DO YOU HAVE AN FSA ID?

Attention: You will no longer use a Federal Student Aid PIN to log in to federal aid websites. The FSA ID replaces this function. If you already have a PIN, you can link your information to your new FSA ID by entering your PIN during registration. However, a PIN is not required to create an FSA ID.

An FSA ID is a username and password that you must use to log into certain U.S. Department of Education (ED) websites. Your FSA ID identifies you as someone who has the right to access your own personal information on ED websites such as the Free Application for Federal Student Aid (FAFSA®) at fasa.ed.gov.

If you are a parent of a dependent student, you will need your own FSA ID if you want to sign your child’s FAFSA electronically. If you have more than one child attending college, you can use the same FSA ID to sign all applications. Please note: Each FSA ID user must have a unique e-mail address.gov

Once your information is verified with the Social Security Administration (one–three days from the date you apply), you will be able to use your FSA ID to access your personal information on any of these ED websites:

<table>
<thead>
<tr>
<th>Website</th>
<th>What You Can Do at the Site</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="http://www.fafsa.ed.gov">www.fafsa.ed.gov</a></td>
<td>• Electronically sign your (or your child’s) FAFSA.</td>
</tr>
<tr>
<td></td>
<td>• Import your tax information from the Internal Revenue Service.</td>
</tr>
<tr>
<td></td>
<td>• Complete a Renewal FAFSA.</td>
</tr>
<tr>
<td></td>
<td>• Make online corrections to an existing FAFSA.</td>
</tr>
<tr>
<td></td>
<td>• View or print an online copy of your Student Aid Report (SAR).</td>
</tr>
<tr>
<td><a href="http://www.studentaid.gov">www.studentaid.gov</a></td>
<td>• View federal student aid history</td>
</tr>
<tr>
<td>or <a href="http://www.nslds.ed.gov">www.nslds.ed.gov</a></td>
<td>• Look up your loan servicer’s contact information.</td>
</tr>
<tr>
<td><a href="http://www.studentloans.gov">www.studentloans.gov</a></td>
<td>• Complete entrance counseling, the Financial Awareness Counseling Tool, or exit counseling.</td>
</tr>
<tr>
<td></td>
<td>• Electronically sign a master promissory note (MPN).</td>
</tr>
<tr>
<td></td>
<td>• Complete PLUS loan requests.</td>
</tr>
<tr>
<td></td>
<td>• Estimate your student loan payments using the Repayment Estimator.</td>
</tr>
<tr>
<td></td>
<td>• Apply for an income-driven repayment plan or a consolidation loan.</td>
</tr>
<tr>
<td>Agreement to Serve (ATS) at <a href="http://www.teachats.ed.gov">www.teachats.ed.gov</a></td>
<td>• Sign your ATS for the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program.</td>
</tr>
</tbody>
</table>

FALL 2015 FINANCIAL AID

The Office of Financial Aid and Scholarships (OFAS) will start the repack of financial aid awards for the Fall 2015 starting June 22, 2015. Students will need to schedule an appointment with the OFAS and sign a Fall 2015 Award Letter to avoid any delays with financial aid processing. The OFAS will send an email for dates and times.

**IMPORTANT:** Prior to the appointment, please make sure to have the 2015-2016 FAFSA application completed with the CDU school code of 013653.

SUMMER GRADUATES

Graduating Summer 2015 students must complete the Exit Counseling via [www.studentloans.gov](http://www.studentloans.gov) and attend one of the graduation sessions to obtain financial aid clearance required for graduation.

- **July 16, Cobb 175:** 12:00pm-1:00pm and 5:00pm-6:00pm
- **July 30, Cobb 175:** 12:00pm-1:00pm and 5:00pm-6:00pm
- **August 6, Cobb 175:** 12:00pm-1:00pm and 5:00pm-6:00pm

**2015-2016 CHANGES TO STUDENT LOANS**

Knowing and understanding the interest rates and origination fees of your federal student loans is an important step in navigating the path to financial success. For Federal Direct Student Loans with a first disbursement date between July 1, 2015 and June 30, 2016, the following rates are fixed for the lifetime of the loan:

