

Stanford Law School

Financial Aid Handbook

2009-2010

INTRODUCTION

Each year the *Financial Aid Handbook* is published to provide students with information concerning the policies and guidelines of our financial aid program. We hope the *Handbook* will also be of great use as an aid in helping you plan the financing of your legal education.

The Law School has always maintained its commitment to providing financial assistance to students who would otherwise be unable to pursue a legal education. All aid is based on demonstrated financial need and any student with financial concerns about paying for his or her legal education is encouraged to apply for financial assistance whether it be in the form of grants or loans. The Law School will do its utmost to ensure that students receive the financial assistance they need to complete the required three years of study.

As you are well aware, the cost of a legal education continues to rise. What has naturally followed is a larger reliance on the use of loans to finance these escalating costs. While we are confident that many of our graduates who received financial assistance and who are faced with considerable educational debts are able to support these debts due to substantial salaries available within the legal profession, we do realize that those graduates pursuing careers in government or public service require assistance with their loan debt. In response to this concern, the Law School established the Miles and Nancy Rubin Loan Repayment Assistance Program (LRAP) in 1985. This program manifests the School's commitment to guaranteeing career choices for its graduates and making public interest law options a more attractive and financially sustainable choice and, in essence, extends the financial aid program for these participants beyond the three years spent at the Law School.

Every financial aid case is unique, but all are governed by policies designed for the benefit of all. It is our hope that you will find this *Handbook* helpful as you plan ahead. Do keep in mind that the *Handbook* is an adjunct to financial aid counseling and that you are encouraged to ask further questions and seek out additional information by calling the Office of Financial Aid directly at (650) 725-6361 or (650) 723-9247; emailing us at financial.aid@law.stanford.edu, or stopping by Room 107.

The Financial Aid Staff:

Faye Deal, Associate Dean for Admissions and Financial Aid

Dewayne Barnes, Associate Director of Financial Aid

Alyson Hornsby, Financial Aid Advisor

APPLYING FOR FINANCIAL AID

In order to receive financial aid, you must apply for it every year. Applying for aid is not a commitment to accept the offer. You may decline a fellowship or loan after either is awarded. If you do not apply for aid for your first year you may still do so for your second or third years. To apply for financial aid, the following materials must be filed:

Free Application for Federal Student Aid (FAFSA)

All students who are applying for federal funds and who are U.S. citizens or permanent residents must file a FAFSA to determine eligibility for federal aid. You can complete the FAFSA or the FAFSA Renewal by accessing an application online at the Department of Education's website (<http://www.fafsa.ed.gov>) or by obtaining a paper application by calling 1-800-433-3243. Our Title IV school code is E00341.

Need Access Application

All students who are applying for tuition fellowship must complete the 2009-10 Need Access application. As you are completing the application, please keep in mind that you must provide parental information if you are a dependent student. Applications are available for uploading at The Access Group's website (<http://www.needaccess.org>). Diskettes can also be obtained by calling 1-800-282-1550. The diskette should be sent directly to The Access Group for processing.

Federal Tax Returns

All students receiving tuition fellowship must submit signed photocopies of their own 2008 federal income tax return. Dependent students receiving tuition fellowship are required to submit their parents' complete (all pages) 2008 tax return. Independent students receiving tuition fellowship are required to submit their parents' tax returns for those years in which they have been independent. Please be advised that no tuition fellowship will be credited to a student's account without copies of these tax returns in our office.

Independence Test

Entering students are sent a letter to determine their financial relationship to their parents. This information is used to determine whether a student should be considered dependent or independent for tuition fellowship purposes.

Please note that this independence test is used for tuition fellowship purposes only. All graduate students are considered independent for loan purposes. Students should return this form to the Law School as early as possible, no later than March 16th for new students and April 20th for returning students. Returning students must complete a Financial Aid Information Supplement. This form is used to determine dependent versus independent status for fellowship purposes as well as collect information on projected summer earnings, summer addresses, and on- or off-campus residency for the coming academic year. Forms are available in the Office of Financial Aid and must be completed prior to your departure for the summer.

TYPES OF AID

I. Need-Based Aid

The Financial Aid Office awards several types of aid depending on individual need.

