

DOLLARS AND SENSE

FINANCES AND FINANCIAL AID PROGRAMS

Case Western Reserve University
School of Law

EDITION FOR 2009-2010 SCHOOL YEAR
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TABLE OF CONTENTS

FINANCIAL AID APPLICATION TIMETABLE.....	3
FINANCIAL AID PROGRAM OVERVIEW	
Merit-Based Aid Programs.....	4
Need-Based Aid Programs.....	4
Determining Financial Need.....	5
The Need-Based Financial Aid Application.....	5
Outside Scholarships	6
FINANCING YOUR CASE LAW DEGREE	
The Student Budget.....	6
Student Loans.....	8
IMPORTANCE OF HAVING A STRONG CREDIT RECORD.....	9
DEBT MANAGEMENT AND REPAYMENT.....	11
TIPS ON PREPARING YOURSELF FOR LAW SCHOOL	11
STATEMENT OF NON-DISCRIMINATION AND DISCLAIMER.....	13

FINANCIAL AID APPLICATION TIMETABLE

Here is a recommended timetable for the various steps of a financial aid application:

February or March	Complete 2008 IRS (federal) Tax return
By March 20	File FAFSA (Free Application for Federal Student Aid) for 2009-2010 at www.fafsa.ed.gov You should use figures from your completed 2008 IRS tax return when filing your FAFSA. Case Law's school code for the FAFSA is E00082
By March 31	Notification of scholarship award (if any) from Admissions Office
By MAY 1	Send the Case Application for Financial Aid to the School of Law's Student Finances Office. <i>Students selected for verification must also include a signed photocopy of their 2008 IRS tax return, including copies of all W/2 forms.</i>
By April 15	1st seat deposit of \$200 due to Admissions Office
May – June	Obtain a copy of credit report and check for errors; work to resolve errors with the credit bureau and creditors
By June 15	2nd seat deposit of \$400 due to Admissions Office
By July 15	Official notice of loan eligibility sent from Financial Aid Office. Student Loan information packet sent from Law School.
By August 1	Fall semester tuition and fees invoices mailed from Bursar's Office
By August 24	Deadline to file student loan applications with law school
By August 24	Payment of fall semester tuition and fees due: If not using financial Aid for tuition and fees
August 24	Fall classes begin
By September 25	Loan funds for fall living expenses issued to students

Detailed information on the application process and deadlines can be found in the "NEED-BASED FINANCIAL AID APPLICATION INSTRUCTIONS" publication which is available on-line after you have been admitted.

FINANCIAL AID PROGRAM OVERVIEW

The primary responsibility for financing a law school education rests with the student and the student's family. We recognize that the high cost of a private legal education will require many students to seek financial assistance to supplement their own resources. We will make every effort to assist students in obtaining financial assistance for their law school education. In a typical year, about 85% of the student body at Case Law School applies for and receives some type of financial assistance for their legal education expenses.

The Financial Aid Program at Case School of Law consists of two types of aid: **merit-based aid** and **need-based aid**.

- **MERIT-BASED AID PROGRAMS**

Merit-based aid is given in the form of scholarships and leadership grants, which are awarded to those students displaying exceptional records and credentials which will enable them to excel in our academic program. These awards range in value from \$2000 per year up to full-tuition.

All students who are admitted to the law school are automatically considered for the merit-based aid programs. No additional application forms are needed. If you are selected to receive a merit-based scholarship, you will be notified by the Office of Admissions by the end of March (or within two weeks of admission date, whichever is later.)

Leadership grants are awarded to those admitted students who display excellent academic records and whose background will serve to increase the diversity of the law school community and the legal profession. These awards are also made by the end of March (within two weeks of admission) and require no special application.

- **NEED-BASED AID PROGRAMS**

The need-based aid program consists of loans offered from both federal and private sources. Most students will have full access to loans to meet their full of amount of financial need.

