IDC CONSUMER INFORMATION  
2016-2017 Academic Year

Free Application to Federal Student Aid (FAFSA)  
US Department of Education

*** This information is subject to change in accordance to the rules and regulations of the US Department of Education

US Federal Loans are available to qualifying American degree-seeking students through the Raphael Recanati International School (RRIS) Financial Aid Office. Graduate and undergraduate students who will be applying for federal loans are encouraged to begin the process as soon as possible.

ABOUT THE PROCESS

The Free Application for Federal Student Loans (FAFSA) is a confidential financial statement detailing information about your family’s financial circumstances. When you have completed the form, you submit it directly to the U.S. Department of Education. Using a formula mandated by Congress, the U.S. Department of Education makes an evaluation of your family’s financial strength and estimates the amount your family can contribute annually toward your educational expenses. This financial statement is a necessary first step in order to apply for all Federal Direct Stafford Loans detailed below.

International schools do not participate in the U.S. Department of Education’s grant programs, so you will not be able to obtain a Federal Pell Grant or any other federal grants to get your degree at an international school such as IDC. IDC does not process Perkin Loans either.

The FAFSA is available each year beginning January 1, and should be completed as soon as possible, but not later than April 1, 2017, as regards to the 2016-2017 academic year.

Starting Spring 2015, a new login process will be implemented by the Department of Education. The new FSA ID which is a user-selected username and password. This will replace the Federal Student Aid PIN that has been used up until now by which students, parents and borrowers authenticated their identity to access their federal student aid information. This change has been made to eliminate the need for individuals to enter personal identifiers (Social Security Number, Name and Date of Birth).

For complete information regarding federal loans including application process and repayment, please refer to the Federal Student Aid Program with the Department of Education here.
DEADLINES

- April 1, 2017 is the deadline to submit a complete FAFSA application which consists of the Student Aid Report, the MPN and the Entrance Counseling
- Processing of loans for the 2016/2017 academic year will not begin until summer 2016.

FEDERAL LOAN PROGRAMS

Direct Subsidized Loans

- Direct Subsidized Loans are available to undergraduate students with financial need.
- Your school determines the amount you can borrow, and the amount may not exceed your financial need.
- The U.S. Department of Education pays the interest on a Direct Subsidized Loan while you are in school at least half-time, for the first six months after you leave school (referred to as a grace period*), and during a period of deferment (a postponement of loan payments).
  *Note: If you received a Direct Subsidized Loan that was first disbursed between July 1, 2012, and July 1, 2014, you will be responsible for paying any interest that accrues during your grace period. If you choose not to pay the interest that accrues during your grace period, the interest will be added to your principal balance.

Direct Unsubsidized Loans

- Direct Unsubsidized Loans are available to undergraduate and graduate students; there is no requirement to demonstrate financial need.
- Your school determines the amount you can borrow based on your Cost of Attendance (COA) and other financial aid you receive.
- You are responsible for paying the interest on a Direct Unsubsidized Loan during all periods.
- If you choose not to pay the interest while you are in school and during grace periods and deferment or forbearance periods, your interest will accrue (accumulate) and be capitalized (that is, your interest will be added to the principal amount of your loan).
Direct PLUS Loans (Parent PLUS and Grad PLUS)

- The U.S. Department of Education is the lender.
- The borrower must not have an adverse credit history.
- The maximum loan amount is the student’s Cost of Attendance (COA) (determined by the school) minus any other financial aid received.
- PLUS loans are federal loans that graduate or professional degree students and parents of dependent undergraduate students can use to help pay education expenses.

The Parent PLUS Loan is for parents of dependent undergraduates.
The Grad PLUS Loan is for Graduate/Professional students.

- Interest is charged during all periods.

Many of our students do not require supplemental loans like the Parent PLUS Loan or the Grad PLUS loan. However, eligible US students may choose to apply for this type of loan once they have exhausted the Subsidized and Unsubsidized loans, pending approval by the Raphael Recanati International School (RRIS) Financial Aid Office.

