



# MEFA Spring Trainings: MEFA Loan Processing

May 12, 2021

# About MEFA



Not-for-profit state authority created in 1982  
helping families plan, save, and pay for college

# Your Presenters Today



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ELM NSC Team Lead  
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# Agenda

- Review interest rates and loan details
- Highlight online tools and guidance
- Discuss loan certification options
- Review loan refunds and reductions
- Review common FAQ's
- Demo MEFA's loan certification system

# MEFA's Comprehensive Approach

## **Early College Planning: Promoting early awareness about saving and the importance of planning for college**

- Messaging early and often about planning and saving early to minimize borrowing later
- Providing two tax-advantaged college savings programs: the U.Plan Prepaid Tuition Program and the U.Fund College Investing Plan

## **Educational Outreach: Educating families across the Commonwealth and beyond**

- Offering online interactive tools and webinars, a comprehensive email curriculum, a full social network presence, consumer testimonials, and robust website content
- Offering expanded customer service, with trained counselors available for one-on-one counseling on planning, saving, and paying for college

## **College Planning: Offering college admissions and financial aid guidance**

- Providing comprehensive tools and information to help families apply to college, complete financial aid applications, including the FAFSA<sup>®</sup>, and find scholarships



# MEFA's Comprehensive Approach

## **Training and Outreach: Supporting the education community**

- Offering professional development training to high school counselors, college and university partners, and community-based organizations
- Providing year-round training to community influencers such as education counselors, financial aid directors/administrators, bursars, and community-based organizations

## **College Financing Strategies: Providing affordable options to students and families in concert with federal financial aid policies and practices**

- Offering the MEFA Loan, an integral component of the national financial aid system
- Recommending financing strategies to maximize federal student loans and tuition payment plans before alternative borrowing
- Providing MEFA REFI, an education refinancing loan designed to lower a borrower's interest rate and monthly payment



# MEFA Loans

## Why choose MEFA for undergraduate and graduate loans?

- Fixed interest rates from 3.75% to 5.75% APR\* for multiple repayment options with no fees
- Fixed interest rate ensures stable, predictable monthly payments for the life of the loan
- No origination fee, application fee, or prepayment penalty
- Available to families across the country

\*The Annual Percentage Rate (APR) is designed to help consumers understand the relative cost of a loan and reflects the loan's interest rate, timing of payments, and fees.

### Undergraduate Loan Rates

	Immediate Repayment (10-year term)	Immediate Repayment (15-year term)	Interest-Only Repayment (15-year term)	Deferred Repayment (15-year term)	Student Deferred Repayment with Co-Borrower Release* (15-year term)
Interest Rate	Fixed interest rates as low as 3.75%	Fixed interest rates as low as 3.95%	Fixed interest rates as low as 4.25%	Fixed interest rates as low as 4.55%	Fixed interest rates as low as 4.80%
APR***	3.75% - 5.30%	3.95% - 5.35%	4.25% - 5.40%	4.38% - 5.50%	4.62% - 5.75%
Monthly Payment Per \$10,000 Borrowed	As low as \$100.98	As low as \$74.43	As low as \$35.79 in-school, then payments step up to as low as \$79.90 at the end of the in-school period**	As low as \$84.87	As low as \$86.43

\*The co-borrower may request release after the first 48 consecutive on-time monthly installments have been made and if meeting then-current underwriting standards.

\*\*In-school period is the period as defined in the MEFA Undergraduate Loan Application and Solicitation Disclosure

\*\*\*The Annual Percentage Rate (APR) is designed to help consumers understand the relative cost of a loan and reflects the loan's interest rate, timing of payments, and fees.

