

Carnegie Mellon

UNDERGRADUATE
STUDENT
FINANCIAL
ASSISTANCE
GUIDE
2012-13



Table of Contents

Contact Information	4
How We Determine Your Financial Aid.....	5
Eligibility for Financial Aid	5
Federal Title IV Verification	5
Noncustodial Parent Contribution (NCPC)	5
Financial Need.....	5
Financial Aid Package.....	5
Financial Aid Award Letter	6
Financial Aid Alert.....	6
Update Address Information.....	6
Academic Progress Information.....	6
How Will You Meet the Cost of a Carnegie Mellon Education?	7
A Strategy for Financing Your Educational Expenses	8
Financial Aid Programs	9
Grants	9
Federal Pell Grants.....	9
Federal SEOG.....	9
Carnegie Mellon Undergraduate Grant	9
State Grants.....	9
Scholarships.....	11
Carnegie Scholarship Program.....	11
Outside Scholarships.....	11
Carnegie Mellon Tuition Payment Plan.....	12
Student Loans	13
Federal Perkins Loan	13
Federal Direct Student Loan.....	13
Requirements.....	15
Subsidized	15
Unsubsidized.....	16
Federal Direct Entrance Loan Counseling.....	16
Federal Direct PLUS Loan.....	16
Private Loans.....	17
Truth-in-Lending Act (TILA)	18
Student Employment.....	18
Students Pursuing a Second Bachelor's Degree.....	19
Frequently Asked Questions	19
Financing Your Remaining Balance	22
What Can BorrowSmart Do For You?	22
Other Borrowing Comparisons	23
Student Account	24
Student Account Invoices.....	24
Charges.....	24
Financial Aid Credits	24
Other Useful Websites.....	25
Private College 529 Plan.....	25
Tax Information	26
Important Dates.....	27



An Important Message

Carnegie Mellon is dedicated to helping you and your parents navigate through the financial aid process. This guide is designed to provide you with important information regarding financial aid and eligibility procedures. We encourage you to familiarize yourself with the contents in this guide, as you will find answers to many of the questions you may have regarding financial aid, including:

- What is financial aid?
- How do I apply for financial aid?
- How is my eligibility determined?
- What types of aid are available to me?

In addition to answers to these questions, this guide also covers information regarding federal and private loans, payment plan, loan counseling and important dates.

We hope this information is useful to you. If you have any questions, please remember we are here to help. We look forward to assisting you in achieving your educational goals.

For more information, you may also visit the The HUB website at www.cmu.edu/finaid.

Contact Information

The HUB

Carnegie Mellon University
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Pittsburgh, PA 15213-3890
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Office Hours:

Monday, Wednesday and Friday:

8:30 a.m.-4:30 p.m. Eastern Time

Tuesday and Thursday:

10:30 a.m.-4:30 p.m. Eastern Time

How We Determine Your Financial Aid

Eligibility for Financial Aid

Eligibility for federal, state, Carnegie Mellon and most institutional financial aid programs is determined by using a Congressional formula called Federal Methodology. It uses your parent(s)' and your total taxable and untaxed 2011 income, current equity in assets which you were required to report on the Free Application for Federal Student Aid (FAFSA), and size of household and number enrolled in college at least half-time, to determine the amount you are expected to pay toward your education. This amount is called your Expected Family Contribution (EFC).

Federal Title IV Verification

The Federal Department of Education requires that Federal Title IV applicants provide documentation to verify the accuracy of the information submitted on the Free Application for Federal Student Aid (FAFSA) each year. Federal regulations include verification as part of the Federal Student Aid (FSA) program requirements and it is required for applicants for most FSA programs with the exception of students receiving only a parent or graduate PLUS loan or an unsubsidized Federal Direct Student Loan. Each university is required to have policies for verifying the reported information.

At Carnegie Mellon, federal verification is performed on all applicants selected by the Department of Education and any application that the university has reason to believe is incorrect or has conflicting documentation. In addition to federal verification, the university completes an institutional review of all undergraduate students applying for aid. All students are required to complete the College Board's CSS PROFILE and submit signed copies of student and parent 2011 tax returns and legible copies of all W-2 forms via College Board's Institutional Documentation Service (IDOC).