1. Tuition Fellowships

At the Law School, tuition fellowships are more properly called grants-in-aid. They provide the neediest students with a direct grant covering up to one hundred percent of their annual tuition. Students are eligible for fellowship aid for no more than 9 quarters. The grant appears as a credit on your tuition bill with one-third of the total grant being applied each quarter. The grant is tax-free. We automatically accept this grant on your behalf.

Tuition fellowship recipients are expected to borrow, or earn, the first increment of their need. For 2009-10, this figure (referred to as self-help) is **\$28,500** for all students. It is based upon the demand for, and availability of, tuition fellowship funds in a given year. It is important to note that the self-help figure is subject to annual adjustment. The self-help portion of a student's need is usually financed with loan funds.

Students who have the benefit of tuition fellowship assistance are asked to acknowledge a moral obligation to help future students who will need tuition fellowship aid. This obligation is not legally binding and, as a moral obligation, it is tempered by recognition of the realities of financial capacity. Thus, graduates who pursue relatively low-paying public service employment would usually not be able to contribute as generously as others. The aim of the moral obligation acknowledgment is to assure that financial need will not be a barrier to an education at Stanford Law School.

There are two principal sources of tuition fellowship funds. The first is the Law School's tuition fellowship endowment which consists of nearly one hundred and fifty separate funds that have been acquired through legacies and gifts. The remainder of the tuition fellowship budget is funded by current gifts to the Law School from individuals and organizations, including a number of law firms. The School's vehicle for annual giving, the Stanford Law Fund, accounts for a substantial portion of these gifts. Each fall, the Office of Financial Aid provides tuition fellowship recipients with the names of their particular donors.

2. Long-Term Loans

Most students are eligible to borrow from a range of programs to finance their education covering both tuition and living expenses. If you are experiencing financial difficulties you are encouraged to apply for a loan, keeping in mind that your loan amount cannot exceed the cost of your education less any resources or other aid. The Financial Aid Office packages the student's loans in the following order: (1) Perkins Loan, (2) Subsidized Stafford Loan, (3) Unsubsidized Stafford Loan, (4) Federal PLUS loan for Graduate Students and/or Private Alternative loan.

Students with demonstrated need are eligible for a Perkins Loan, up to an amount of \$1,400. Perkins Loan funds are based on the availability of funding in a given year and are awarded in a first come first serve basis. No interest accrues on this loan while the student is enrolled. There is a nine month grace period before repayment begins. The rate of interest during repayment is 5% and there is generally a ten year repayment period, depending upon the amount borrowed. There is a 6 month grace period before repayment begins.

Students are eligible for a Subsidized Stafford Loan, up to the annual maximum amount of \$8,500 and an Unsubsidized Stafford Loan, up to the annual maximum amount of \$20,500 (minus amount borrowed from the Subsidized Stafford Loan). The government pays the Subsidized Stafford Loan interest while you are enrolled and interest accrues on the Unsubsidized Stafford Loan upon disbursement. The interest rate on Stafford loans is fixed at 6.8%.

Students are also eligible for a Federal PLUS loan. The yearly limit on a PLUS loan is equal to your cost of attendance minus any other financial aid you receive. Interest accrues upon disbursement of the loan and the interest rate is fixed at 8.5%.

Students may elect to borrow private alternative loans. The yearly limit is equal to your cost of attendance minus any other financial aid you receive. Interest accrues upon disbursement of the loan and the interest rate is variable. A comparison chart for Federal Stafford, Graduate Plus and Private Alternative loan programs is highlighted at the end of the Handbook.

3. Federal Work-Study

The Federal Work-Study program provides support for returning students who work in public interest jobs during the summer. Student eligibility requirements for a Work-Study appointment are the same as the Federal Stafford and Perkins Loan programs. Students will be considered eligible for Work-Study grants if their financial need is at least \$8,500. Work-Study recipients are paid a salary and must work for at least 10 weeks in a full-time law-related public interest position during the summer. This includes jobs with tax-exempt 501(c) organizations and government entities. Please contact the Center for Public Service and Public Interest Law for further information and an application.

