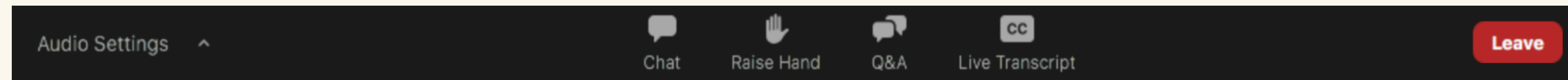


The MEFA Institute

# Summer Loan Training for College Administrators

*mefa*<sup>®</sup>

# How to Participate



The *Audio Settings* allow you to control the volume levels

Use the *Raise Hand* feature if you need to get the presenter's attention

Use the *Live Transcript* feature if you want to see closed captions

Click *Leave* to exit the webinar

The *Chat* feature is disabled. To communicate with the host, please use the Q&A section

Have a question during the webinar? Type it in the Q&A section

## Your Presenters Today



**Stephanie Wells**  
Director of College Relations



**Shawn Morrissey**  
Director of College Relations



**Darina Barreto**  
Assistant Director  
of College Relations



**Meg Villavicencio**  
Senior Associate  
Portfolio Originations



About MEFA

**State authority created by the Commonwealth of Massachusetts in 1982, helping families plan, save, and pay for college.**



## Webinar Topics

- New 2024-25 interest rates and loan details
- Loan guidance for students and families
- MEFA loan certification options
- Review common FAQ's
- Loan refunds and reductions

# MEFA's Comprehensive Approach



## Early College Planning

Promoting early awareness about planning, saving, and paying for college



## College Planning

Offering college admissions and financial aid guidance



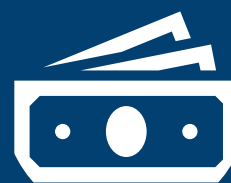
## Educational Outreach

Educating families at a grassroots level



## Training and Outreach

Supporting the education community



## College Financing Strategies

Providing affordable options to students and families in concert with federal financial aid policies and practices



## College and Career Planning

Exploring interests and talents

**MEFA has a comprehensive approach in its services to promote college access and affordability**

# Family and Student Webinars

Use the QR codes to view the webinars



## Upcoming Webinars



### Comparing College Loan Options - July 10

Learn how to differentiate among college loan options and better understand the true cost of borrowing.

## Recorded Webinars



### College Admissions Declassified

Learn what admissions officers are really thinking when reading students' essays, evaluating transcripts, and making decisions on applications.



### Learn about Public Service Loan Forgiveness

Learn all about PSLF, including what types of employment and loans qualify, the process of applying, and the details of a PSLF benefit.



### Managing Student Loan Repayment for Graduating College Seniors

Learn about creating a budget, maintaining good credit, making a smart plan for student loan repayment, and utilizing helpful websites.

# MEFA Institute™ Webinars

Use the QR codes  
to view the  
webinars



## Upcoming Webinars



### Summer Loan Training for College Administrators July 17

Learn more about the MEFA Loan program and processing news for the upcoming academic year.

## Recorded Webinars



### Summer Loan Training for College Administrators

Learn more about the MEFA Loan program and processing news for the upcoming academic year.



### Financial Aid for College Admissions Professionals

Learn about types of financial aid, factors that determine a student's aid eligibility, and how financial aid professionals make decisions.



### FAFSA Simplification for College Officials

Three higher education leaders and FAFSA experts provide guidance on how your institutions can manage the FAFSA changes.