Noncustodial Parent Contribution (NCPC)

Carnegie Mellon believes that noncustodial parents have a responsibility to contribute to their child's educational expenses. The Noncustodial Parent Contribution is calculated using child support and noncustodial parent information from the CSS PROFILE and the CSS Noncustodial PROFILE. The CSS Noncustodial PROFILE is required if parents are divorced or separated.

Financial Need

After we confirm your EFC, we calculate your financial need:

$$\text{Cost of Attendance} - \text{EFC} = \text{Financial Need}$$

Cost of Attendance is the expected dollar amount you will need to attend Carnegie Mellon for an academic year. Please see the Cost of Attendance insert in this package.

Financial Aid Package

To help meet your financial need, we offer you a combination of awards called a financial aid package. There are two components to most financial aid packages: gift aid and self-help. Gift-aid awards include grants and scholarships and are monies given to you that you do not have to repay. Self-help awards are monies you must apply for and either repay (student loans) or work for (student employment).

NOTE: If your EFC is greater than the cost of attendance, you will not be offered “need-based” financial aid. You or your parent(s) may still apply for non-need-based aid, such as the Federal Direct PLUS Loan and the unsubsidized Federal Direct Student Loan.

Financial Aid Award Letter

Once your financial aid package has been determined, you will be sent an e-mail notifying you that your 2012-2013 Financial Aid eligibility status is available on Student Information Online (SIO). We recommend that you print and keep a copy of your letter (and any revised letters) for your records. After you receive your e-mail notification, go to Student Information Online (SIO) at www.cmu.edu/hub/sio and sign in using your Andrew ID and password. Hover over ‘Finances’ and click on ‘Financial Aid Status/Award’ at the top of the page. Be sure ‘2012/2013 Academic Year’ is selected

Financial Aid Alert

If we are unable to process your financial aid package due to missing documents, you will receive a Financial Aid Alert e-mail. If you receive an e-mail, please send all requested documents by the date specified. If you do not complete the application process and submit all requested documents, we may be unable to complete your financial aid package for the academic year.

Update Address Information

Because we sometimes mail financial aid information to your permanent address, if you move or change addresses, it is imperative that you update your address information on Student Information Online (SIO) at www.cmu.edu/hub/sio.

Academic Progress Information

Federal Title IV

The Federal Department of Education requires that Federal Title IV Financial Assistance recipients meet academic progress standards each year. Federal Title IV Financial Assistance includes the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Federal Perkins Loan, Federal Work-Study, Federal Direct Student Loan and Federal Direct PLUS Loan programs. Each university determines its own policy regarding satisfactory progress standards.

Federal academic progress standards must include two elements: cumulative QPA and cumulative units. At Carnegie Mellon, we define this as follows: first-year freshman students must pass 80 percent of all cumulative units attempted at Carnegie Mellon and have a 1.75 cumulative QPA after the first year; all other students (excluding graduate students in Tepper and Heinz) must pass 80 percent of all cumulative units attempted at Carnegie Mellon and have a 2.00 cumulative QPA. For standard undergraduate programs, Carnegie Mellon has established a maximum timeframe of 12 semesters for students to finish a program and receive federal aid.

Carnegie Scholarships

Institutional Academic Scholarships are awards that you do not have to repay. Carnegie Scholarships are awarded to students when they enter as freshmen and are renewed annually if the student meets the cumulative 2.0 QPA requirement. These scholarships are renewable for eight semesters of undergraduate education (ten semesters for Architecture students), provided satisfactory academic performance is maintained and the student is assessed Carnegie Mellon tuition.

Appeal Process

Carnegie Mellon realizes that extenuating circumstances may contribute to a student's inability to achieve satisfactory academic progress, and thus we encourage students to appeal after they receive notification of failure. Appeal examples include: extended illness, changes in major, difficult transition to first-year in college (academically and socially), recent diagnosis of learning disability or a recent death of a close family member.

Depending on the nature of the appeal, the student may also be required to develop and submit a Federal Financial Aid Academic Progress Improvement Plan.

How Will You Meet the Cost of a Carnegie Mellon Education?