Instructions for PLUS loan graduate professionals / parents applying for PLUS loans:

Steps to Secure Your PLUS Loan:
1) Complete the PLUS Request Process at www.studentloans.gov
2) Complete a PLUS Master Promissory Note at www.studentloans.gov (parent/graduate professional must sign in to the site under their own parent/graduate professional FSA ID and login information to complete both these steps)
3) Complete a PLUS loan entrance counseling for Graduate and Professional Students at www.studentloans.gov (there is required special loan counseling for any PLUS loan applicant who has an adverse credit history* but who qualifies for a PLUS Loan through the process for reconsideration due to extenuating circumstances or by obtaining an endorser for the loan)

*Adverse credit history is when a PLUS loan applicant (either a parent or a graduate or professional student) in addition to other conditions (e.g., bankruptcy, foreclosure, tax lien, or a default determination) has one or more debts that are 90 or more days delinquent or that are in collection or have been charged off during the two years preceding the date of the applicant’s credit report, but only if the total combined outstanding balance of those debts is greater than $2,085. Thus, absent any other adverse credit history finding a PLUS Loan applicant whose credit check shows that the total of any debts that are 90 or more days delinquent or that have been placed in collection or charged off is $2,085 or less will not be considered to have adverse credit and therefore, will be eligible for a PLUS Loan.

Please notify the RRIS Financial Aid Office once your Plus loan request is completed. Within approximately two-three business days after completion of the previous steps, the parent
borrower/graduate professional will receive an additional email from the RRIS Financial Aid Office that will finalize the request process.

➤ Please note: if one or more of these steps are missing, then this will delay in processing the PLUS loan.
➤ Also, students must maintain at least half-time enrollment in order to retain eligibility for federal loans, including the PLUS Loan.
➤ Please click here regarding additional information on PLUS loans.

**LOANS AMOUNTS & AGGREGATE LIMIT**

- Please click here in order to see the maximum Stafford loan amounts for 2016-2017.
- See the Aggregate Loans limits here. Please note that the total Federal Loan Aggregate Limits do not include loans taken in the Graduate and Parent PLUS Loans.

**INTEREST RATES & FEES**

Please note:

- Interest rates are variable and are determined each July.
- To get an early estimate of your eligibility for Federal Student Financial Aid, click here.

Below are the interest rates for loans first disbursed on or after July 1, 2016, and prior to June 30, 2017

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Borrower Type</th>
<th>Loan first disbursed on or after 7/1/16 and before 6/30/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Subsidized/Unsubsidized Loans</td>
<td>Undergraduate</td>
<td>3.76%</td>
</tr>
<tr>
<td>Direct Unsubsidized Loans</td>
<td>Graduate and Professional Students</td>
<td>5.31%</td>
</tr>
<tr>
<td>Direct PLUS Loans</td>
<td>Parents of Undergraduate Students and Graduate/Professional Students</td>
<td>6.31%</td>
</tr>
</tbody>
</table>

**Have other questions about interest?**

- Prior federal loans and financial aid history—if you already have federal student loans and would like to check the interest rate, servicer information, and other financial aid history log in to the National Student Loan Data System.
- If you want to understand interest rates and fees — find out how interest is calculated.
Other than interest, is there a charge for this loan?

Most federal student loans have loan fees that are deducted proportionately from each loan disbursement you receive. This means the money you receive will be less than the amount you actually borrow. You are responsible for repaying the entire amount you borrowed and not just the amount you received.

For Direct Subsidized, Direct Unsubsidized and Direct Plus Loans, which disbursements are made on or after October 1, 2015 and before October 1, 2016, there is a 1.068% loan fee on all Direct Subsidized Loans and Direct Unsubsidized Loans. There is a 4.272% loan fee for Direct PLUS Loans for parents and graduate and professional students.

The loan fee will be proportionately deducted from each loan disbursement.