II. Alternative Resources

There are several types of aid which are not based on financial need. Eligibility criteria may vary. Please see the Office of Financial Aid if you wish to be considered for any.

1. Assistantships

Two forms of academic assistantships are available: legal and teaching. Legal assistants help faculty members on individual projects. Teaching assistants help prepare materials and offer discussion sections. All are generally quarter-long appointments. Students are paid a stipend and tuition remission depending on the number of hours worked. Note that ABA guidelines prohibit students from working more than 20 hours per week.

These assistantships are limited in number and appointment decisions are made by individual faculty members, often after interviews with a number of students. Though faculty members are urged to give preference to students with demonstrated financial need, they are not

required to do so. Appointments for the fall and spring terms are generally made at the beginning of each term.

The compensation which assistants receive does **not** reduce tuition fellowship eligibility unless the combination of tuition fellowship, outside awards, and tuition remission exceeds the Cost of Attendance. However, please be advised that the tuition remission you receive will reduce the amount of money you are eligible to borrow. The stipend you receive will increase your student contribution thereby reducing your need based loan eligibility. Most typically, your graduate loans will be affected and, most typically, we will adjust your second term disbursement of funds to a lower amount than your first term disbursement. However, in some cases where your appointment exceeds what you may have initially borrowed, our only option is to ask for repayment of those funds already disbursed. If earnings are \$935 per quarter or less, financial aid eligibility for loans will not be affected.

2. Short-Term Emergency Loans

Students may apply for short-term, no interest loans through the Law School to temporarily help meet basic needs when a student has completed a financial aid loan application on a timely basis but the disbursement has been delayed. In general, these loans have a three-month repayment period and do not exceed \$1,500. These loans may not be used to pay the University bill and may not be extended beyond the next registration period or graduation. Students are expected to identify a source of repayment and demonstrate that repayment can reasonably be expected within three months.

One business day is required to process the loan by the Student Financial Services Office once it has received the necessary paperwork. Students may apply before the payment due date to extend the repayment deadline. Delinquent short-term loans accrue interest at 5%, and will result in a hold on your registration. Third-year students must repay any short-term loan obligations by April 1.

3. Outside Jobs

A number of law firms, as well as some government agencies in the Bay Area, employ students to conduct research, assist in the preparation of litigation, or perform other law-related tasks. Pay rates vary. The Office of Career Services receives notices from potential employers and maintains a listing of current job opportunities. However, students are expected to make their own arrangements. All financial aid recipients are required to report outside earnings to the Office of Financial Aid. These outside jobs will not affect tuition fellowship eligibility during the current academic year. Note that ABA guidelines prohibit students from working more than 20 hours per week.

DETERMINING FINANCIAL NEED

Before need-based aid can be awarded, your need must be calculated. Need is determined by subtracting your resources from your expenses. Any shortfall is your need. The various components of expenses and resources are detailed below.

I. Expenses and Student Budget

Rather than scrutinize the exact amount each student spends on rent, utilities, books, and the like, Stanford University, like other schools, uses an estimated budget which it applies to all students. The budget allows for a modest, but not unreasonable, standard of living.

Car expenses, such as automobile payments, insurance, and maintenance and personal debt such as credit cards are not considered a part of the student budget. Students are encouraged to use personal assets or other personal resources to pay off these debts before they enroll at the Law School.

To determine **loan eligibility**, the Office of Financial Aid uses the following standard single student budget:

Tuition	\$42,240
Living Allowance	18,603
Books & Supplies	1,815
Student Services Fee	1,200
Health Services Fee	501
Local Transportation	921
<u>Medical Insurance</u>	<u>2,400</u>
Total:	\$67,860

This budget applies to the majority of Law School students. The exceptions are married students with or without children, students in non-standard academic programs (such as visiting students or joint-degree candidates) and students living off-campus.

For **tuition fellowship eligibility**, please refer to the student expense budget figures provided by the Office of Financial Aid. Note that the budget used in determining tuition fellowship eligibility assumes on-campus residency. It is important to note that expenses and tuition increase annually.