In an effort to assist you in meeting educational expenses, Carnegie Mellon has developed the "Carnegie Mellon Financing Plan." Information for several financing programs and instructions for application completion are provided in this brochure. Please read the materials concerning each program, consider the amount of money that you can afford to pay toward your educational expenses and, if you believe that additional financing is required, choose the option that best meets your needs.

Parents and students should consider taking advantage of BorrowSmart at www.cmu.afford.com. Tuition Management Systems (TMS) Education Payment Counselors can help you decide which program or combination of programs will best minimize the amount you borrow while maximizing the payment you make each month. See page 12.

We encourage you to utilize a monthly payment plan option to minimize unnecessary borrowing. If a monthly payment plan alone does not cover your balance, a BorrowSmart combination strategy is the best option for most students and families to limit debt. Combining the monthly payment option and the loan option of your choice will permit you to reduce debt while allowing reasonable monthly payments. This education payment counseling experience is offered through both the phone and web to help you determine affordable payment strategies.

When considering a student's financial aid award package, Carnegie Mellon uses the Federal Direct Student Loan program as a cornerstone for eligible students. Information regarding current Federal Direct Student Loans and Federal Direct PLUS Loans is available online at www.cmu.edu/finaid/loans.

A Strategy for Financing Your Educational Expenses

Apply for All Financial Aid

Be sure to apply for any available grants and scholarships since they do not require repayment. Once your financial aid package has been determined, The HUB will alert you via e-mail that your Award Letter is ready for viewing on Student Information Online (SIO). This letter contains important information and instructions regarding your financial aid package.

Remember, if you are an international student, you will not be eligible for any institutional, federal or state grants or federal loan programs.

The balance remaining after subtracting any financial aid awarded to you can be addressed in several ways. You may wish to pay in full or via a 10-month payment plan when you receive your Fall invoice. We recommend that you consider the following options so that you may determine which resource or combination best suits your needs.

1. Federal Direct Student Loan. For financial aid applicants, this is the cornerstone of any borrowing that takes place at Carnegie Mellon. The Federal Direct Student Loan is a low-interest student loan with very favorable repayment terms. For more information, see page 13.
2. The Carnegie Mellon Tuition Payment Plan. You may wish to consider the Carnegie Mellon Tuition Payment Plan administered by Tuition Management Systems (TMS). The plan allows you to pay amounts due to the university in equal installments. A variety of other benefits are provided at no extra charge, including Life Insurance, to cover the bill payer. Information regarding the tuition payment plan can be found on page 12. If you determine that the monthly payment is greater than you are able to pay, you may want to supplement this plan with educational loans.
3. Federal Direct PLUS Loan. This is a non-need-based loan provided by the Department of Education to creditworthy parent(s). See page 16 for more information.
4. A Combination Strategy to Limit Debt. For many borrowers, combining the Carnegie Mellon Tuition Payment Plan and the loan option of your choice is the best strategy. Making use of these programs together will permit you to limit debt while allowing reasonable monthly payments.

Go to page 22 for more information on how to combine these resources to your best advantage and how to utilize this program.

Using the best combination of the above resources with current income and savings is the focus of the Carnegie Mellon Financing Plan. We hope you find the strategies and information provided to be helpful in determining what works best for you.

Financial Aid Programs

Your financial aid package may consist of grants, scholarships, student loans and student employment. Eligibility is based on the Federal Methodology formula (see “Eligibility for Financial Aid” on page 5 for more information).

Grants are awards you do not have to repay. All federal, institutional and state grants are awards based upon financial need.

Grants

Federal Pell Grant

A Federal Pell Grant is awarded by the federal government to students with high financial need. The estimated maximum grant awarded for the 2012-2013 academic year is \$5,550.

If you are eligible for a Federal Pell Grant after your aid package is determined, a dollar-for-dollar reduction to your Carnegie Mellon need-based grant funds will occur.

Federal Supplemental Educational Opportunity Grant (FSEOG)

A Federal SEOG is a grant for undergraduates with exceptional financial need. Carnegie Mellon usually awards these grants to students who receive a Federal Pell Grant. If there is a change in your Federal SEOG eligibility, a dollar-for-dollar adjustment to your Carnegie Mellon need-based grant funds will occur.