AVAILABLE LOAN PROGRAMS

<u>Type of Loan</u>	<u>Eligibility</u>	<u>Annual Limit</u>	<u>Interest rate</u>	<u>Repay term</u>
Federal Stafford Loan	Financial Need	\$20,500	Fixed , currently 6.8%,	10 years
Case Perkins Loan	Financial Need	\$1000 (estimated)	5%	10 years
Private Law School Loan	Credit-worthiness	Up to cost of attendance	Variable; typically 7 to 12%	Up to 20 years
Graduate Plus Loan	Credit-worthiness	Up to cost of attendance	Fixed, currently 8.5%	Up to 25 years

For the need-based loan programs, all law students are considered to be INDEPENDENT. That is, only the students (and spouse's) income and asset information is reviewed to determine eligibility for the loan programs. Case Law does not require your parents to complete any forms or provide any financial information.

- **DETERMINING FINANCIAL NEED**

To apply for need-based student loans, you must complete a separate financial aid application process. After your financial aid application has been received and you have been admitted to the law school, the Financial Aid Office will use the information provided on your aid application to assess your FINANCIAL NEED.

You can determine how much you will need to finance through student loans by working through the following calculation:

	Cost of Attendance		\$57,933 (EST.)
-	Any scholarship award	-	\$
-	Your personal contribution*	-	\$
=	FINANCIAL NEED	=	\$

*The personal contribution represents the combined total of your contribution from your (and your spouse's) own resources, trust funds, and support from parents and other relatives.

While your goal should be to minimize the amount of loans that you take, most students will have full access to loans to meet their full amount of financial need determined from the above formula.

- **THE NEED-BASED FINANCIAL AID APPLICATION**

Complete instructions for applying for the need-based financial aid programs are found with the NEED-BASED FINANCIAL AID APPLICATION INSTRUCTIONS publication, which will be mailed to you (via e-mail) from the admissions office after you have been admitted. Before you can complete the Financial Aid Application, you will need to complete your 2008 Federal (IRS) Income Tax Form. Having your tax forms completed will facilitate easy completion of the financial aid forms. The information that you report on your aid application will be verified against the IRS records; the verified information must match exactly.

It takes about 3 - 4 weeks for your application for need-based financial aid to be processed and your award letter to be mailed to you. Obtaining actual approval of funds from the loan programs requires an additional 4 - 6 weeks. Although there is no specific deadline for applying for financial aid, you should complete the application process as soon as possible after receiving the application packet. In order to have your financial aid funds by the beginning of the fall semester, you will need to submit your aid application materials **no later than May 1.**

Once your financial need is determined, we will construct a FINANCIAL AID PACKAGE that will allow you to apply for loans to meet your determined financial need. This package may consist of federally sponsored loans, loans from Case, and loans from private sources. As well, it will include any law school scholarship that was offered to you.

If your financial aid package indicates that you are eligible for the need-based student loans, you must decide whether you wish to borrow under such programs and from which bank you would like

to borrow. You will need to obtain loan applications from the lender of your choice and submit them during the summer months. (We do NOT participate in the Federal Direct Loan program.) Case Law students obtain loans from banks or other lending institutions. We work closely with several student loan partners that provide a variety of high-quality products to meet our student's borrowing needs. More information on student loans and our lending partners will be sent to you in late July.

- **OUTSIDE SCHOLARSHIPS**

We encourage you to explore outside scholarship opportunities. You may find information on scholarships for law students in scholarship directories located in college and public libraries.

Also, we have a scholarship search engine at the following site:

http://law.case.edu/financial_aid/content.asp?id=546

Other potential scholarship sources include bar associations in your home county, professional organizations to which you or your parents belong, church and social groups, as well as undergraduate schools you attended. Every scholarship dollar that you receive will reduce your reliance on loan programs.

If you decide to pursue outside scholarship opportunities, you should carefully evaluate any scholarship search organization or program which requires an application fee. It has been our experience that by spending just a few hours in your local public library, you could find the same information at no cost. Also, an excellent free scholarship service available via the World Wide Web is FASTweb. You can access them from <http://www.finaid.org>. If you would like more information on a particular agency, you may wish to contact your local Better Business Bureau.

FINANCING YOUR CASE LAW DEGREE

- **THE STUDENT BUDGET**

You may hear us talk about your “student budget.” This is the sum of both indirect and direct costs associated your law school attendance. The *projected* costs of attendance at Case Law School for the 2009-2010 school year are as follows:

DIRECT EXPENSES – TWO SEMESTERS (FULL-TIME)	
Tuition	\$38,575
Fees	\$1,404
TOTAL – DIRECT EXPENSES	\$39,979

These charges are referred to as DIRECT EXPENSES. That is, they represent the expenses that result directly from your attendance at Case Law School.