II. Resources

Since the Law School uses a standard budget to calculate expenses, it must determine individual need by assessing individual resources. For **tuition fellowship eligibility**, these include: parents' contribution, student's contribution, personal assets, and spouse's contribution.

For **loan eligibility**, these include: student's contribution, spouse's contribution, personal assets, academic year earnings, and outside awards.

Your budget less your available resources constitutes your need.

1. Parents' Contribution

Tuition fellowships and loans have different criteria for determining a student's financial independence from his or her parents.

In determining **tuition fellowship eligibility** for 2009-10, the Law School considers a student independent of his or her parents if the student answers "No" to **both** of the following questions:

1. Have your parents claimed you as a federal tax exemption from 2004 forward?
2. Have you received more than \$5,000 worth of support from your parents from 2004 forward?

If **either** is answered "Yes," a parental contribution is imputed based on a sliding scale as follows. The parental contribution is based on your parents' income, assets (including home equity), and expenses.

<u>Number of Years of Independence</u>	<u>% Imputed Parental Contribution</u>
1 - 2 years	100%
3 years	75%
4 years	50%
5 years	25%
6 years	0%

In determining **loan eligibility**, all graduate students are considered independent and no parental contribution is imputed.

2. Student's Contribution from Summer Income

In determining **tuition fellowship eligibility** for all students, any earnings over \$6,000 will require 57% of the amount over \$6,000 as a resource.

For continuing students, if you opt not to work during the summer, we will still expect a minimum contribution of \$2,000.

For returning students, total summer earnings are determined by taking gross weekly earnings and multiplying by a minimum of ten weeks or up to a maximum of twelve weeks.

In determining **loan eligibility**, the contribution from income for single students or married students with no children is equal to 50% of after-tax income. After-tax income includes a \$7,000 living allowance for a single student or and \$11,220 living allowance for a married student. The contribution for married students with children varies from 22% to 47% of after-tax income. There is no minimum contribution.

3. Student's Contribution from Assets

In determining **tuition fellowship eligibility**, students' initial assets when they enter the Law School are generally pro-rated over three years of study: the Office of Financial Aid divides the value of a student's net assets by the number of years to degree. This amount is then considered to be available for each academic year. If assets increase by \$5,000 or more during the second year or third year, the higher amount will be used and prorated for the number of years remaining.

Any cash gift from non-parental sources will be considered an asset. The amount will only affect loans and will be run through federal methodology.

The Law School assumes that students who have worked in the tax year prior to attending Law School have saved some portion of their earnings. The Office of Financial Aid imputes **minimum** assets, based on a student's adjusted gross income for the tax year prior to enrollment. If the student has assets greater than the minimum expectation, the actual amount will be used. The following table is used to compute the minimum asset contribution from prior year income:

<u>Adjusted Gross Income</u>	<u>Imputed Assets</u>
Less than \$20,000	0
\$20,000-24,999	8%
\$25,000-29,999	\$2,000 + 10% over 25,000
\$30,000-34,999	\$2,500 + 20% over 30,000
\$35,000-39,999	\$3,500 + 30% over 35,000
\$40,000 and up	\$5,000 + 40% over 40,000

In determining **loan eligibility**, the contribution from assets for single or married students with no dependents is assessed at 20%. The contribution from assets for married students with children is assessed at 7%.

4. Spouse's Contribution

If the student is married, or plans to marry during the school year, the earnings of the spouse or spouse-to-be are expected to be available to help meet Law School and living expenses. There are two exceptions: if the spouse is a full-time student, or if the spouse does not work outside the home and the family has a dependent pre-school age child.

In calculating the spouse's contribution from summer income, any earnings over \$6,000 will require 57% of the amount over \$6,000. In calculating the nine-month spousal contribution, the Law School assumes that the earnings of a spouse are at least \$6,000. This amount is imputed as a resource whether or not it is actually earned. If a spouse earns over \$6,000 during the year, his or her contribution towards the couple's expenses will be the after-tax earnings less a \$12,055 living allowance.

If a student initially provides only estimates of the spouse's income, the actual amount must be provided once the spouse's employment has been finalized.