Carnegie Mellon Undergraduate Grant

A Carnegie Mellon Undergraduate Grant is awarded by Carnegie Mellon to students who have financial need. Once you complete and submit the required financial aid forms via College Board’s IDOC service: FAFSA, CSS PROFILE, signed copies of parent(s) and student 2011 Federal Income Tax Returns, all parent W-2 Wage and Tax Statements, Partnership Schedule K-1 from Form 1065 (if required), and/or IRS Form 2555 (Foreign Earned Income) (if required), then you are considered for this grant.

State Grants

Some states provide educational grants to their residents who demonstrate need. Listed on page 10 are the states that permit their grants to be used in Pennsylvania, the date by which the FAFSA must be processed and the telephone number.

If you are eligible for grant assistance from your state but you do not apply, Carnegie Mellon will not provide additional grant assistance to replace your lost state grant funds. If you’re a Pennsylvania resident and you do not apply by May 1, 2012 for Pennsylvania State Grant assistance, we will reduce your eligibility for the Carnegie Mellon Undergraduate Grant by \$500 if you would have been eligible for a PHEAA State Grant.

This is the amount of institutional grant assistance Carnegie Mellon would have received from the Pennsylvania Higher Education Assistance Agency (PHEAA) if you had applied on time.

If you are awarded a state grant after your financial aid package is determined, a dollar-for-dollar reduction to your Carnegie Mellon need-based grant funds will occur.

State Grant Information

State	Deadline	Telephone
Connecticut* Capitol Scholarship Program (CAPS)	February 15	860.947.1855
Delaware Scholarship Incentive Program	April 15	302.577.5240
District of Columbia* District of Columbia State Student Incentive Grant	June 28	202.727.3688
Maine State of Maine Grant Program	May 1	800.228.3734
Maryland Maryland State Scholarships (Senatorial or Delegate Award)	March 1	800.974.0203
Massachusetts MASSGrant	May 1	617.727.9420
Ohio Ohio College Opportunity Grant (OCOG)	October 1	888.833.1133
Pennsylvania* PHEAA State Grant	May 1	800.692.7392
Rhode Island Rhode Island State Grant (RIHEAA) Academic Promise Scholarship	March 1	401.736.1170
Vermont** Vermont Grant (VSAC)	Continuous	800.882.4166
West Virginia* West Virginia Higher Education Grant	March 1	877.987.7664

* Additional form may be required.

** Vermont requires both the FAFSA and a separate application. Vermont grants are awarded on a continuous basis until funds are exhausted.

NOTE: These grants are not automatically renewed each year.

Scholarships

Scholarships are awards that you do not have to repay. The Carnegie Mellon Institutional Academic Scholarships are awarded to students when they enter as freshmen and are renewed annually if the student meets the cumulative 2.0 QPA requirement.

Carnegie Scholarship Program

Carnegie Mellon offers a Carnegie Scholarship to incoming freshmen. Carnegie Scholarships are awarded to academically and artistically talented middle income students who qualify for little to no need-based financial aid. Carnegie Scholarships are open to all qualified U.S. citizens and permanent residents, regardless of race or national origin. You must apply for need-based financial aid to be considered.

You must also submit the 2012-2013 FAFSA in order to be considered for a Carnegie Scholarship. Besides the FAFSA, if you are awarded a Carnegie Scholarship, you must complete the CSS PROFILE and submit all required tax documents before the scholarship will be credited toward your student account. Scholarship winners will be notified in their notification of financial aid.

The Carnegie Scholarship is renewable for 8 semesters of undergraduate education (ten semesters for Architecture students), if satisfactory academic performance is maintained and you are assessed Carnegie Mellon tuition. The scholarship is only awarded to incoming freshmen during the admission process and renewed annually if the student meets the cumulative 2.0 QPA requirement.

If your parent is a Carnegie Mellon employee who qualifies for tuition remission, you will not be eligible for a Carnegie Scholarship.

Outside Scholarships

If you receive outside scholarships, they will be used to meet your unmet financial need and where applicable, offset/reduce loans and workstudy.

Institutional grants and scholarships will not be reduced due to the receipt of outside scholarships unless one of the following conditions occur:

1. If you receive federal grants or loans, these funds, in combination with any outside scholarships, cannot exceed your financial need.
2. All outside scholarships, including ROTC scholarships, in combination with all aid received, cannot exceed your cost of attendance.