# MEFA Loan Rates 2024-2025

## Undergraduate Loans

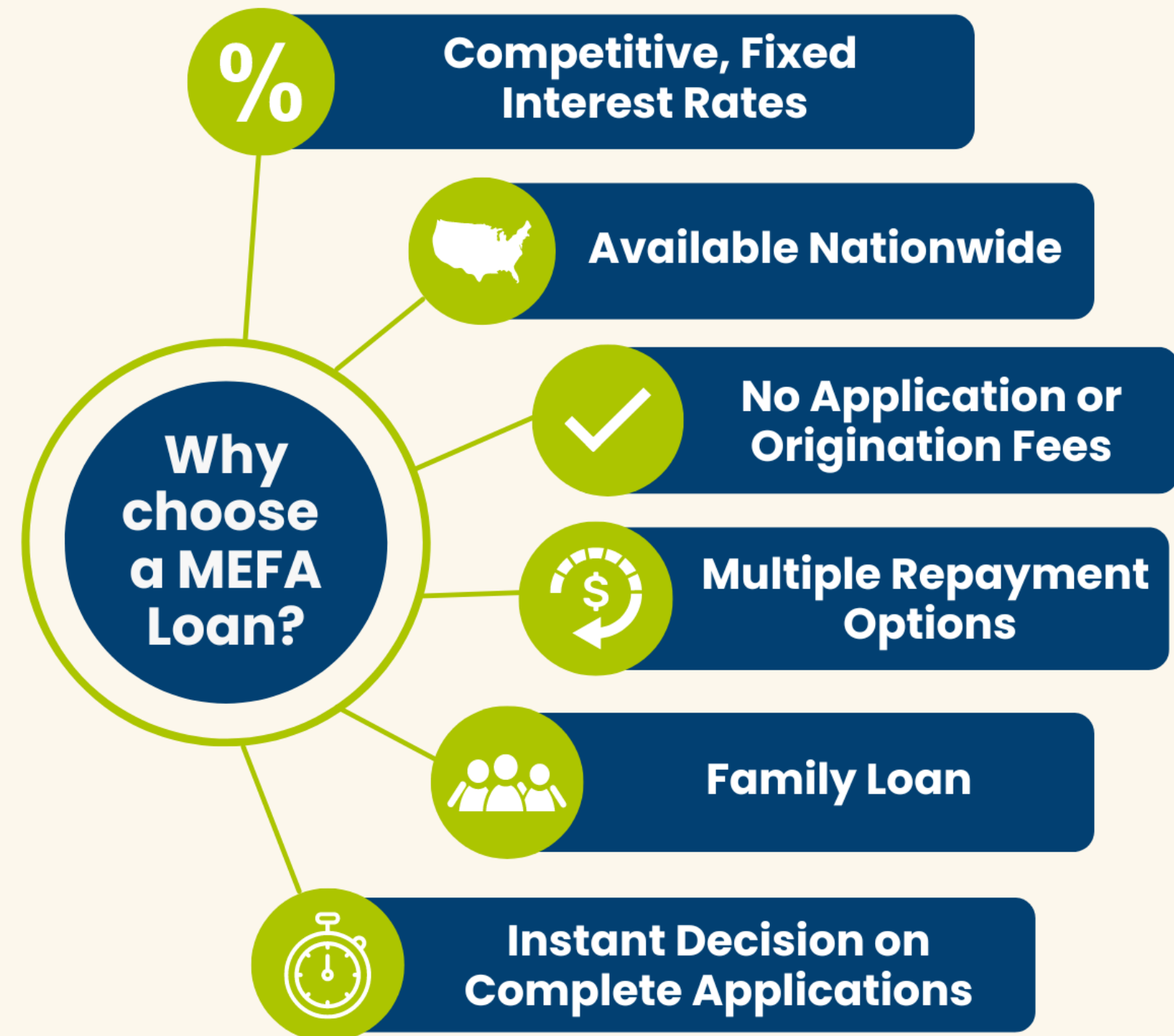
**FIXED INTEREST RATES**

**5.75% - 8.95% APR\***

## Graduate Loans

**FIXED INTEREST RATES**

**7.15% - 8.95% APR\***



# College Administrator Resources

The screenshot shows the MEFA website's navigation and main content. The top navigation bar includes links for Blog, Webinars, Videos, Podcast, About, For College Administrators, For Counselors, and a language selector. The secondary navigation bar features the MEFA logo, links for Make a Plan, Start to Save, Pay for College, and MEFA Loans, along with a Log In button and a search icon. The main content area is split into two columns. The left column, on a dark blue background, is titled 'Resources for College Administrators' and provides information about advanced training, interest rates for undergraduate loans (5.75% - 8.95% APR), and contact details. The right column, on a light blue background, is titled 'WHY CHOOSE A MEFA LOAN?' and lists three benefits: competitive interest rates, no application or origination fees, and nationwide availability.

Blog Webinars Videos Podcast About For College Administrators For Counselors Select Language

**mefa**<sup>®</sup> Make a Plan Start to Save Pay for College MEFA Loans [Log In](#)

## Resources for College Administrators

We provide advanced training and other resources for school administrators that support your efforts on behalf of college students and their families.