5. Earnings During the Academic Year

In determining **loan eligibility**, a student's earnings from assistantships and other part-time work are considered available resources and will reduce the amount of borrowing needed to cover educational expenses.

6. Outside Awards

The Law School encourages students to obtain outside scholarships. Accordingly, the School's policy provides students with an incentive to apply for such awards. These awards will not impact tuition fellowship eligibility unless the combination of tuition fellowship, tuition remission and outside awards exceeds the Cost of Attendance.

In determining **loan eligibility**, the full amount of an outside award is considered a student resource and must be reported to the Office of Financial Aid.

III. Adjustments

Generally law students are eligible to borrow the difference between their initial need and any fellowship granted. However, the Office of Financial Aid makes adjustments as necessary. For example, the amount a research assistant receives is subtracted after calculating fellowship eligibility. Similarly, students who live off-campus receive an additional \$594 to their base living allowance expense. The final figure--initial need less any fellowship granted and after adjustments--is your net loan eligibility: the amount you are eligible to borrow from the various loan programs.

IV. Revisions

Students are required to report changes or new information concerning their and their parents' financial situation to the Office of Financial Aid in a timely manner. Depending on the circumstances, such information may revise the amount of the aid award. Revisions will only take place when changes affect fellowship eligibility by \$500 or more. See Reporting Responsibilities and Sanctions section for more information.

MILES AND NANCY RUBIN LOAN REPAYMENT ASSISTANCE PROGRAM (LRAP)

The Miles and Nancy Rubin Loan Repayment Assistance Program was established in recognition of the following facts: acquiring a legal education is costly; many students graduate with sizeable educational debt; and the financial pressures of that debt deter some students from pursuing relatively low-paying public interest jobs and careers. Initial support was given by the Cummins Engine Foundation, and continued through gifts from Ken and Harle Montgomery and Miles and Nancy Rubin.

Under the program, Stanford Law School lends money to help a graduate who has taken a low-paying public-interest or government job and who has need-based educational debt. These loans, which may be reviewed annually, are used toward the graduate's monthly educational loan payments. If the graduate stays in such a position for a period of years, a portion up to 100% of the loans made by the Law School may be forgiven.

Questions about the program should be addressed to Dewayne Barnes, Associate Director of Financial Aid, at (650) 723-9247 or to Anna Wang, Deputy Director of the John and Terry Levin Center for Public Service and Public Interest Law, at (650) 723-2519.

REPORTING RESPONSIBILITIES AND SANCTIONS

Students must keep current the financial information about themselves, parents, and spouses, and promptly report any change in status to the Office of Financial Aid. It is best to report any changes in writing. Such information includes:

- a change in marital status
- a move from on-campus to off-campus housing
- a change in outside awards, loans, or earnings
- an increase in financial resources, including any increase of more than \$1,000 in the student's (and spouse's) net (or aggregate) income, and any increase of more than \$1,000 in the parents' gross income or assets
- a change in enrollment status

The Office of Financial Aid normally revises the student's financial aid award to what it would have been had all the facts been known at the time the award was originally made.

Students should continue to keep the Office of Financial Aid abreast of any changes in their financial situation. Any questions about the revisions resulting from these changes should be discussed with the Associate Director of Financial Aid.

If the Office of Financial Aid discovers any substantial inaccuracy or any failure to correct these inaccuracies promptly, it may recommend disciplinary action. Failure to meet the requirements for reporting changes could result in total loss of assistance, a revision of past awards, and/or notification of relevant bar officials.

THE APPEALS PROCESS

If you have any questions about the calculation of your financial need or the effects of any revisions on that need, you should contact the Associate Director of Financial Aid. If the appeal is more complex and unresolved concerns remain, a formal appeal in writing may be filed with the Associate Dean for Admissions and Financial Aid. Appeals should consist of a letter outlining the details and the reason for the appeal. The appeal will then be presented to the Appeals Committee for a formal and final review.

The Appeals Committee consists of the Associate Dean for Administration, the Associate Dean for Student Affairs and the Associate Dean for Admissions and Financial Aid.

REFUND POLICY

A student who withdraws from the Law School on or before the second day of classes may have his or her registration annulled. The refund will be the tuition in full. A student who withdraws prior to the sixth week of the quarter may request a leave of absence. There may be a partial tuition refund based on the number of weeks elapsed since the first day of instruction.