## MEFA's Student Loan Payment Calculator

Amount to borrow:  Years before graduation:

My or my co-borrower's credit profile:  Fair  Good  Excellent

	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
In-School Monthly Payment	\$211.36 for 48 months	\$157.87 for 48 months	\$84.88 for 48 months	\$0.00 for 48 months	\$0.00 for 48 months
Post-School Monthly Payment	\$211.36 for 72 months	\$157.87 for 132 months	\$199.47 for 132 months	\$243.51 for 132 months	\$248.67 for 132 months
Total Cost of Loan	\$25,363.20	\$28,416.60	\$30,404.28	\$32,143.32	\$32,824.44
Interest Rate	4.75%	4.85%	5.05%	5.25%	5.50%
APR	3.75% - 5.30% **	3.95% - 5.35% **	4.25% - 5.40% **	4.38% - 5.50% **	4.62% - 5.75% **

[mefa.org/pay/loan-payment-calculator](https://mefa.org/pay/loan-payment-calculator)



# MEFA Loans Additional Guidance

**By certifying MEFA Loans, you must ensure the following statements are true:**

1. The MEFA Loan has been certified for an amount equal to or less than 100% of the student's cost of attendance less other financial aid received for the academic period.
2. The student is admitted or enrolled at least half time in an accredited degree-granting program and is making Satisfactory Academic Progress as defined by your institution.
3. *The student borrower and co-borrower(s), if any, to the best of your knowledge, have not defaulted on an education loan and have not failed to refund an education grant required to be refunded.*
4. *The student borrower and co-borrower(s), if any, are not currently in arrears to your institution for a total of more than \$100 for a previous year for which your institution is demanding payment.*

# MEFA Loan Certification Options

## ELM

- In July 2020, MEFA joined ELM Resources as a lender partner
- If you're a school using ELM, you are able to certify MEFA Loans via ELM
- Undergraduate loans should be processed as a Parent Loan
- <https://www.mefa.org/loan-certification-through-elm>

## MEFA online loan certification system

- To create an account within our MEFA loan certification system, visit [mefa.org/certify](https://mefa.org/certify) and click on *Add New School or Users*
- We also strongly recommend that you set up your school with MEFA Loan EFT disbursements, though this is not a requirement
- To establish EFT disbursements, please complete the [Wire Transfer Authorization Form](#) on [mefa.org/certify](https://mefa.org/certify) and email it to [mefacertify@mefa.org](mailto:mefacertify@mefa.org)

# Loan Reductions and Refunds

- Families should feel reassured that they can reduce their loans if their plans change for the upcoming year
- When possible, reduce a loan prior to disbursement to avoid refunds
- For loans that have been disbursed, schools should send the refund to MEFA and the interest will be reversed on the refund amount
  - ELM schools can send refunds via NDN; MEFA processes on Wednesdays
  - MEFA encourages the electronic refund process and provides easy access to necessary forms
  - Check refunds should be sent to:  
MEFA  
Attn: Loan Refunds  
60 State Street, Suite 900  
Boston, MA 02109

# Loan Processing FAQs

- Can MEFA Loans be used for a past-due balance?
- Can MEFA Loans be used for summer enrollment?

## ELM

- Should schools be processing MEFA Loans as student loans or parent/sponsor loans?
- Can a school enter \$0 for the Estimated Financial Aid Amount?
- COA minus Financial Aid can't exceed the MEFA Loan amount; do not include the MEFA Loan in financial aid
- Post-disbursement changes: MEFA can't make disbursement changes to a fully disbursed loan

# MEFA Online Loan Certification System Demo

# Highlights

- Very straightforward and user-friendly
- Easy to set up new user access at [mefa.org/certify](https://mefa.org/certify)
- New enhancements for 2021-2022 include search by name option:

### Find a Student

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Full or partial last name is required. The first name or initial is optional and should be separated by a comma (e.g., Smith, J).


Search by


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**MEFA Loans for:** DENISON UNIVERSITY 00304200

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 [Certify Loans](#)

 [Loan Status Report](#)

 [Disbursement Roster](#)

# Certify Loans

**BABSON COLLEGE**

[Main Menu](#)
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**Certify Loans**

Search for Loans
Open

- Select loan(s) from the list and complete the certification form, or click on the Cancel button to cancel a loan.
- To add more than two disbursements or to request uneven disbursements, click on the student's name to certify on the Loan Detail page.