When determining your personal budget, you must consider these direct expenses as well as indirect expenses. INDIRECT EXPENSES are those that you do not pay to the school, but which are related to your attendance at Case. It is more difficult to predict these indirect expenses, since they vary by personal lifestyle and habits. However, if a student applies for financial aid to help cover

these indirect expenses, the University assigns a budget for each student's indirect expenses. The budget assignment for the typical Case law student will be:

INDIRECT EXPENSES BUDGET- TWO SEMESTERS (NINE MONTHS)

Room, Board, Incidentals	\$16,430
Books and Supplies	\$1,524
TOTAL – INDIRECT EXPENSES	\$17,954

Two items of note:

- This indirect expenses budget covers nine months worth of expenses (the time while you are actually enrolled in classes); and
- Although you may be eligible for loans to cover these indirect expenses, we encourage you to work on reducing your living expenses (see “Tips”, page 12) so that you can avoid taking out the maximum allowable loan.

In addition to direct and indirect expenses, some students may have additional expenses such as car payments and insurance, credit card debt, support of other family members, etc. You should consider these expenses when constructing your own personal budget. However, financial aid is not available to assist you with these expenses. If you have such expenses, you will need to identify other funding sources. Under federal law, financial aid is designed to assist only with your educational expenses and those expenses immediately related to your education. It may not be used to fund discretionary purchases that you have made in the past or choose to make while attending law school. Also, financial aid does not cover expenses incurred in applying to law schools, relocation expenses, or living expenses during the summer months.

You should develop your own personal budget covering the time period when you will be enrolled in law school. You should also determine what financial resources are available to you. You can then determine the amount of financial aid necessary to meet your need.

You will be informed by the end of March of merit-based scholarships, if any, that Case Law offers you - well before the seat deposit deadline.

You may not have your official financial aid award by the time you need to make an acceptance deposit decision. However, you will know the amount of money that you will need to obtain through loans if you determine your own needs by setting up a personal budget. The missing part of the package is the exact composition of your loan portfolio, i.e. - which specific types of loans for which you will be eligible. For assistance in constructing an accurate financial aid forecast, refer to “Determining Financial Need”, page 5.

- **STUDENT LOANS**

- **Federal Loan Program Eligibility**

As long as you meet the general eligibility criteria below, we can assure your eligibility for at least \$20,500 in government sponsored loan programs. (This amount would be reduced by any amount of scholarship award exceeding \$37,433. For example, if you receive a \$38,000 scholarship, your federal loan eligibility would be limited to \$19,933). The general eligibility criteria for government-sponsored loans are:

GENERAL ELIGIBILITY CRITERIA FOR STUDENT LOANS

- You must be a U.S. citizen or permanent resident;
- You must be enrolled in school at least half-time (full-time for \$20,500 eligibility level);
- You must not be in default on any prior educational loans, or owe refunds of any federal educational grants;
- You must not have a record of conviction of a drug-related offense;
- You must be in compliance with the Selective Service Act.

- **Graduate Plus Loans**

In addition to federal loans, students are usually eligible for additional graduate plus loan programs to assist in paying their educational expenses. The criteria for the private loans are the same as the government loans listed above. In addition, graduate plus loan programs will conduct a credit check before approving your loan. If your credit report shows a 3-month history of repeated late payments on loans, mortgages, or credit cards, excessive credit card debt levels, or other negative public records, the lender will deny your loan application. The next page of this booklet discloses the typical credit criteria for the graduate plus loan programs. Provided that the credit criteria are met, most law students can borrow up to an additional \$37,433 through the graduate plus loan programs.

- **Putting It All Together**

By combining federal and/or private loan programs, most law students will have access to a total of \$57,933.00 in loan financing (this amount would be reduced by the amount of any scholarship, leadership grant, parental support, or tuition benefit that is received).

Your goal should be to figure out where you can cut down on your expenses so that you can minimize your borrowing. However, you should be aware that if you meet the general eligibility criteria shown above and the credit criteria discussed on the next page, it is possible to have access to \$57,933.00 of total financial aid for the 2009-2010 year.