UNDERGRADUATE LOANS FIXED INTEREST RATES

**5.75% - 8.95% APR**

**(800) 449-MEFA (6332)**  
**mefacertify@mefa.org**

### WHY CHOOSE A MEFA LOAN?

- COMPETITIVE INTEREST RATES**
- NO APPLICATION OR ORIGINATION FEES**
- AVAILABLE NATIONWIDE**

# Loan Guidance for Families

*mefa*<sup>®</sup>

## Interest Rate

- The percentage of the amount borrowed that the lender charges for the use of its money
- Understand the difference between fixed vs. variable
  - Fixed interest rate: monthly payment will remain the same
  - Variable interest rate: monthly payment will adjust with the market
- Find out if there is a cap on variable interest rates
- Most interest rates are tied to the strength of your credit
- The interest rate may be tied to your chosen repayment option
- Pay attention to the full range of potential interest rates, not just the advertised rate



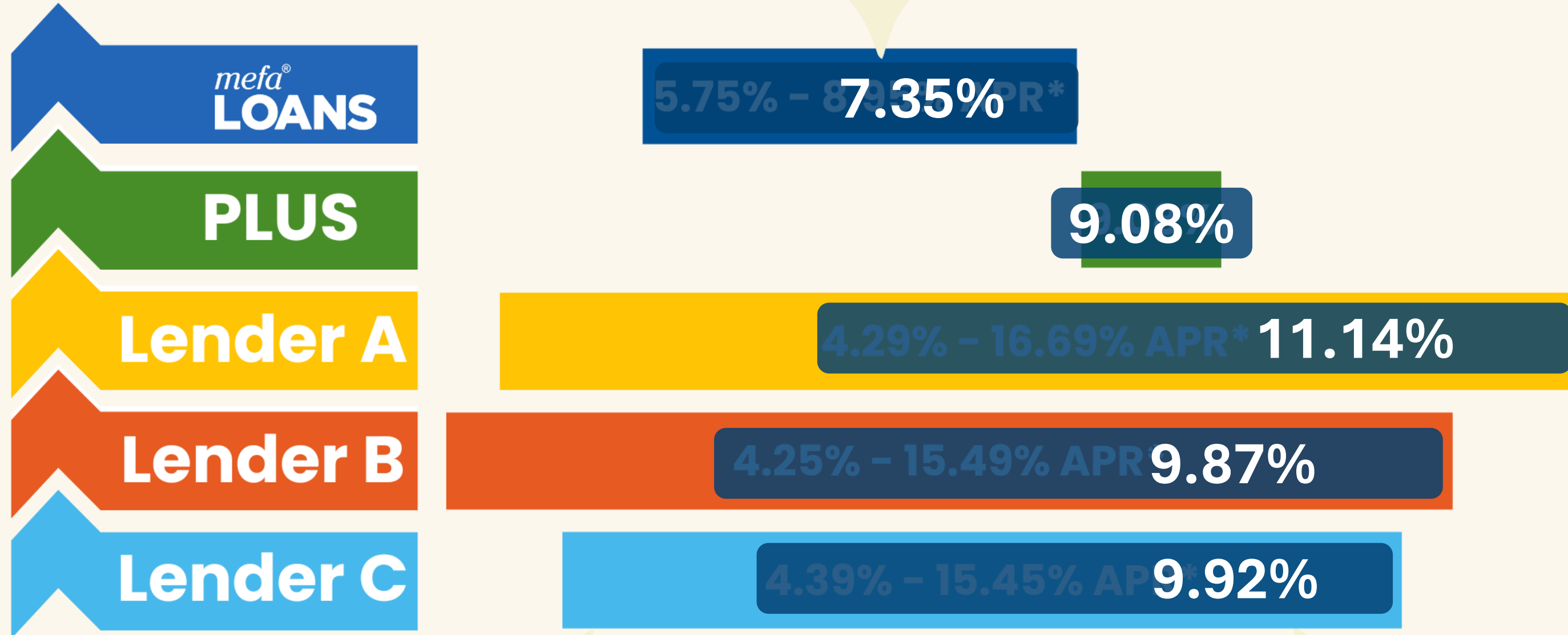
## Repayment Term

- Specifies the length of time to repay the loan
- Has a direct impact on the total cost
- Provides flexibility as families consider their monthly budget
- Most lenders offer different repayment terms to choose from

## Co-Borrower

- Signs the loan agreement along with the student borrower
- Has equal responsibility on the loan agreement
- Adding one (or two) may increase chances for approval
- Those with good credit may help decrease the interest rate
- Some loans have co-borrower release options

# Loan Rate Comparison



Look at the full range of rates, not just the lowest rate

Are there any additional fees?