Loan Period	Cost of Attendance	1st Disb. Date	2nd Disb. Date	
MM/YYYY - MM/YYYY	\$ <input style="width: 50px;" type="text"/>	<input style="width: 50px;" type="text"/>	<input style="width: 50px;" type="text"/>	You may set common values for a group of loans. After selecting one or more loans below, fill in common values and then click the Pre-fill button. <span style="float: right; background-color: #004a87; color: white; padding: 5px 10px; border: 1px solid #004a87;">Pre-fill</span>

2 records found
< Previous Next >
\* Fields Required for Certification

Page  of 1 Go

Certify	Cancel	Student	Loan Status	Documents	Loan Period *	Graduation * Student Level * Enrollment Status*	Eligibility *	Requested \$ Certified \$ *	1st Disb. Date * 2nd Disb. Date
<input checked="" type="checkbox"/>	<span style="background-color: #004a87; color: white; padding: 2px 5px;">Cancel</span>	<a href="#">BICE, MARYBETH</a> (7600)	Ready to Certify 04/06/2021	Complete	09/2020 05/2021	Grad Date <input style="width: 50px;" type="text"/> Grade Level (choose one) <input type="button" value="v"/> Enrollment Status (choose one) <input type="button" value="v"/>	COA \$ <input style="width: 50px;" type="text"/> FinAid \$ <input style="width: 50px;" type="text"/> Max \$ <input style="width: 50px;" type="text"/>	\$16,000 \$ <input style="width: 50px;" type="text"/>	02/12/2021 <input style="width: 50px;" type="text"/>
<input type="checkbox"/>	<span style="background-color: #004a87; color: white; padding: 2px 5px;">Cancel</span>	<a href="#">USSERY, BONNIE</a> (0483)	Ready to Certify 11/19/2020	Complete	09/2020- 05/2021			\$13,000 \$0	11/20/2020 01/08/2021

2 records found
< Previous Next >
\* Fields Required for Certification

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Continue
Reset
Return to Menu

# Loan Detail

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**BABSON COLLEGE** [Main Menu](#) [Log Out](#)

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**Loan Detail for MARYBETH BICE**

[Certify](#) [History](#) \* Fields Required for Certification

- Enter school certification details in data entry fields and click Continue to certify the loan.
- Click the [Cancel](#) button under School Information to cancel the loan.

Student		Open
Student Name	BICE, MARYBETH	Student SSN XXX-XX-7600

Loan Information		Open
Loan Status	Ready to Certify 04/06/2021	Application ID 3866565
Documents	Complete	Requested Amount \$16,000
Program	UGrad 15 Yr Imm Repay	

School Information		
Certification Date	<input type="text"/>	<a href="#">Cancel</a>
Loan Period Start	09/2020 <input type="text" value="09/2020"/> * MM/YYYY	Cost of Attendance \$ <input type="text"/> *
Loan Period End	05/2021 <input type="text" value="05/2021"/> * MM/YYYY	Financial Aid \$ <input type="text"/> *
Graduation	<input type="text"/> * MM/YYYY	Maximum Eligibility \$ 0
Student Level	(choose one) v *	<input type="text"/> Certified Amount \$ <input type="text"/> *
Enrollment Status	(choose one) v *	<input type="text"/> Loan Amount \$16,000.00 \$ 16,000

Disbursements		
1st Disbursement State	Disbursement Not Ready	
1st Date	02/12/2021 <input type="text" value="02/12/2021"/> *	1st Amount \$16,000.00 \$ 16000 *

[Add a Disbursement](#)

[Continue](#) [Reset](#) [Return to Certify Loans](#)



Thank You

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# Questions?

(800) 449-MEFA (6332)

[mefacertify@mefa.org](mailto:mefacertify@mefa.org)

[mefa.org/college-admins](https://mefa.org/college-admins)