to a decrease in the number of students participating in the National Health Service Corps and Armed Forces Health Professions Scholarship Programs. Students are not choosing National Health Service Corps due to the primary care service commitment, and the current military conflicts overseas may be deterring students from choosing the Armed Forces Health Professions Scholarship. This trend will continue to be reviewed in the coming year.

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 2007-2008 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 summer of 2007, Federal Work Study funds sponsored 25 Jefferson Medical College students and seven Jefferson College of Health Professions students in the BTG program, thus providing support for 70% of the BTG payroll.

In total, 70 students from all three colleges earned \$114,663 in community service, and as a component of community service, 16 University students working in literacy projects earned \$28,558. 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 2008-2009 academic year.

Student Indebtedness

Table 2 shows the average debt for Jefferson Medical College's graduating class of 2008, with comparative data for the five preceding years (2003-2007). As shown in Table 2, the average debt for the Class of 2008 had an increase from the previous year. Even though there were fewer borrowers in the Class of 2008 as compared to the Class of 2007, this increase may be attributable to students borrowing more as demonstrated by the median debt. The Class of 2008 had a median debt of \$185,623 as compared to \$169,579 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 the simple fact that more is available to access. This trend will continue to be reviewed in the 2008-2009 academic year.

Due to the current economic environment, the interest rates for private "alternative" loans have decreased. With this decrease in interest rates and the increasing cost of education, it is expected that our increasing debt patterns will

continue in the near 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 from the populations we serve for continuation on an annual basis.

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 2007-2008 academic year, approximately 97% of JMC students filed their Jefferson Fi-

nancial Aid Application materials online. This is an increase of 3% from the previous year. This increase may well be attributed to the students' increased level of comfort with online processes and with the continuation of earlier notification of the necessary campus key.

Additionally, the Financial Aid Office has changed loan processing computer systems from Whiz Kid to ELM (Electronic Loan Management). The new ELM system will allow the electronic processing of a student loan with any lender nationwide. In 2007, investigations led by New York Attorney General Andrew Cuomo found that many schools had questionable relationships with lenders. These relationships have been labeled a "conflict of interest" as many schools participated in revenue sharing and other financial arrangements with lenders. The result of the investigation required schools to allow students to borrow through any lender they choose and to publicize this policy. While the University Office of Financial Aid works largely with three suggested reputable lenders, the Financial Aid Office certified loans with more than 25 lenders during the 2007-2008 school year as requested by our students. The change to ELM was made to better provide quick, accurate, and timely disbursements to students using any lender. This was done to show that choosing a loan lender is fully the student's decision.

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 our services to the students we accommodate.

Legislative Issues

On July 31, 2008, The House and Senate approved the final agreement of the Higher Education Act (HEA) reauthorization. This bill has been seven years in the making. The "Higher Education Opportunity Act of 2008" (H.R. 4137) includes the failure to reinstate the "20/220

pathway" of the economic hardship deferment, but creates new loan forgiveness programs, expands workforce shortage grants, increases annual Perkins loan limits from \$6000 to \$8000, and provides for regulation and oversight of the student financial aid community.

The most important item to come from reauthorization is the failure to reinstate the "20/220 pathway" of the economic hardship deferment. Under 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 not qualify for economic hardship deferment, but will still be able to postpone federal repayment under Forbearance for their entire residency training.

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 2007-2008, this committee was 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 second annual "Jeff Spirit Week" in Spring as a way to foster intra-University relations. Working with Raelynn Cooter, PhD and the Activities Office, "Spirit Week" consisted of multiple sport and group activities as well as a many TJU outings. Students, faculty, and administration participated in the week's events.

Committee activities also included student participation in a 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, Leslie Ramusack has stepped down as Financial Aid Coordinator. A search is being conducted for a replacement.

Susan McFadden, BS
Director

Table 1
Summary of Student Financial Aid, 2007-2008

Type of Award	Amount
Institutional Scholarships	\$3,310,886
Institutional Loans	\$1,227,300
Other Scholarships	\$2,446,402
Other Loans	\$31,918,304
Federal Work Study	\$154,435
Total	\$39,057,327

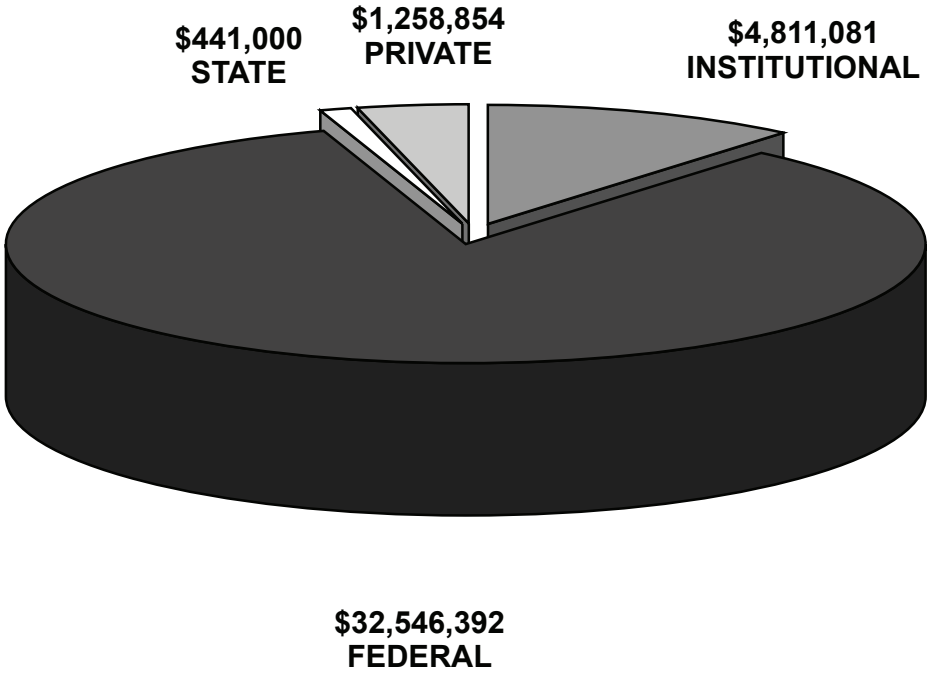
Table 2
Average Indebtedness* of Graduating Seniors**

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

* 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
2007-2008
Distribution By Source



TOTAL AID \$39,057,327