

Tulane University Law School  
Financial Aid Office  
John Giffen Weinmann Hall, Suite 155  
6329 Freret Street  
New Orleans, LA 70118-6231  
504.865.5931 Fax: 504.865.6710  
finaid@law.tulane.edu  
[www.law.tulane.edu](http://www.law.tulane.edu)



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## Financial Aid at Tulane Law School



We are pleased that you are considering Tulane Law School's Master of Jurisprudence in Labor and Employment Law Program as a possibility in your future.

The Law School Financial Aid Office has many functions, among the most important of which is conveying financial aid (loans) to Tulane law students as painlessly as possible. In addition, we try to make sure that Tulane law students are informed students. Informed students should be able to make mature and responsible decisions about the amount of educational loans they can afford, and to examine the value of making immediate personal sacrifices to keep educational debt as low as possible.

If you are offered admission to the program, our policy is to inform you of the maximum amount of educational loan eligibility available after the processing results are received from the Free Application for Federal Student Aid for the 2020-2021 School Year (FAFSA). (If you are starting in the summer of 2020, you will also want to complete the 2019-2020 FAFSA). This is not a guarantee of loan funding. Nor is it an endorsement of borrowing every dollar available. To the contrary, we are very concerned that applicants be aware of the effect their borrowing decisions will have on their future standard of living.

- Will I be able to borrow what I need for my first and second years of the program?
- To what extent will my borrowing affect my future standard of living?

We hope you find this information to be useful as you make decisions regarding law school.

## **Federal Student Aid**

Submission of the 2020-2021 Free Application for Federal Student Aid (FAFSA, [www.fafsa.ed.gov](http://www.fafsa.ed.gov)) is a prerequisite to application for federal aid, and parental information is not required. Students starting in summer 2020 will also complete the 2019-2020 FAFSA. Federal educational loans generally have better terms than private (non-federal) educational loans. Certain federal loans (such as the Federal Direct Unsubsidized Loan) are available regardless of financial need. We recommend all US citizen or permanent resident law school applicants file a FAFSA so that they may make an informed decision about whether or not the resulting federal loan eligibility is beneficial; the FAFSA may be filed without cost, and loan eligibility may be easily declined. *Note: Federal grants are not available to law students.*

An applicant may complete a FAFSA as early as October 1, 2019. Those offered admission and who filed by June 1, 2020 will be considered for federal loans. Those filing by June 30, 2020 should have time to file paperwork to receive fall loan funding when school starts in September. Students must file by the "final" filing deadline of March 1 of next year (2021) to receive loans during the 2020-21 academic year; however, we do not recommend waiting this long.

The FAFSA can be completed online ([www.fafsa.ed.gov](http://www.fafsa.ed.gov)). The results are then sent to the applicant and up to ten schools listed on the FAFSA. **Tulane Law School's FAFSA Title IV school code is "002029 - Tulane University."** If a FAFSA has already been completed and submitted without inclusion of Tulane, the applicant should not complete another FAFSA in order to add Tulane; instead, the applicant should update the existing FAFSA by adding Tulane's school code online ([www.fafsa.ed.gov](http://www.fafsa.ed.gov)). Some students are asked to provide additional information through a federal process called "Verification." Documents, if required, should be submitted to the Law School Financial Aid Office.

The **Federal Direct Unsubsidized Loan has a set interest rate of 6.08%** for 2019-2020. Interest rates are tied to financial markets and will be determined each June for new loans being made for the upcoming award year, which runs from July 1 to the following June 30.

For the Federal Direct Unsubsidized loan, the lender is Federal Direct, and repayment is not required while the student is enrolled at least half-time.

## **Questions**

### **How much should I borrow?**

A limit on all financial aid (including private and federal educational loans) is maintained by the financial aid office and total aid (including scholarships and educational loans) for the academic year is limited to the total budget established for the academic year.

Financial aid is available for summer if a student is enrolled at least half-time. A separate Cost of Attendance is established for the summer, which is used to determine loan eligibility.



Costs not allowed in the financial aid budget must be paid with a source other than financial aid.

**The 2020-2021 nine month, fall and spring semester, Tulane Law School Masters of Jurisprudence Standard Budget is as follows: \$11,500 tuition; \$500 books. Students cannot borrow additional educational loans beyond the total student budget.**

### **Will I be affected by credit constraints?**

Student who are at, but have not exceeded, the aggregate limits in Federal Direct Unsubsidized Loan, may qualify for the Federal Direct Graduate PLUS Loan, but it is not a loan that is normally needed since the unsubsidized loan typically covers the allotted budget. However, if a Graduate PLUS loan or non-federal loan is needed, there are credit constraints. Lenders of non-federal educational loans and Federal Direct Graduate PLUS Loans review credit reports of applicants. If a report contains negative financial information (whether or not in error) and/or a low credit score, a loan may be denied by the lender, even if eligibility is certified by a financial aid office. If the credit report of a student contains negative financial information and/or a low credit score, a qualified cosigner or endorser might be required. A cosigner must have a satisfactory credit history and score, and a debt-to-income ratio capable of supporting the new loan in addition to pre-existing debt.

There are three main credit reporting agencies:

Equifax	800/685-1111; <a href="http://www.equifax.com">http://www.equifax.com</a>
Experian/TRW	888/397-3742; <a href="http://www.experian.com">http://www.experian.com</a>
Transunion	800/888-4213; <a href="http://www.transunion.com">http://www.transunion.com</a>

You may obtain a copy of one or all three credit reports free once a year as mandated by the Fair Credit Reporting Act from [www.annualcreditreport.com](http://www.annualcreditreport.com) or 877.322.8228. If you ask for one at a time, you may receive a free credit report every four months. We advise all applicants to obtain a copy of at least one credit report immediately. It is important to ascertain if credit reports contain errors in time to make any necessary corrections or to begin the process of repairing any damage to a credit rating.

Optionally, detailed information from the three major credit bureaus is provided in a side-by-side format for about \$20 from <http://www.equifax.com>.

Federal Graduate PLUS loans are more leniently credit-based than private loans. The lender will only look at negative notations on the credit report, and not at the student's credit score. **Tulane is unable to replace "denied" loans with other sources of aid.**

### **Are my repayment expectations realistic?**

Educational debt of \$100,000 would be repaid at the rate of about \$1,156 per month over 10 years, or \$700 per month over 25 years (assuming a 6.9% interest rate and the

Standard 10-year repayment plan). The total amount repaid would be about \$138,712 over 10 years; or \$210,124 over 25 years. However, there are newer Income-Driven Repayment Plans which base your monthly payment on your income rather than your total student loan debt. For more information, please visit <https://studentaid.ed.gov/sa/repay-loans/understand/plans/income-driven> . In addition, federal loan borrowers working public service may be eligible for forgiveness on loan balances that remain after ten years. Public Service Loan Forgiveness information can be found at <https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/public-service> . Repayment calculators can be found at [www.studentloans.gov](http://www.studentloans.gov) or [www.studentaid.ed.gov](http://www.studentaid.ed.gov).

## **How will educational borrowing affect other borrowing?**

A lower educational debt will likely result in a stronger ability to borrow in the future for a house or a car; a higher debt will likely result in a reduced ability to borrow in the future.

Finally, we would like to welcome you to Tulane University. Please contact our office if you have any questions about financial aid.

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