



MEFA Loan Program Updates

September 2020

About MEFA



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

Your Presenter Today

Stephanie Wells

Associate Director of College Planning



Stephanie joined MEFA in 2001 and has 25 years of experience in the higher education financing industry.

As Associate Director of College Planning, she is responsible for working with colleges, high schools, and community-based organizations to further MEFA's public mission of educating and supporting families on the college enrollment and financing process.

Agenda

- Review recent interest rate changes
- Highlight our online tools and guidance
- Discuss loan certification options
- Review loan refunds and reductions
- Demo our loan certification portal

MEFA Loan Rates

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.

Graduate Loan Rates

	Interest-Only Repayment	Deferred Repayment
Interest Rate	Fixed interest rates as low as 4.25%	Fixed interest rates as low as 4.55%
APR**	4.25% - 5.40%	4.45% - 5.50%
Monthly Payment Per \$10,000 Borrowed	As low as \$35.79 in school, then payments step up to as low as \$84.11 at the end of the in-school period*	As low as \$84.87

**In-school period is the period as defined in the MEFA Graduate 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 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®, and find scholarships

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



Online Tools & Guidance

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

MEFA Loan Certification Options

MEFA online loan certification system

- To create an account within our MEFA loan certification system, visit 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 and email it to mefacertify@mefa.org.

ELM

- We have joined ELM Resources as a lender partner
- If you're a school using ELM, you will be 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 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.

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
 - 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

MEFA Online Loan Certification System Demo

Thank You

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Questions?

(800) 449-MEFA (6332), option 4

mefacertify@mefa.org

mefa.org/college-admins