ELIGIBILITY REQUIREMENTS

To qualify according to US Federal Aid guidelines, a student must:

- Be a US citizen, a US permanent resident or an eligible non US citizen (please click here for more information).
- Have a valid Social Security Number.
- Be enrolled in a full-degree program at the RRIS of IDC (for students enrolled in a BA and/or MA in the Israeli schools, please directly email the RRIS Financial Aid Office at rris.financialaid@idc.ac.il).
- Be enrolled at least half time (have a course load of at least 50% of the annual curriculum)
- Meet Satisfactory Academic Progress (SAP).
- Must respect the Aggregate Loan Limits (see above).
- Comply with Selective Service Registration, if required.
  To receive federal student aid, the student must be registered with Selective Service if the student is male, at least 18 years old, and born after December 31, 1959. By answering Register me, the student gives Selective Service permission to register him. If the student believes that he is not required to be registered, he must call the Selective Service office at 1-847-688-6888 for information regarding exemptions, or access the Selective Service Web site at www.sss.gov. The student can also register on the Internet at this address.
- Must not be in default on a federal student loan or owe payment on a federal student grant.
- Due to the fafsa regulation regarding internships/externships (34 CFR 668.5), BA and MA in Government students are not eligible to take fafsa loans if you take the internship class supervised by Moshe Alexenberg for academic credits. Please contact the rris.financialaid@idc.ac.il for further information.
APPLICATION & RENEWAL

April 1, 2017 is the deadline to submit a complete FAFSA application (which consists of a Student Aid Report, MPN and Entrance Counseling).

First-Time Borrowers


Please click here to access the How to Complete Fafsa guide for 2016-2017.

- **STEP 1** – You will need to gather some personal paperwork such as your social security number (SSN), driver's license, W-2 forms and other records of money earned, record of untaxed income such as social security benefits, information on savings, investments, permanent registration card if you are a non-citizen as well as the appropriate IRS tax forms (and those of your spouse, if relevant).

  We strongly recommend that you do your taxes prior to filing out your FAFSA. If possible, do them using estimates so that you can file your FAFSA as early as possible.

- **STEP 2** – File the FAFSA (Free Application for Federal Student Aid) also called Student Aid Report (SAR) here. The information you report is used to determine your eligibility for Direct Subsidized, Unsubsidized, and PLUS loans.

  ➔ Note that you can link your IRS taxes directly to your Fafsa SAR (see here for additional information and here to listen to the fafsa video tutorial)

- **STEP 3** – You must list "Raphael Recanati International School" as a recipient and include our federal school code number G40703 when completing your FAFSA.

- **STEP 4** – Complete the MPN (Master Promissory Note) here. The link "What to Expect" lists the steps you will need to take to complete the process. You are required to e-sign a Master Promissory Note (MPN) - which is the loans' contract between you and the Federal government. By signing this you agree to the terms of the loans. You will need your FSA ID to sign the MPN. When filling out the applications you will be asked for 2 references. One of them MUST be a parent or a legal guardian. The second one has to have a different address than the first one.

Your loans cannot be approved, disbursed, or adjusted until you complete this step. Note that IDC is currently set up for electronic transmission (e-MPN).

If you need assistance signing your MPN please call the Direct Student Loan Origination Center at 1-800-557-7394.

- **STEP 5** – Click here to fill out a mandatory Entrance Counseling course. It is a 20 minute process and is required of all borrowers. After logging into the site, click on Complete Entrance Counseling. This will allow you to better understand the process and regulations. Please be sure to correctly identify yourself as an undergraduate student or graduate student.
• **STEP 6** – If you are **borrowing Fafsa for tuition fees AND living expenses**, please fill out a [Wire Transfer Request Form](#) and submit it to jsimon@idc.ac.il so that the tuition office can wire your FAFSA credit balance via wire transfer to your bank account.

Your loans cannot be approved, disbursed, or adjusted until you complete this step. If you need assistance completing the Entrance Counseling please call the Direct Loan Applicant Services at 1-800-557-7394.

⇒ After steps 1 to 6 are completed, the RRIS Financial Aid Office will review the results and inform you about your loan eligibility by sending you a loan package via email from rris.financialaid@idc.ac.il.