STUDENT BUDGET		FUNDING SOURCES	
Direct Expenses	\$39,979	Federal Stafford Loan	Up to \$20,500 per year
Indirect Expenses	\$17,954	Graduate Plus school loans	Up to \$37,433 per year
Total Expenses	\$57,933	Total available loan financing (reduced by any scholarship award)	Up to \$57,933 per year

THE IMPORTANCE OF HAVING A STRONG CREDIT RECORD

Before banks extend graduate plus loans to students, they will obtain a credit report from a national credit reporting agency. The bank will review the credit report to determine if you are an acceptable credit risk.

Most lenders of graduate plus educational loans to law students use the credit criteria listed below or criteria very similar to these.

The bank will generally approve the amount of graduate plus loan that is recommended by your school, if the bank finds that:

- There is no more than one account currently rated 60 or more days delinquent AT THE TIME OF APPLICATION, and;
- There are no more than two accounts that have been 60 or more days delinquent in the past 3-months, and;
- There is no account that has been delinquent 90 or more days in the past 3-months, and;
- There is no record of a collection or charged-off account in the past two years, and;
- Outstanding debt on credit cards is less than 30% of available credit line, and;
- There is no record of a foreclosure, repossession, open judgment or suit, bankruptcy, prior educational loan default or negative public record items in the past seven years.

Many graduate/professional students need to borrow money through a variety of education loan programs. All of the graduate plus education loan programs require a good credit history, and will request a report from a credit bureau as part of their application review process. The information contained on your credit report, such as outstanding balances and promptness of payments, is carefully reviewed and may have a substantial impact on your eligibility to receive private educational loans and the cost of those loans. Your credit report examines your past record of paying debts. Simply being up to date with your creditors at the time of application does not mean you have a good credit record. If you have had difficulty keeping up with your credit payments anytime within the past year, you may be denied graduate plus educational loans.

Graduate Plus educational loans are viewed as a special type federal loans for graduate students. Therefore, a potential borrower must meet a lender's established credit criteria. Today, the vast majority of students have already established a credit history before starting in graduate/professional school. Your credit history is derived from repayment records reported by organizations such as banks, credit card issuers, and retail stores. Your credit history may be reviewed by a lender in order to determine if you are credit worthy or likely to repay your student loan based on your past experiences with credit.

If you plan to borrow under the graduate plus educational loan programs, you are encouraged to request a copy of your credit report from a national credit bureau. The report should be reviewed

carefully with particular attention paid to the number of accounts, account balances, and the timely manner in which monthly payments have been made. If the report reveals any incorrect information, contact the creditor(s) or the credit reporting agency in order to have the information corrected before applying for a student loan.

There are three major national credit bureaus. In general, each credit bureau will have the same information in its files. Telephone numbers and websites for requesting copies of credit reports are provided here. The credit agencies may charge you a modest fee for a copy of your credit report:

Equifax	1-800-685-1111	www.equifax.com
Experian	1-888-397-3742	www.experian.com
TransUnion	1-800-888-4213	www.transunion.com

For an additional fee, many of the credit bureaus will also sell you your credit score, which is an index numbers that lenders can use to easily assess your financial behavior. Most student loan lenders will review your FICO credit score when assessing your credit risk. While each lender will make their own decision as to whether they will grant a loan, our past experience suggests the following:

FICO Score	Student Loan Approval Tendency
Below 640	Likely will not be approved for a student loan due to poor credit
640-700	May be approved by some lenders, but will likely require a co-signer
700-720	Likely to be approved by most lenders; this is a typical, average score
Above 720	Very likely to be approved; will get lowest rate loans

You can easily obtain a free copy of your credit report from each of the three agencies listed above, once annually. You can request your credit report at www.annualcreditreport.com. You can also purchase your FICO score at a minimal additional cost at the above website.

DEBT MANAGEMENT AND LOAN REPAYMENT

• DEBT MANAGEMENT

We encourage keeping aware of your student debt loan and the impact that this debt may have on your future. As a quick rule, you can estimate that each \$10,000 of loan debt will result in about \$125 to repay each month for ten years. This is a very rough estimator; your actual repayment will depend on your loan's interest rate, your eligibility for an in-school interest subsidy, etc. When determining your total repayment cost, don't forget to include debt from previous educational programs.