Outside scholarships are not from federal, state or institutional (school) sources, such as a Federal Pell Grant or SEOG. Examples of outside scholarships are: Coca Cola, Gates Millennium, Rotary scholarships, etc.

Carnegie Mellon Tuition Payment Plan

The Carnegie Mellon Tuition Payment Plan, administered by Tuition Management Systems (TMS), gives students the ability to pay amounts due to the university in convenient monthly installments. This is not a loan. There are many benefits to this plan including life insurance. These benefits are paid for by a low annual enrollment fee. A semester option with a lower enrollment fee is available for students graduating in December or who begin in the spring semester. Families who renew a payment plan for a subsequent academic year have the option of paying over 12 months rather than the standard 10 months.

Benefits of the Carnegie Mellon Tuition Payment Plan include:

- Life insurance coverage for the bill payer.
- Toll-free top-rated telephone service during extended personal service hours at 888.251.3533.
- BorrowSmart planning and counseling with friendly and professional education payment counselors.
- A wide variety of payment methods include personal checks, money orders, credit cards, Western Union by wire or check, and automated payments from a checking or savings account.
- 24-hour access to account information at www.cmu.afford.com or a toll-free InfoLine at 800.463.6994.

This strategy is the most effective means of minimizing your debt. Feel free to contact Tuition Management Systems at 888.251.3533 from 8 a.m. to 10 p.m. (EST) weekdays, and 9 a.m. to 3 p.m. (EST) on Saturdays.

The Carnegie Mellon Tuition Payment Plan allows you the convenience to enroll and pay online. If you set up a monthly payment plan with TMS, your contracted amount will be credited to your student account each semester. If you still have a balance once your contracted amount is credited on the invoice and after deducting the amount of your approved loans, you will either need to increase your contract with TMS or send the balance due on your student account to Carnegie Mellon.



Student Loans

Student loans are self-help awards that must be repaid. Carnegie Mellon participates in the following loan programs: Federal Perkins Loans, Federal Direct Student Loans and Federal Direct PLUS Loans, as well as private education loans. We will process any loan from any private lender.

Federal Perkins Loan

A Federal Perkins Loan is a low-interest (5%) federal loan administered by Carnegie Mellon. Carnegie Mellon offers this loan to students who have exceptional financial need as determined by Federal Methodology and Carnegie Mellon.

Student loans are self-help awards that must be repaid.

If you complete a FAFSA and a CSS PROFILE, you receive consideration for a Federal Perkins Loan. There is no separate application for this loan. The university will automatically credit the loan to your student account (one-half in the fall, one-half in the spring).

If you are offered a Federal Perkins Loan, The HUB will notify you regarding the signing of your Perkins Master Promissory Note in Summer 2012. Repayment of both principal and interest does not begin until nine months after you graduate or are no longer enrolled at least half-time (18 units per semester). No interest accrues on the loan until you begin repayment.

Federal Direct Student Loan

A Federal Direct Student Loan is a loan provided by the Department of Education. There are two types of Federal Direct Student Loans—subsidized and unsubsidized. The 2012-2013 interest rate for subsidized and unsubsidized loans is 6.8%*. There is also a 1% origination fee.

*This interest rate is accurate as of March 1, 2012. To view updates regarding interest rates, visit The HUB website: www.cmu.edu/finaid/loans/direct.html.

You may borrow up to the following annual loan limits (subsidized and unsubsidized Federal Direct Student Loan combined) based upon your year of study:

2012-2013 Academic Year

Federal Direct Student Loan Limits for dependent students (except students whose parent(s) cannot borrow a Direct PLUS Loan)

Class	Base Amount	Additional Unsubsidized Amount
Freshman	\$3,500	\$2,000
Sophomore	\$4,500	\$2,000
Junior or Senior	\$5,500	\$2,000

2012-2013 Academic Year

Federal Direct Student Loan Limits for independent, undergraduate students and dependent students whose parent(s) cannot borrow a Direct PLUS Loan

Class	Base Amount	Additional Unsubsidized Amount
Freshman	\$3,500	\$6,000
Sophomore	\$4,500	\$6,000
Junior or Senior	\$5,500	\$7,000

Aggregate Loan Limits—2012-2013 Academic Year

Undergraduate Dependent Students	\$31,500 (no more than \$23,000 of which can be subsidized)
Undergraduate Independent Students	\$57,500 (no more than \$23,000 of which can be subsidized)

If you have been awarded a Federal Direct Student Loan, we will certify your loan upon the submission of all required documents. We will assume you are accepting the amount specified in your award letter, unless you specifically notify us to cancel your loan. You may cancel all or a portion of your federal loans at any time.

