



## CUNY School of Medicine | Spring 2020 Financial Aid Newsletter

VOLUME 2 | ISSUE 2

### Congratulations Class of 2020!

The Office of Financial Aid would like to wish both the Physician Assistant's and the 1<sup>st</sup> graduating class of Medical students a big congratulations and best of luck in all of your future endeavors! This achievement shows your determination, commitment, and strength as individuals. Congratulations on your well-deserved success!

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### Exit Counseling

**What is it?** – Helps you understand your responsibilities when repaying your federal student loan & how to avoid default

**Who completes it?** – If you are a student who has received subsidized, unsubsidized, or PLUS loans under the Direct Loan Program, you must complete exit counseling as required by law.

**When do I complete it?** – When you graduate, leave school, or drop below half-time enrollment.

**How do I complete it?** – Your school will notify you when you must complete exit counseling. It must be completed online and in-person.



**IT'S NOT  
TOO LATE!**  
to apply for financial aid!

As of October 1, 2019 the 2020-2021 the [FAFSA](#) was available for completion. If you have not done so already, please login to the [FAFSA](#) with your FSA ID and complete the application as soon as possible using your 2018 income tax returns.

CCNY Federal College Code - 002688

# Credit vs Debit Cards + Credit Score

**What is the difference between a debit card and credit card?** – A **debit** card is linked to your checking account. Purchases are automatically pulled from your account so you are using your own money to pay for items versus borrowing funds. A **credit** card allows you access to a line of credit offered by a bank. Each time you purchase an item you are borrowing money from the card issuer to cover the purchase. You then have to pay that money back at the end of the billing cycle.

**What is a credit score?** – How you've handled your past debt is translated into a three-digit score which predicts your likeliness in repaying a future loan or credit card balance. The higher the score, the better you look to would-be creditors.

## What goes into your credit score?

- Payment history [your record of on-time payments and any marks of missed payments, accounts in collections or bankruptcies]
- Credit utilization [balances you owe and how much available credit you are using]
- Age of credit history [how long you have been borrowing money]
- Applications [if you have recently applied for a lot of credit]
- Type of credit [how many and what kind(s) of credit accounts you have like car loans, mortgage, credit cards or a mixture]

## Tips on building your credit score:

- Pay all of your bills on time. Late payments will hurt your score
- Use no more than 30% of your credit limit on any card (if possible use less)
- Keep accounts open and active when possible (gives you a longer payment history)
- Avoid opening numerous accounts at once
- Check your credit reports and dispute any errors you find

**Where can I view my credit report for free?** – Federal law allows you to get a free credit report at least once every 12 months from the three major credit bureaus: Experian, Equifax and TransUnion at [AnnualCreditReport.com](https://www.annualcreditreport.com). Some other sites are [Credit Karma](https://www.creditkarma.com) and [Free credit report](https://www.freecreditreport.com).

Having trouble finding your loan servicer? With your FSA ID, login to the [National Student Loan Data System \(NSLDS\)](https://studentaid.ed.gov/sa/apply-for-aid/federal-aid-data-system/nslds) to retrieve your loan information.

**COMING SOON** →

To Be Announced:

**March:** Financial Literacy Workshop  
Financial Aid Transition (MS2 Students)

**May:** New Student Financial Aid Orientation

Dates to Remember:

**January 10:** PA Class of 2020 Commencement ↗

**May 21:** MD Class of 2020 Commencement ↗

## Terms you should know when looking into repayment plans...

**Default** - Failure to repay a loan according to the terms agreed to in the promissory note. For most federal student loans, you will default if you have not made a payment in more than 270 days. If you default on a federal student loan, you lose eligibility to receive federal student aid and you may experience serious legal consequences.

**Deferment** - A temporary postponement of payment on a loan that is allowed under certain conditions and during which interest generally does not accrue on Direct Subsidized Loans, the subsidized portion of Direct Consolidation Loans, Subsidized Federal Stafford Loans, the subsidized portion of FFEL Consolidation Loans, and Federal Perkins Loans. All other federal student loans that are deferred will continue to accrue interest. Any unpaid interest that accrued during the deferment period may be added to the principal balance (capitalized) of the loan(s).

**Delinquent** – A loan is delinquent when loan payments are not received by the due dates. A loan remains delinquent until you make up the missed payment(s) or receive a deferment or forbearance that covers the period when you were delinquent. If you are having trouble making your monthly loan payments, you should contact your loan servicer to discuss options to keep the loan in good standing.

**Capitalization** - The addition of unpaid interest to the principal balance of a loan. When the interest is not paid as it accrues during the grace period or periods of in-school status, deferment, or forbearance, your lender may capitalize the interest. This increases the outstanding principal amount due on the loan and may cause your monthly payment amount to increase. Interest is then charged on that higher principal balance, increasing the overall cost of the loan.

**Consolidation** – The process of combining one or more loans into a single new loan.

**Forbearance** - A period during which your monthly loan payments are temporarily suspended or reduced. Your lender may grant you a forbearance if you are willing but unable to make loan payments due to certain types of financial hardships. During forbearance, principal payments are postponed but interest continues to accrue. Unpaid interest that accrues during the forbearance will be added to the principal balance (capitalized) of your loan(s), increasing the total amount you owe.

**Grace Period** - For certain types of federal student loans, a period of time after you graduate, leave school, or drop below half-time enrollment when you are not required to make payments. You are responsible for paying the interest that accrues on unsubsidized loans during the grace period. If the interest is unpaid, it will be added to the principal balance of the loan (capitalized) when the repayment period begins.



Website:  
<https://cuny-med.org/financial-aid/>



Contact:  
212-650-7804



Email:  
FinancialAid@med.cuny.edu