For a student with current loans, the portion of educational loans which were not used for the cost of attendance prior to the leave of absence or withdrawal must be refunded by the student to the lender(s). The principal outstanding is then decreased accordingly.

INFORMATION TO CONSIDER BEFORE BORROWING

- The maximum amount that may be borrowed per academic year, as well as the maximum aggregate amount
- The interest rate, and
 - whether the interest is deferred until after graduation
 - whether the interest, if not deferred, may be capitalized or is payable monthly, quarterly, or annually
 - whether the interest is capitalized quarterly, annually or only one-time at repayment
- The grace period
- The amount of the origination, guarantee, or insurance fee (the amount deducted from the loan at the time of the disbursement)
- The supplemental fee (the amount added to the principal immediately prior to repayment) which applies to private alternative loans only
- The number of years allowed for repayment
- The monthly repayment obligation
- The deferment and forbearance terms available
- The repayment incentives available

ENTRANCE AND EXIT INTERVIEWS

Federal regulations require that all new Stafford and/or Perkins loan borrowers receive loan counseling prior to any disbursement of funds. More information on the entrance counseling session will be available at a later date. All graduating students or students who take a leave of absence from the Law School must attend an exit interview. Exit interviews for graduating students are conducted by the Office of Financial Aid or completed online in the spring. Entrance and exit interviews cover such topics as loan repayment and debt management.

CREDIT

Many students borrow private alternative loans in addition to the federal loans. These private alternative loans are credit-based. Your credit report is used by lenders to determine whether or not to issue you credit. If you have had any problems (late payments, charged off accounts, collection, bankruptcy) with creditors you may have difficulty securing the loans necessary to pay for your education. We strongly advise students to request a copy of their credit report in advance of applying for private loans. The three major credit bureaus are listed below:

Equifax:	800-685-1111	http://www.equifax.com
Experian (TRW):	800-422-4879	http://www.experian.com
Trans Union:	800-888-4213	http://www.tuc.com

THINGS TO KNOW DURING REPAYMENT

- **Address changes:** Promptly report changes in address to each lender to avoid declarations of default and penalties.
- **In-school deferment:** Students performing post-graduate work must annually file a deferment form with each lender.
- **Forbearance:** Lenders may revise the payment schedule if your monthly income is too low to meet your repayment obligations, or if you and your spouse have excessive combined repayments. Some lenders will grant a period of forbearance that involves payment of interest only.
- **Loan consolidation:** Consolidation can reduce monthly payments and give borrowers more disposable income by extending the repayment period from 10 years to 30 years. It also provides the convenience of receiving one monthly statement and making one monthly payment. The disadvantage is that the longer you take to pay off your loan, the more interest you will pay. A borrower may be able to consolidate all federal loans. There are no fees for federal loan consolidation. Contact your lender/servicer for more details on loan consolidation.
- **Default:** Late notices will be sent when payments are not received. Different loans have different periods before the lender considers them delinquent and turns the account over to a collection agency. The costs of collection and penalties are then added to the loan, and in some cases the loan must be repaid in full. Stanford University regulations

prohibit the release of transcripts or any other information about a graduate if a loan is in default.

- **Bankruptcy:** In many states, legislation precludes a person from canceling educational loans because of bankruptcy for a period of up to seven years after repayment begins. Also, many courts are refusing to cancel educational loans at all.
- **Early repayment:** A borrower may prepay all or part of a loan at any time without penalty.

RULES AND REGULATIONS

Verification

Verification of financial aid statements is a condition of eligibility for federal aid programs. Federally approved auditors select some financial aid applications for verification. Stanford Law School must request additional information from students and their parents to verify or update the data. The student must return all requested documents within 30 days to the Office of Financial Aid. No student who is to be offered federal aid can waive the verification requirement.