Requirements

To apply for a Federal Direct Student Loan, you must complete and submit the following:

- Free Application for Federal Student Aid (FAFSA)
- College Board CSS PROFILE
- Signed copy of your parent(s)' 2011 Federal Income Tax Return or Foreign Income Tax Return¹
- Parental W-2 Wage and Tax Statements, Partnership Schedule K-1 from Form 1065 (if required) and/or Form 2555 (Foreign Earned Income) (if required)
- Signed copy of your 2011 Federal Income Tax or Foreign Income Tax Return¹ and W-2 Wage and Tax Statements
- Direct Loan Master Promissory Note (MPN) and Direct Loan Entrance Counseling

¹ If you or your parent(s) are required to file a Federal Income Tax Return in a country other than the United States, you or your parent(s) must submit to College Board's IDOC service a copy of your foreign tax return and provide tax information translated into U.S. dollars on a 2011 U.S. Federal Income Tax Return. This document must be signed by you or your parent(s) and a tax accountant.

If you are a first-time borrower applying for a Federal Direct Student Loan, you are required to complete a Federal Direct Student Loan Master Promissory Note (MPN) and an Entrance Loan Counseling Session (see page 16).

If you previously borrowed a Federal Direct Student Loan, you do not need to complete another MPN for each subsequent academic year. If your parent(s) previously borrowed a Federal Direct PLUS Loan and they plan to borrow for 2012-2013, they are required to complete a new PLUS Loan application at www.studentloans.gov.

Complete instructions for applying or reapplying for a Federal Direct Student or Federal Direct PLUS Loan is available on The HUB website at www.cmu.edu/finaid/undergraduate/applying.html.

Your Federal Direct Student Loan funds will be electronically deposited into your student account at Carnegie Mellon on or about August 29, 2012 for the Fall 2012 semester, and on or about January 16, 2013 for the Spring 2013 semester. Therefore, 49.5% of the annual amount will appear on your student account each semester once the funds are disbursed.

Subsidized Federal Direct Student Loan

A subsidized Federal Direct Student Loan is a loan, which Carnegie Mellon certifies, provided by the Department of Education to students with financial need. You begin repaying the loan six months after you either graduate or cease to be enrolled at least half-time (18 units per semester). The interest on a subsidized loan is paid by the federal government while you remain enrolled at least half-time.

Interest subsidies during the six-month grace period have been eliminated, as of July 1, 2012. Interest will accrue during this period.

Unsubsidized Federal Direct Student Loan

An unsubsidized Federal Direct Student Loan is available to students who do not qualify, in whole or in part, for a subsidized Federal Direct Student Loan. It is not based on financial need. Unlike the subsidized loan, you have the choice to pay the interest that accumulates on the unsubsidized loan every three months while you are in school or have the interest capitalized (instead of paying the interest every three months, it is added back to the principal at the time of repayment). If you choose to capitalize, this will increase the amount you have to repay. We suggest you pay the interest as it accumulates, as you'll repay less in the long run. You may be eligible for additional unsubsidized Federal Direct Student Loan funds if your parent(s) apply for a Federal Direct PLUS Loan and are denied.

If you have been awarded a Federal Direct Student Loan, we will certify your loan upon the submission of all required documents. We will assume you are accepting the amount specified in this letter, unless you specifically notify us to cancel your loan. You may cancel all or a portion of your federal loans at any time.

More information regarding Federal Direct Student Loans is available online at www.cmu.edu/finaid/loans.

Federal Direct Entrance Loan Counseling

Federal regulations require that all first-time federal student loan borrowers complete an entrance counseling session prior to their Federal Student Loan funds being credited to their student accounts. During the entrance counseling session, you will be informed of your rights and responsibilities as a borrower.