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>First Disbursement Date</th>
<th>Loan Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Subsidized and Direct Unsubsidized Loans</td>
<td>On or after 10/1/14 and before 10/1/15</td>
<td>1.073%</td>
</tr>
<tr>
<td></td>
<td>On or after 10/1/15 and before 10/1/16</td>
<td>1.068%</td>
</tr>
<tr>
<td>Direct Parent PLUS Loans</td>
<td>On or after 10/1/14 and before 10/1/15</td>
<td>4.292%</td>
</tr>
<tr>
<td></td>
<td>On or after 10/1/15 and before 10/1/16</td>
<td>4.272%</td>
</tr>
</tbody>
</table>

"Excellence of performance will transcend artificial barriers created by man." – Charles R. Drew
AVOID THESE 5 COMMON STUDENT LOAN MISTAKES

1) Not figuring out how much you’ll need to pay each month
As you’re trying to plan your life after graduation, it’s important that you know how much you’ll need to pay each month toward your student loans so you can budget your other expenses accordingly. To estimate what you’ll need to pay based on your income and loan debt, use the repayment estimator.

2) Choosing the wrong repayment plan
The repayment plan you choose is a major factor in determining how much your monthly student loan payment will be and how long it will take you to pay back your loans. The Department of Education offers several different repayment plans. To compare these plans based on your student loan debt and income, use the repayment estimator. Make sure you’re enrolled in a plan that you can afford. If you’re struggling to make your monthly payment, consider switching to an income-driven repayment plan, such as our “Income-Based” or “Pay As You Earn” plans. If you have questions, need advice, or would like to switch your repayment plan, contact your loan servicer.

3) Not paying extra when you can
If you are paying interest on your federal student loan, that interest accrues each day. An easy way to save money on your student loans is to pay more than what’s required whenever you can. Here are some ideas:
- Make interest payments while you’re still in school and/or during your grace period
- Use your tax refund to make an additional loan payment
- Tack a few extra dollars onto your payment each month

4) Missing payments
If you’re feeling overwhelmed or don’t think you’ll be able to afford your next student loan payment, don’t just stop paying. Instead, contact your loan servicer as soon as possible. Not making your student loan payments is a big deal. It can result in default, which negatively impacts your credit score, and may affect your ability to borrow for things like a car or a home. Your loan servicer can recommend options to reduce or postpone your payment and keep your loan in good standing.

5) Paying for student loan help
There are countless ads online from companies offering to help you manage your student loan debt... for a fee, of course. But, did you know that you can get help with your student loans for free? The U.S. Department of Education provides FREE student loan help through our servicers.

Your loan servicer is the company hired by the U.S. Department of Education to help you manage, understand, and pay back your loans. They are there to help guide you through the loan repayment process, answering any questions you have along the way.

Struggling to make your student loan payments?
Interested in student loan forgiveness?
Want to consolidate your student loans?

Their services are provided free of charge, but they can only help you if they can reach you. Graduating and moving away from campus? Changing your cell phone number or e-mail address? Make sure you let your loan servicer know.

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The Lawsuit Machine Going After Student Debtors

In 2003, Adam Beverly borrowed $30,000 from Bank One, now owned by JPMorgan Chase, to help cover the cost of attending Ohio State University. He never graduated. Three years later he found himself being sued by National Collegiate Student Loan Trust, which claimed he owed more than $45,000 with interest and penalties. After a two-year court struggle, Beverly prevailed. In September a panel of Ohio judges said the collector had no evidence that it owned the debt and vacated the judgment.

Student loans have eclipsed credit cards to become the second-largest source of outstanding debt in the U.S., after mortgages. Since 2007 the federal student loan balance has more than doubled, to almost $1.2 trillion from $576 billion. The Consumer Financial Protection Bureau estimates that students, former students, and their parents owe an additional $150 billion in loans from banks and other private lenders.

With defaults climbing, lenders have turned to the courts to collect. Many of their suits are marred by missing documents and procedural errors, say consumer advocates and lawyers defending debtors. “Our office is seeing an uptick in abusive loan debt-collection tactics that leave no room for relief,” wrote Massachusetts Attorney General Maura Healey in an e-mail.

The paperwork problems echo the “robosigning” scandals that followed the housing bust. Like mortgages, student loans were bundled into packages and sold to investors. “This is robosigning 2.0 with student loans,” says Robyn Smith, a lawyer with the National Consumer Law Center, a nonprofit advocacy group. “You have securitized loans in these large pools; you have the sloppy record keeping,” as in the mortgage crisis.