Are the rates fixed?

## Application and Solicitation Disclosure

- Statement providing details about the loan and estimated total loan cost examples
- Required for private lenders such as [MEFA](#)
- Can be found on lender websites and loan comparison tools

### Things to look for:

- What are the interest rates?
- What are the fees?
- What will be the total cost?



# Compare Total Loan Cost

**Difference in Total Cost Between These Loans:**  
**Immediate Repayment: over \$11,900!**  
**Deferred Repayment: over \$26,000!**

## MEFA Loan Disclosure

## Lender B Loan Disclosure

### Loan Cost Examples

The total amount you will pay for this loan will vary depending on when you start to repay it. This example provides estimates based upon five (5) different repayment options available to you while enrolled in school.

Repayment Option (while enrolled in school)	Amount Provided (amount provided directly to you or your school)	Interest Rate (highest possible starting rate)	Loan Term (how long you have to pay off the loan)	Total Paid over life of loan (includes associated fees)
<b>IMMEDIATE REPAYMENT</b> Pay both the principal and interest amounts while enrolled in school.	\$10,000	8.500 %	10 years starting after your final disbursement	\$15,190.80
<b>IMMEDIATE REPAYMENT</b> Pay both the principal and interest amounts while enrolled in school.	\$10,000	8.650 %	15 years starting after your final disbursement	\$18,266.40
<b>INTEREST ONLY REPAYMENT</b> Make Interest payments during the In-School Period and defer payments on the principal amount until the end of the In-School period.	\$10,000	8.950 %	15 years starting after your final disbursement	\$19,760.88
<b>DEFERRED REPAYMENT</b> Make no payments while in school. Interest will accrue and capitalize once at the beginning of repayment.	\$10,000	8.750 %	15 years starting after your final disbursement	\$21,296.88
<b>STUDENT DEFERRED REPAYMENT</b> Make no payments while in school. Interest will accrue and capitalize once at the beginning of repayment.	\$10,000	8.850 %	15 years starting after your final disbursement	\$21,461.88

### LOAN COST EXAMPLES

The total amount you will pay for this loan will vary depending upon when you start to repay it. Interest will begin accruing with the first disbursement. Any interest that is not paid during the "In-School Period" will accrue and will be added to your principal balance when you enter repayment. "In-School Period" means the time that you are enrolled in school plus a 6 month grace period. This example provides estimates based upon four (4) repayment options available to you during the In-School Period.

REPAYMENT OPTION (while enrolled in school)	AMOUNT PROVIDED (amount provided directly to your school)	INTEREST RATE (highest possible starting rate)	LOAN TERM (how long you have to pay off the loan)	TOTAL PAID OVER 15 YEARS (includes associated fees)
<b>1. DEFER PAYMENTS</b> Make no payments during the In-School Period.	\$10,000	16.550 %	180 MONTHS starting after the In-School Period	\$ 47,335.17
<b>2. MAKE FLAT PAYMENTS</b> Make flat payments of \$25 per month during the In-School Period.	\$10,000	16.550 %	180 MONTHS starting after the In-School Period	\$ 45,022.61
<b>3. PAY ONLY THE INTEREST</b> Make monthly payments of interest but defer payments on the principal amount during the In-School Period.	\$10,000	16.550 %	180 MONTHS starting after the In-School Period	\$ 34,577.74
<b>4. MAKE FULL PAYMENTS</b> Make monthly payments of principal and interest.	\$10,000	16.550 %	180 MONTHS starting after the first disbursement	\$ 27,130.06

# Fixed Rate Example

## Loan Interest Rate & Fees

Your **interest rate** will be between

4.750% and 16.530%

After the rate is set, it will be fixed for the life of the loan

### Your Interest Rate (upon approval)

The interest rate you pay will be determined after you apply. It will be based upon the borrower's credit history and other factors (cosigner credit, repayment option, etc). If approved, we will notify you of the rate you qualify for within the stated range.