Carnegie Mellon will not process your Federal Direct Student Loan until you complete the entrance counseling session. Please complete the Federal Direct Entrance Loan Counseling session at www.studentloans.gov.

Federal Direct PLUS Loan

A Federal Direct PLUS Loan is a non-need-based loan given by the Department of Education and is credit-based. The interest rate is fixed at 7.9% and there is a 4% origination fee. Full repayment of principal and interest begins 60 days after the last disbursement for the loan period. The maximum repayment period is 10 years.

Parent(s) may apply for a Federal Direct PLUS Loan for up to the annual cost of attendance minus any aid. Approval for this loan is determined by the Department of Education and if approved, Carnegie Mellon will certify the amount you are eligible to borrow. If the Federal Direct PLUS Loan is not approved, the student may borrow additional unsubsidized Federal Direct Student Loan funds (see Unsubsidized Federal Direct Student Loan, above).

If the Federal Direct PLUS Loan is approved by the Department of Education, the origination fee (less the up-front interest rebate), or 4%, is deducted from the loan proceeds each semester before being sent to Carnegie Mellon. The proceeds will be sent to us via electronic funds transfer (EFT) and will be deposited into your student account at Carnegie Mellon.

Students who do not wish to apply for financial aid but whose parents plan to apply for a Federal Direct PLUS Loan, are only required to complete a FAFSA (Free Application for Federal Student Aid).

Complete instructions for applying for a Federal Direct PLUS Loan are available at www.cmu.edu/finaid/loans/plus.html.

Private Loans

Carnegie Mellon believes that it is important for us to help students navigate the complex task of choosing a private loan provider, which is why we are participating in the Pennsylvania Private Loan Marketplace. Once students and families have considered all financial aid and have utilized the BorrowSmart counseling tool at <https://borrowsmart.afford.com/brs/>, they can use the marketplace: www.cmu.edu/finaid/loans/private.html.

The marketplace provides the borrower with detailed, real time information about each loan offered to the student. The figures presented to you for interest rates, fees and other loan details are not just averages or ranges, but the actual terms of the loan that will be offered.

The marketplace displays loan products from local and national lenders side-by-side, complete with details of APRs, interest rates, total costs, monthly payments, borrower benefits, fees and repayment options. The marketplace will pull your credit report in order to instantly simulate the actual rates you could expect to receive were you to apply directly with each lender, saving you lots of time. A credit check is done by the Pennsylvania Private Loan Marketplace, and also by each lender. There is only one hit to your FICO score, as long as you price shop for student loans within 30 days.

If you find a product that you feel is a good fit, remember to select that product in the marketplace. You will be immediately linked to that lender's website where you should complete the lender's entire loan application. Remember that only by completing the lender's application can you be sure to receive the product rate and terms you select in the marketplace.

Interest does accrue on private loans and may be deferred while in school, or depending upon the lender, may be required to be paid while in school. We recommend, when possible, that you pay any accrued interest while you are in school and during the grace period.

We are confident that making the Pennsylvania Private Loan Marketplace available to our students will help you secure a loan at the lowest interest rate, based on your credit history.

Note: The Pennsylvania Private Loan Marketplace is available to all Carnegie Mellon students regardless of their state of residence.

Carnegie Mellon does not accept revenue sharing funds from any lender.

Truth-In-Lending Act (TILA)

Regulations in the Higher Education Opportunity Act (HEOA) impact private student loan borrowers, lenders and schools. These regulations changed the disclosure requirements for the Truth-In-Lending Act (TILA). However, these requirements do not impact the availability of private student loans, only the loan origination process.

Private loan lenders are required to provide disclosures to borrowers at different stages of the private loan application process:

- Application and Solicitation Disclosure
- Loan Approval Disclosure
- Final Disclosure

Please be aware that potential delays in loan processing and disbursement of loan funds may occur as a result of these additional disclosures. We encourage you to submit all of the required financial aid documents and any private student loan for the 2012-2013 academic year by June 1, 2012 in order for your loan funds to be disbursed to your student account in a timely manner.