• **STEP 7** – After receiving your loan package, you will need to email rris.financialaid@idc.ac.il to confirm the amount and type of loans that you wish to borrow.

The RRIS Financial Aid Office will then originate the loan and send you a disclosure statement with all loans’ information (gross/net amounts, disbursement dates, rebate, fees and other).

**Returning Borrowers**

If you have borrowed Stafford loans before and wish to continue receiving federal aid, you must complete the following steps:

• **STEP 1** – You must file a [Renewal FAFSA (Free Application for Federal Student Aid)](#) also called Student Aid Report (SAR) here before the start of each academic year.

• **STEP 2** – You must list "Raphael Recanati International School" as a recipient and include our federal school code number **G40703** when completing your FAFSA.

  ⇒ Note that you can [link your IRS taxes directly to your Fafsa SAR](#) (see here for additional information).

• **STEP 3** – Re-complete a new [MPN (Master Promissory Note)](#) here. The link "What to Expect" lists the steps you will need to take to complete the process. You are required to e-sign a Master Promissory Note (MPN) - which is the loans’ contract between you and the Federal government. By signing this you agree to the terms of the loans. You will need your FSA ID to sign the MPN. When filling out the applications you will be asked for 2 references. One of them MUST be a parent or a legal guardian. The second one has to have a different address than the first one.

  Your loans cannot be approved, disbursed, or adjusted until you complete this step. Note that IDC is currently set up for electronic transmission (e-MPN). If you need assistance signing your MPN please call the Direct Student Loan Origination Center at 1-800-557-7394.

• **STEP 4** – Click here to fill out a new [mandatory Entrance Counseling](#) course. It is a 20 minute process and is required of all borrowers. After logging into the site, click on Complete Entrance Counseling. This will allow you to better understand the process and regulations.
Please be sure to correctly identify yourself as an Undergraduate Student or Graduate Student.

Your loans cannot be approved, disbursed, or adjusted until you complete this step. If you need assistance completing the Entrance Counseling please call the Direct Loan Applicant Services at 1-800-557-7394.

- **STEP 5** – If you are **borrowing Fafsa for tuition fees AND living expenses**, please fill out a [Wire Transfer Request Form](#) and submit it to [jsimon@idc.ac.il](mailto:jsimon@idc.ac.il) so that the tuition office can wire your FAFSA credit balance via wire transfer to your bank account.

  ➔ After steps 1 to 5 are completed, the RRIS Financial Aid Office will review the results and inform you about your loan eligibility by sending you a loan package via email from [rris.financialaid@idc.ac.il](mailto:rris.financialaid@idc.ac.il)

- **STEP 6** – After receiving your loan package, you will need to email [rris.financialaid@idc.ac.il](mailto:rris.financialaid@idc.ac.il) to confirm the amount and type of loans that you wish to borrow.

The RRIS Financial Aid Office will then originate the loan and send you a disclosure statement with all loans’ information (gross/net amounts, disbursement dates, rebate, fees and other).

**DISBURSEMENT**

Your loan will be disbursed either in two, four or six installments to IDC, all equally divided between Fall and Spring semesters.

Each disbursement will be partially applied toward your Tuition and Fees (tuition, health insurance, housing, student union). If the total sum of the loan is higher than your Tuition and Fees, the IDC Finance Department will wire the FSA credit balance to the student's bank account for living expenses. The exact sum will be calculated by the Finance Department, based on your tuition balance and expected financial aid.

**IDC 2016/2017 Disbursement Schedule**

Since you can apply for FAFSA loans until April 1, 2017, your disbursement dates will depend on the date step 5 (for first time borrowers) or step 6 (for returning borrowers) is complete. Step 6 or 7 both need to be completed **15 days** before the disbursement date of the month in question. For instance, if you completed step 6 or 7 by October 19, your first disbursement date will be November 2. If you completed step 6 or 7 by October 28, your first disbursement date will be December 1.