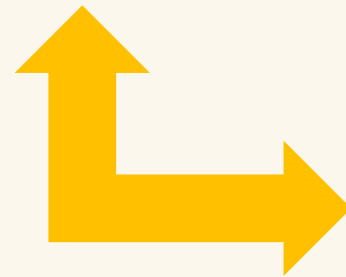
### Your Interest Rate during the life of the loan

**Your rate is fixed.** This means that your rate will not increase or decrease for the life of the loan. For more information on this rate, see the reference notes.

## Loan Fees

**Application Fee:** \$0.00. **Origination Fee:** The fees that we charge to make this loan range from 0.000% to 0.000% of total loan amount. **Loan Guarantee Fee:** 0.000% to 0.000% of total loan amount. **Repayment Fee:** The fees we charge when you begin repayment range from 0.000% to 0.000% of the total loan amount. **Late Fee:** 5.000% of the amount of the past due payment, up to a maximum of \$25. **Returned Check Fee:** up to \$20.00.

Examples of other lender disclosure statements



## Loan Cost Examples

The total amount you will pay for this loan will vary depending upon when you start to repay it. This example provides estimates based upon three (3) different repayment options available to you while enrolled in school.

Repayment Option <small>(while enrolled in school and during the separation period of 6 billing periods thereafter)</small>	Amount Provided <small>(amount provided directly to you or your school)</small>	Interest Rate <small>(highest possible rate)</small>	Loan Term <small>(how long you have to pay off the loan)</small>	Total Paid over life of loan <small>(includes associated fees)</small>
<b>1. INTEREST REPAYMENT</b> <small>Make interest payments but defer payments on the principal amount while enrolled in school and during the separation period.</small>	\$10,000	16.530%	10 years starting <u>after</u> the separation period	<b>\$27,261.13</b>
<b>2. FIXED REPAYMENT</b> <small>Make payments of \$25 while enrolled in school and during the separation period. Interest will be charged and added to your loan.</small>	\$10,000	16.530%	10 years starting <u>after</u> the separation period	<b>\$32,948.81</b>
<b>3. DEFERRED REPAYMENT</b> <small>Make no payments while enrolled in school and during the separation period. Interest will be charged and added to your loan.</small>	\$10,000	16.530%	10 years starting <u>after</u> the separation period	<b>\$34,273.53</b>



# Variable Rate Example

## Loan Interest Rate & Fees

Your **starting interest rate** will be between

**8.940%** and **16.690%**

After the starting rate is set, your rate will then vary with the market.

### Your Starting Interest Rate (upon approval)

The starting Interest Rate you will pay will be determined after you apply. The rate will be established based on your credit history (and your cosigner's if applicable) and your selected repayment term. If approved, we will notify you of the rate you qualify for within the stated range.

### Your Interest Rate during the life of the loan

**Your rate is variable.** This means that your actual rate varies with the market and could be lower or higher than the rate on this form. The variable rate is based upon the Prime Rate as published in the "Money Rates" section of *The Wall Street Journal* (Eastern Edition) on the first business day of the immediately preceding calendar month. For more information on this rate, see Reference Notes.

Although the rate will vary after you are approved, **it will never exceed 18.000%** (the maximum allowable for this loan).

## Loan Fees

**Origination Fee:** 0%.

**Late Fees:** 5.000% of the past due amount or \$5.00, whichever is less.

**Collection and Default Charges:** In the event of a default, the borrower may incur additional collection charges as permitted under applicable law.

## REFERENCE NOTES

### Variable Interest Rate

- The variable interest rate is based upon the Prime Rate index plus a margin of 0.440% to 8.190% based on creditworthiness, and may be adjusted monthly.
- The rate will not increase more than once a month, but there is no limit on the amount that the rate could increase at one time. Your rate will never exceed 18.000%.
- Applying without a cosigner typically results in a higher rate.

### Eligibility Criteria

- Borrower and cosigner, if applicable, must be US citizens or permanent resident aliens.
- Borrower must be at least the age of majority in his or her state of residence or be at least 17 years old and apply with a creditworthy cosigner who is the age of majority.
- Borrower must be enrolled at least half time and in an eligible program.
- Both borrower and cosigner, if applicable, are subject to credit approval. Additional documentation may be required.
- The borrower on an individual application and the cosigner on a joint application must have an employment history of at least two years.

### Bankruptcy Limitations

- If you file for bankruptcy you may still be required to pay back this loan.