Satisfactory Academic Progress

A student must make satisfactory academic progress to remain eligible for federal aid programs, including the Federal Subsidized and Unsubsidized Stafford Loan, the Federal Perkins Loan and the Federal Work-Study programs. Work toward the degree must be completed in no more than **seven** terms. The J.D. requirements include successful completion of the first term and the accumulation of 68 additional units. For financial aid purposes, a student is making satisfactory academic progress if he or she is allowed to continue enrollment. Standards of satisfactory academic progress are described further in the *J.D. Handbook*.

The Associate Dean for Admissions and Financial Aid is responsible for monitoring the satisfactory academic progress of all loan recipients. At the end of each academic year, the Registrar provides the Associate Dean with a list of students who have failed to meet grading and advancement standards. Any financial aid checks that are in the Office of Financial Aid for such a student will be placed on hold until the School has resolved the student's status. If the student fails to petition for reinstatement, or the petition is denied, the check is returned to the lender. If reinstatement is granted, the check is released to the student.

Tax Status for Scholarships

Your fellowship is subject to United States tax laws. Such payments to students who are not degree candidates are fully taxable. Payments to degree candidates are tax exempt only to the extent they are used for tuition and fees required for enrollment or attendance, as well as for books, supplies and equipment required for courses of instruction. Amounts used for other items, such as room and board, are considered taxable income by the Internal Revenue Service (IRS) and state taxing authorities. You have the responsibility for the proper tax reporting of your scholarship or fellowship payment as well as the liability for any tax payments that may be due.

Please note that you are free to use any lender you wish. This list is only offered as a comparison of some loans used by SLS students in the past which provide exceptional customer service to our students. Loan terms may change at any time.

Federal Family Education Loan Program (FFELP)

Federal Stafford Loans:

Benefits/Lender	Citibank	Sallie Mae	Wells Fargo
Origination Fee	0.5%	0.5%	0.5%
Federal Default Fee	0%	0%	0%
Interest Rate	6.8%	6.8%	6.8%
Grace Period	6 months	6 months	6 months
Auto Debit Rate Reduction	0.25%	0.25%	0.25%

Federal Graduate PLUS Loans:

Benefits/Lender	Citibank	Sallie Mae	Wells Fargo
Origination Fee	3.0%	3.0%	3.0%
Federal Default Fee	0%	0%	0%
Interest Rate	8.5%	8.5%	8.5%
Grace Period	postpone for up to 6 months	postpone for up to 6 months	postpone for up to 6 months
Auto Debit Rate Reduction	0.25%	0.25%	0.25%

***Private Educational loan terms may be less favorable than those of the Federal Family Education Loan Program.**

Private Alternative Loans:

Benefits/Lender	Citibank	Sallie Mae	Wells Fargo
Loan Fees	0%-6%	0%-6%	0%
Grace Period	9 months	6 months	6 months
Auto Debit Rate Reduction	0.25%	0.25%	0.25%
Additional benefit			0.50% with proof of graduation
Lowest Credit interest rate	3-Month Libor + 4.75%	1-Month Libor + 4.00%	Prime + 1.50%
Highest Credit interest rate	3-Month Libor + 9.00%	1-Month Libor + 10.50%	Prime + 5.00%
Co-Signer Release	after the first 24 consecutive on time payments	first on-time payment missed	
Flexible Repayment Options	interest only for first 24 or 48 months after grad	requires interest only payments while in school	

Bar Study Loans:

Benefits/Lender	Citibank	Sallie Mae	Wells Fargo
Loan Fees	0%-6%	0%-5%	0%
Grace Period	9 months	9 months	6 months
Auto Debit Rate Reduction	0.25%	0.25%	0.25%
Additional benefit	none	none	0.50% with proof of graduation
Lowest Credit interest rate	3-Month Libor + 4.75%	1-Month Libor + 5.00%	Prime + 4.50%
Highest Credit interest rate	3 Month Libor + 11.50%	1-Month Libor + 13.00%	Prime + 4.50%

Notes: Rates as of June 3, 2009
 Current Prime rate: 3.25%
 Current 1-Month Libor rate: 0.32%
 Current 3-Month Libor rate: 0.66%

WEB ADDRESSES

Citibank: www.studentloan.com/schools/stanford/law

Sallie Mae: www.salliemae.com

Wells Fargo: www.wellsfargo.com/student