**Disbursement dates will start on November 8, 2016 and end on May 8, 2017.**

As per the regulations of the US Department of State, your fafsa installment is credited on your student account by the tuition office on the date of disbursement.

**The FSA credit balance, if relevant, will be wired to the bank account that you provided up to 14 calendar days from the date of disbursement.**
Below are anticipated dates of disbursement (as per FAFSA date of completion, see above):

*First Semester (starts November 6, 2016)*
- November 8, 2016
- December 8, 2016
- January 8, 2017

*Second Semester (starts March 26, 2017)*
- March 8, 2017
- March 26, 2017
- May 8, 2017

<table>
<thead>
<tr>
<th>Program</th>
<th>Fall Semester begins</th>
<th>Spring Semester begins</th>
<th>Program ends</th>
</tr>
</thead>
<tbody>
<tr>
<td>BA Communication</td>
<td>November 6, 2016</td>
<td>March 26, 2017</td>
<td>July 31, 2017</td>
</tr>
<tr>
<td>BA Business</td>
<td>November 6, 2016</td>
<td>March 26, 2017</td>
<td>July 31, 2017</td>
</tr>
<tr>
<td>BA Business &amp; Economics</td>
<td>November 6, 2016</td>
<td>March 26, 2017</td>
<td>July 31, 2017</td>
</tr>
<tr>
<td>BA Psychology</td>
<td>November 6, 2016</td>
<td>March 26, 2017</td>
<td>July 31, 2017</td>
</tr>
<tr>
<td>BA Government</td>
<td>November 6, 2016</td>
<td>March 26, 2017</td>
<td>July 31, 2017</td>
</tr>
<tr>
<td>BA Computer Science</td>
<td>November 6, 2016</td>
<td>March 26, 2017</td>
<td>July 31, 2017</td>
</tr>
<tr>
<td>MA OBD*</td>
<td>November 6, 2016</td>
<td>March 26, 2017</td>
<td>July 31, 2017</td>
</tr>
<tr>
<td>MA Government</td>
<td>November 6, 2016</td>
<td>March 26, 2017</td>
<td>Depends of the track**</td>
</tr>
<tr>
<td>Global MBA***</td>
<td>November 13, 2016</td>
<td>March 14, 2016</td>
<td>July 6, 2018</td>
</tr>
</tbody>
</table>

*MA OBD means Masters in Organizational Behavior and Development. Please contact the [Financial Aid Office](mailto:rris.financialaid@idc.ac.il) if you have compulsory preparatory courses in the summer.*

** For most students, the program ends October 15, 2017. Depending on the specialty, it can also end mid-September. Please refer to [rris.financialaid@idc.ac.il](mailto:rris.financialaid@idc.ac.il) regarding your end date for MA Government. Please contact the [Financial Aid Office](mailto:rris.financialaid@idc.ac.il) if you have compulsory preparatory courses in the summer.*

*** There are 9 mini semesters in the Global MBA track. March 14, 2017 is the beginning of the 3rd mini semester. Please contact the [Financial Aid Office](mailto:rris.financialaid@idc.ac.il) if you have compulsory preparatory courses in the summer.*
CANCELING YOUR LOAN

Before your loan money is disbursed, you may cancel all or part of your loan at any time by notifying the school.

After your loan money is disbursed, there are two ways to cancel all or part of your loan:

A) If the school obtains your written confirmation of the types and amounts of Title IV loans that you want to receive for an award year before crediting loan money to your account at the school, you may tell the school that you want to cancel all or part of the loan within 14 days after the date the school notifies you of your right to cancel all or part of the loan, or by the first day of the school's payment period, whichever is later (the school can tell you the first day of the payment period). If the school does not obtain your written confirmation of the types and amounts of loans you want to receive before crediting the loan money to your account, you may cancel all or part of the loan by informing the school within 30 days of the date the school notifies you of your right to cancel all or part of the loan. In either case, the school will return the cancelled loan amount to us.

If you ask the school to cancel all or part of your loan(s) outside the timeframes described above, the school may process your cancellation request, but it is not required to do so.