The National Collegiate Student Loan Trusts are investment vehicles created by a Boston company called First Marblehead that concentrates on education lending. From 1996 through 2007, First Marblehead bought student loans from lenders including Bank of America, JPMorgan, and a bank now owned by Citizens Bank. It transferred batches of loans to trusts it created—more than two dozen in all. The trusts sold bonds backed by the loans. The trusts are responsible for collecting loan payments from borrowers and paying out interest to bondholders. In 2013 bond rater Moody’s Investors Service said it expected losses to reach as high as 50 percent in 15 National Collegiate trusts it examined.

National Collegiate trusts have been among the most active in suing borrowers, consumer advocates say. Since 2011, National Collegiate has filed more than 1,900 civil cases in Missouri, or an average of more than one lawsuit a day.

The company has filed a total of more than 2,100 suits in Connecticut, Indiana, Arizona, and Oklahoma, according to state legal databases. Representatives for National Collegiate didn’t respond to repeated requests for comment. “We don’t comment on the trusts,” First Marblehead Chief Financial Officer Alan Breitman says.

(Continued on the next page)
Student debtors are challenging National Collegiate in court, and judges in Ohio, Florida, and Kentucky have found that the trusts haven’t proved they own the debt. In California, 13 people are seeking class-action status for a suit against National Collegiate for suing them to collect on student loans without identifying the original lender—which violates California debt-collection law. National Collegiate has denied the allegations in court filings.

Beverly’s monthly payments jumped to more than $600 from about $120, says Greg Reichenbach, his lawyer. Beverly tried to discuss the payment but was bounced back and forth between First Marblehead and National Collegiate, Reichenbach says. He stopped making payments in 2009. In 2012, National Collegiate filed two lawsuits against Beverly in Ohio state court demanding repayment of the loans. Beverly says he initially turned for help with the lawsuit to a credit repair service, which told him it would take care of the problem. When Beverly didn’t contest the suits, National Collegiate won default judgments.

“The cases that get filed in court for debt collection, a lot of times they are not for huge amounts, and so consumers may not show up to defend them”

The suits didn’t assert that National Collegiate owned the loans, and after Beverly appealed, National Collegiate was unable to produce any documents indicating it owned them. “The whole basis for the lawsuit is that they are entitled to enforce this alleged debt, and they don’t even claim that they were assigned the debt, let alone prove it,” says Reichenbach, who handled Beverly’s appeal. The same missing or incomplete records of loan transfers sank National Collegiate suits in Kentucky and Florida and has pushed the company to back away from lawsuits in New Hampshire, California, and Pennsylvania, say lawyers representing student borrowers.

Lenders and their representatives are overwhelming the courts with thin and sometimes inaccurate lawsuits, says Christopher Koegel, an assistant director at the Federal Trade Commission’s Bureau of Consumer Protection. Often, as in Beverly’s case, there’s no trial. “The cases that get filed in court for debt collection, a lot of times they are not for huge amounts, and so consumers may not show up to defend them,” Koegel says. When borrowers don’t contest debt-collection lawsuits, judges automatically rule in favor of the creditor. Once a lender gets a judgment, it can begin garnishing a debtor’s wages and seizing his personal property. “It may be burdening consumers with judgments over their head for years and years,” Koegel says.

Pablo Ramirez learned the benefits of fighting back. Ramirez took out a $30,000 loan to pay for a bachelor’s degree from Westwood College in 2006. When it came time to start paying off the debt, he says, the payments were more than he could afford. On a November morning in 2014, he went to his mailbox and pulled out a court notice that a judge had issued a judgment against him. He now owed $50,000 to National Collegiate. “I was in shock,” Ramirez says, because he hadn’t known he was being sued.

Ramirez contested the ruling. National Collegiate said it gave Ramirez notice of the lawsuit, but a Texas county court judge set aside the judgment. "They didn’t have any facts right," Ramirez says. "It seemed like they were trying to throw anything against the wall to see if it stuck.”


Office of Financial Aid and Scholarships

We believe that an education at Charles R. Drew University of Medicine and Science (CDU) is an excellent investment and our Financial Aid program is designed to help you afford that education. In an effort to better assist you through the financial aid application process, CDU provides counseling hours Monday through Thursday, 8 AM to 6 PM and Friday, 8 AM to 12 PM, except holidays, available to students and their parents who have questions or would like further clarification regarding the Financial Aid process.


Office of Financial Aid and Scholarships

Ms. LaNae Herrera, MBA—Director
Ms. Laney Bumagat, MBA—Assistant Director
Mr. Michael Mathis, M.Ed., M.S.—Financial Aid Specialist