**More information about loan eligibility and repayment deferral or forbearance options is available in your loan application and loan agreement.**

**Examples of other lender disclosure statements**

# MEFA's Student Loan Payment Calculator

Amount to borrow:

Years before graduation:

Parent or other co-borrower's credit profile:

Good  Very Good  Exceptional

Calculate

	Immediate Repayment: 10 Years	Immediate Repayment: 15 Years	Interest-Only Repayment: 15 Years	Deferred Repayment: 15 Years	Student Deferred with Co-borrower Release: 15 Years
<b>In-School Monthly Payment</b>	\$119.37 for 48 months	\$94.75 for 48 months	\$70.56 for 48 months	\$0.00 for 48 months	\$0.00 for 48 months
<b>Post-School Monthly Payment</b>	\$119.37 for 72 months	\$94.75 for 132 months	\$117.68 for 132 months	\$157.06 for 132 months	\$157.06 for 132 months
<b>Total Cost of Loan</b>	\$14,324.40	\$17,055.00	\$18,920.64	\$20,731.92	\$20,731.92
<b>Interest Rate</b>	7.35%	7.65%	8.35%	8.40%	8.40%
<b>APR</b>	5.75% - 8.50% **	6.00% - 8.65% **	7.15% - 8.95% **	7.30% - 8.75% **	7.40% - 8.85% **
	<a href="#">Loan Details</a>	<a href="#">Loan Details</a>	<a href="#">Loan Details</a>	<a href="#">Loan Details</a>	<a href="#">Loan Details</a>

## MEFA Loan and PLUS Loan Comparison

	MEFA Loan	Direct PLUS Loan
<b>Interest rate</b>	5.75%-8.95% fixed for 2024-25	9.08% fixed for 2024-25
<b>APR</b>	5.75%-8.95%	Not disclosed
<b>Fee</b>	No origination fee	4.228% origination fee
<b>Student on the loan?</b>	Yes	No
<b>Responsibility to repay</b>	Student & co-borrower(s)	Parent
<b>Transfer responsibility?</b>	Co-borrower release option	No
<b>Credit criteria</b>	Minimum credit score	Minimal credit standards
<b>Repayment term</b>	10-15 years	10-25 years
<b>Repayment options</b>	Immediate, interest-only, deferred	Immediate or deferred
<b>Enrollment status</b>	At least half-time	At least half-time
<b>Consumer safeguards</b>	Student death & disability loan forgiveness	Parent or student death & disability loan forgiveness
<b>Need to file the FAFSA?</b>	No	Yes

# MEFA Loan Processing

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# MEFA Loan Certification and Disbursement Options

## ELM

- Undergraduate loans should be processed as a parent/sponsor loan
- Can disburse via NDN
- FAQ: [mefa.org/loan-certification-through-elm](https://www.mefa.org/loan-certification-through-elm)

## MEFA online loan certification system

- To create an account, visit [mefa.org/certify](https://www.mefa.org/certify) and click on Add New School or Users
- We strongly recommend you set up your school with MEFA Loan EFT disbursements (though not required)
  - To establish EFT disbursements, complete the [Wire Transfer Authorization Form](#) on [mefa.org/certify](https://www.mefa.org/certify) and email it to [mefacertify@mefa.org](mailto:mefacertify@mefa.org)
- FAQ: <https://www.mefa.org/college-admins/administrator-system-faqs>

A graphic consisting of a dark blue horizontal bar with the text 'MEFA Loan Eligibility Requirements' in white. Behind the bar is a light green triangle pointing downwards.

## MEFA Loan Eligibility Requirements

### **By certifying MEFA Loans, you are ensuring the following statements are true:**

- The amount certified is equal to or less than the student's Cost of Attendance (COA) less other financial aid received for the academic period
- The student is enrolled at least half time in an accredited degree-granting program
- The student is Making Satisfactory Academic Progress(SAP) as defined by your institution



## Summer Loans & Prior Balance Eligibility

### Summer Loans

- If the student is currently enrolled for the current academic year, a student may borrow a loan for less than half time for the summer session. Summer loans should be certified using the student's enrollment status of at least half-time during the academic year

### Prior Balance

- A MEFA Loan can be used to cover a prior balance for the previous semester. At the time of certification, the student must be enrolled, intending to enroll, or have completed a degree