B) Within 120 days of the date the school disburses your loan money (by crediting the loan money to your account at the school, by paying it directly to you, or both), you may return all or part of your loan(s) to the US Department of Education. Contact your servicer for guidance on how and where to return your loan money. You do not have to pay interest or the loan fee on the part of your loan that is cancelled or returned within the timeframes described above, and if you received an up-front interest rebate, the rebate does not apply. Your loan will be adjusted to eliminate any interest, loan fee, and rebate amount that applies to the amount of the loan that is cancelled or returned.

TITLE IV REFUND POLICY

The federal government mandates that students who withdraw from all classes on or before the 60 percent point in the semester may only keep the loans they have “earned” up to the time of withdrawal. Students who withdraw will have their tuition charges adjusted and may have to refund financial aid dollars to the appropriate Title IV student aid sources, as required by federal law. The date will determine the amount of money to be refunded to the Department of Education.

To determine the amount of aid the student has earned up to the time of withdrawal, the RRIS financial Aid office of IDC will divide the number of calendar days the student attended classes by the total number of calendar days in the semester (less any scheduled breaks of five days or more). The resulting percentage is then multiplied by the total federal funds that were disbursed (either to the student's university account or to the student directly by direct
deposit) for the semester. This calculation determines the amount of aid earned by the student, which s/he may keep.

The unearned amount (total aid disbursed less the earned amount) must be returned to the federal government by IDC or by the student. The RRIS financial Aid office of IDC will notify and provide instructions to students who are required to return funds to the government. Please click here to see our Title IV Refund Policy.

Financial aid returned by the school must be allocated in the following order:

1. Federal Direct Unsubsidized Stafford Loan
2. Federal Direct Subsidized Stafford Loan

Students whose circumstances require that they withdraw from all classes are mandated to contact or meet with the RRIS Financial Aid Office prior to withdrawal (please contact us at rris.financialaid@idc.ac.il to make an appointment).

Students who withdraw (see SAP policy, 4) D) Cessation of Studies) will receive instructions upon withdrawal from the RRIS Financial Aid Office.
REPAYMENT

The normal repayment for the graduate Stafford loan is 10 years. You may be able to extend repayment by deferring or consolidating your loans. You may choose one of the following plans:

- **Standard Repayment**: under this plan, your monthly payments are a fixed amount of at least $50 each month and made for up to 10 years for all loan types except Direct Consolidation Loans and FFEL Consolidation Loans.

- **Graduate Repayment**: starts with lower payments that increase every two years. Payments are made for up to 10 years (between 10 and 30 years for consolidation loans). The monthly payments will never be less than the amount of interest that accrues between your payments, and won’t be more than three times greater than any other payment.

- **Income-Sensitive Repayment**: bases your monthly payment on your yearly income and your loan amount. Payments may change as your income rises or falls.

- **Income-driven Repayment**: is designed to make your student loan debt more manageable by reducing your monthly payment amount. If you need to make lower monthly payments, one of the three following income-driven plans may be right for you:
  - Income-Based Repayment Plan (IBR Plan)
  - Pay As You Earn Repayment Plan (Pay As You Earn Plan)
  - Income-Contingent Repayment Plan (ICR Plan)

- **Extended Repayment**: is for borrowers with loans totaling more than $30,000. This plan offers a choice of fixed or graduated payments over a period of up to 25 years.

- **Public Service Loan Forgiveness Program**: is intended to encourage individuals to enter and continue to work full-time in public service jobs. Under this program, borrowers may qualify for forgiveness of the remaining balance of their Direct Loans after they have made 120 qualifying payments on those loans while employed full time by certain public service employers.
  
  ➔ For all repayment guidelines please refer to the information provided by your lender or by the [US Department of Education](https://www.studentaid.gov/repayment-options).
  
  ➔ As additional resources, please click [here](https://www.fafsa.gov/) to watch the Repayment: what to expect video and click [here](https://studentaid.ed.gov/sa/repay-loans/management) to watch the how to manage your students’ loans video.