So, for example, if you estimate that you will borrow \$75,000 of student loans, your estimated monthly repayment will be about \$938:

$$\$75,000 / \$10,000 = 7.5 \times \$125/\text{month} = \$937.50 \text{ per month}$$

• LOAN REPAYMENT AND REFINANCING OPTIONS

You will have a choice of a number of repayment options once you begin repayment of your loans. Some choices will allow highly indebted graduates to extend the repayment of their loans for a longer period of time. Selecting such a repayment option will reduce your monthly payment amount by a significant factor (up to 40% reduction).

Also, if you have taken out several different types of federal loans, you will have the option to refinance all of your federal student loans after you've left law school. This option, called **Federal Loan Consolidation**, can help you to more easily manage your monthly loan payments.

TIPS ON PREPARING YOURSELF (FINANCIALLY) FOR LAW SCHOOL

Managing your finances during law school will be challenging. You are urged to prepare now by considering the following tips:

- Develop a budget on paper that shows how you expect to manage your money during your law school years. It is very difficult to effectively manage your money when you have no budget plan.
- Discuss with your parents or other relatives the level of support or loans which they will extend to you BEFORE you start school. Don't assume that "it will all work out". Take an active role in developing your financial plan.
- Critically evaluate your personal spending habits. If you will be relying on financial aid to fund your living expenses, understand that the budget given to you is designed to fund a "modest, student lifestyle." This is not the type of lifestyle budget that you may have had when you were working or having your living expenses paid by your parents. It is also not the lifestyle budget that you may envision as a practicing attorney. The budget given to you is adequate for

funding a student lifestyle (and you may be able to spend less); however, you must look at how your own budget compares with the standard student budget.

- Save as much money as possible in the months prior to entering law school. Having a money reserve will assist you in getting over any unexpected financial "bumps" you encounter during your law school years. You should also work on eliminating as much consumer debt as possible prior to entering law school. If you are having trouble paying your bills now, it will definitely not become easier once you are in law school.
- Consider ways that you can tighten your personal budget to minimize the amount of money that you must borrow. For example: 1) sharing an apartment with at least one other person will drastically cut housing costs; 2) if you must have a car, make sure it is one with low or no monthly payments, and that it will not be costly to insure or maintain; 3) work out at the University athletic facilities instead of a private fitness club.
- You should plan on not working during your first year of law school. As a full-time law student, you are expected to spend 100% of your effort on academic work. Though you may have worked while attending college full-time, this is really not feasible during your first year of law school. During your second and third years of law school, outside work will become more practical.
- Understand your financial aid award. Keep records of all correspondence with the financial aid office. It is vital that you keep records of your loan applications and promissory notes. Pay attention to all information concerning financial aid, loans, and payment procedures to Case. If something is unclear, take responsibility to have your questions answered. The Law Student Finances Office wants to assist you with all aspects of managing your finances related to your law school education.
- Step back and remember your goals. Although carefully managing your finances is very important to success in law school and life, don't get overly stressed out about it. Remember, attending law school is a major investment, but it's an investment that, if properly managed, will provide you a lifetime of "payouts" – economic, social and personal. If you are making the investment for the right reasons, and you exercise good financial habits, you will be able to succeed and meet your goals.

STATEMENT OF NON-DISCRIMINATION

Case Western Reserve University does not discriminate on the basis of race, religion, age, sex, color, handicap, disability, sexual orientation, national or ethnic origin, political affiliation, or status as a disabled veteran or veteran of the Vietnam era, in its policies and procedures, including those pertaining to admission and financial aid programs. Furthermore, it is the policy of the University to seek a qualified student body that reflects in its composition the larger society from which it is drawn.

NOTICE – DISCLAIMER

***This information is provided solely as a convenience to prospective law students at Case Western Reserve University (Case). It is believed to be accurate as of mid-February, 2009. Financial aid programs and regulations are subject to change at any time, and Case is not responsible for any changes to any program. Nothing in this booklet should be taken as an actual or implied contract between Case and any current or prospective student. If you encounter information which would seem to contradict any information contained herein, you are encouraged to speak with the Law School's Director of Student Financial Services for clarification.*

Case Western Reserve University School of Law
11075 East Boulevard
Cleveland, Ohio 44106-7148

Student Financial Services:	216.368.3602
<i>Toll-free:</i>	877.889.4279
Office of Admissions:	216.368.3600
<i>Toll-free:</i>	800.756.0036

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