## ELM Processing Guidelines

- In ELM, MEFA Loans should be processed as parent/sponsor loans
- Don't include the MEFA Loan in EFA; the MEFA Loan certified amount can't exceed COA less EFA
- Processing multiple applications from one student that was submitted on the same day recommendations
  - Manually certify the loans on ELMOne
  - Certify the oldest request first
  - Certify using the lender CLUID from the initial request
  - Double check to make sure changes reflects correctly in ELM
- Commonline processing prevents figures over \$99,999. For COA, EFA, and/or loan amounts certified for over \$100,000 we recommend certifying these loans in the MEFA online portal
- Loans certified in the MEFA portal will still appear on ELM One and disburse via ELM NDN

# Loan Amount Changes

## Prior to Disbursement

- Decreases to the loan amount can be made up to three days before disbursement.
- A school can increase a loan up to the original amount requested up until the final disbursement.

## Post Disbursement

- Decreases to a loan amount would be handled by a school refund.
- A school can increase a loan up to the original amount requested up until the final disbursement.
- If a student needs to increase the loan after it's been fully disbursed, the student will need to apply for a new loan.
- **For loan increases please contact MEFA to provide updated COA and EFA figures.**

## When do MEFA Loans Lock for Disbursement?

### MEFA Portal Check or Wire EFT

- The 1<sup>st</sup> available disbursement date will be based on the following:
  - Borrowers 3-day right to cancel period
  - 1-day pre-lock disbursement period
  - Disbursements can only be scheduled on Fridays for portal schools
- Disbursement change requests can be made up until 2-days before the scheduled disbursement date.
  - Wednesday's will be the last date to request disbursement changes prior to disbursement for portal schools.

Monday	Tuesday	Wednesday	Thursday	Friday
<b>June 24</b> Certification Completed	<b>June 25</b> Borrower Right to Cancel Period	<b>June 26</b> Borrower Right to Cancel Period	<b>June 27</b> Borrower Right to Cancel Period	<b>June 28</b> MEFA Internal Pre-disb lock
<b>July 1</b>	<b>July 2</b>	<b>July 3</b>	<b>July 4</b>	<b>July 5</b> First Available Disb Date (Fridays only in portal)

# Disbursement Lock

## ELM NDN

- The 1<sup>st</sup> available disbursement date will be based on the following:
  - Borrowers 3-day right to cancel period
  - 2-days pre-lock disbursement period
  - School's selected disbursement dates with ELM.
- Disbursement change requests can be made up until 3-days before the scheduled disbursement date.
- The last day will depend on your school's set disbursement dates with ELM.

<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>
<b>June 24</b> Certification Completed	<b>June 25</b> Borrower Right to Cancel Period	<b>June 26</b> Borrower Right to Cancel Period	<b>June 27</b> Borrower Right to Cancel Period	<b>June 28</b> NDN Pre-Disbursement Lock
<b>July 1</b> NDN-Pre-Disbursement Lock	<b>July 2</b> First Available Disb Date	<b>July 3</b>	<b>July 4</b>	<b>July 5</b>

## Loan Refunds

- ELM schools can send refunds via ELM NDN
- For funds disbursed directly from MEFA, not NDN, MEFA encourages the electronic refund process; form can be found on our College Administrator page
- **Check refunds should be sent to:**
  - MEFA**
  - Attn: Loan Refunds**
  - 60 State Street, Suite 900**
  - Boston, MA 02109**
- All refunds are processed on Wednesdays
- Interest will be reversed on the refund amount

# MEFA's Guidance



**Active Social Media Network**  
Posts on [Facebook](#), [Twitter](#), [Instagram](#), and [LinkedIn](#)

**Specialized Appointments**  
Experts available offering [one-on-one guidance](#)



**Community-Based Virtual and In-Person Events**  
Informative and timely [webinars](#) and seminars



**The MEFA Podcast**  
[Conversations with experts](#) on a range of topics



**Videos**  
An extensive [video library](#) on college planning



**Blog Posts**  
Regular [blog posts](#) on all aspects of college planning

# Questions?

Call (800)-449-MEFA (6332) or email [mefacertify@mefa.org](mailto:mefacertify@mefa.org)

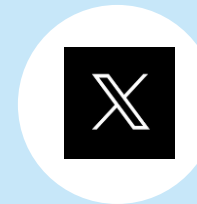
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with MEFA  
on Social  
Media**



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