In addition, all students interested in borrowing a private student loan will be required to complete a Private Education Loan Applicant Self-Certification Form. This document, created by the Department of Education, is intended to educate borrowers about financial aid availability and encourage borrowers to seek advice from the Student Financial Aid Office about other aid before taking out a private education loan. It is also designed to provide information to your lender about your educational expenses and other aid. You must complete this form, sign it and send it to your lender in order for your loan funds to be disbursed. This form is available on The HUB website at www.cmu.edu/hub/forms.html.

If you have been notified of your financial aid award, you can obtain your cost of attendance and any financial aid offered from your Financial Aid Award Letter. If you have not been awarded financial aid, please visit The HUB website at www.cmu.edu/hub/tuition.

Note: Although you are required to complete the self-certification form, the Student Financial Aid Office at Carnegie Mellon must certify/process your private loan before any loan funds are disbursed.

Student Employment

There are many student employment opportunities on campus, both need-based and non-need-based.

All undergraduates who are employed by Carnegie Mellon complete timecards and are paid on a biweekly basis. Students have the option to have their pay direct deposited into a local checking or savings account. The authorization form may be found on the Payroll website: www.cmu.edu/finance/forms/. Note: Earnings from student employment, including Work-Study and Federal Community Service, are not automatically credited to student accounts.

Federal Work-Study (FWS)

FWS is a need-based self-help award. If you have been awarded FWS, your FWS award is the total that you can earn during the academic year as a work study student. Funds earned in the Federal Work-Study Program are not credited to your student account.

Federal Community Service

Students who are awarded Federal Work-Study are eligible to use their award to work off-campus for one of our Federal Community Service Employers. Federal Community Service positions are posted on Carnegie Mellon's TartanTrak at: www.studentaffairs.cmu.edu/career/tartantrak. If you have not been awarded FWS and wish to work on campus, there are positions available. Both need-based and non-need-based student employment positions are advertised on the Career and Professional Development's website: www.studentaffairs.cmu.edu/career/tartantrak.

View more information about student employment on The HUB website: www.cmu.edu/finaid/employment/index.html.

Students Pursuing a Second Bachelor's Degree

If you are enrolling in a second bachelor's degree program, you are not eligible for grants/scholarships. However, you may be eligible to receive funds from student loan and student employment programs. Eligibility for student loan funds is contingent upon your prior loan indebtedness.

Frequently Asked Questions

Will my financial aid package change if personal information changes after I apply?

Your eligibility for need-based financial aid is determined by using a Congressional formula called Federal Methodology. It uses your parent(s)' and your total taxable and untaxed 2011 income, federal tax paid, current equity in assets which you were required to report on the Free Application for Federal Student Aid (FAFSA) and size of household and number enrolled in college at least half-time, to determine the amount you are expected to pay toward your education. This amount is called your Expected Family Contribution (EFC).

The number of family members attending college has changed. Should I inform you?

Yes. The number of dependent family members enrolled on at least a half-time basis in a degree-seeking or certificate program affects your financial aid eligibility. Please notify us directly in writing if the number in college changes after you have filed your FAFSA or CSS PROFILE. In addition, please update your FAFSA online.

We will re-evaluate your eligibility and notify you if your financial aid package changes. Note: The HUB will verify this information during the fall semester.

Can enrolling part-time affect my financial aid package?

Yes. Your financial aid package is based on full-time (36 units or more per semester) enrollment. If you are enrolled part-time and assessed part-time tuition, your financial aid package will be revised to reflect this. You have to be enrolled at least half-time to be eligible for financial aid.

Under what circumstances will my financial aid package be increased?

In the determination of a student's financial aid eligibility, circumstances such as loss of employment or changes in employment status, parents' divorce or separation, or the death or disability of a parent are considered.

If your custodial parent(s) or you (independent students only—and your spouse if applicable) anticipate a reduction in income of at least 10 percent of your total taxable and untaxed income for 2012, we may re-evaluate your financial need. Please contact The HUB to discuss your family's financial reduction in detail. Once we review this information, we will notify you if there is a change to your financial aid package.

Please estimate carefully. After the 2012 calendar year, we will verify your projection by requesting that you submit your 2012 federal tax documents to us by March 15, 2013. If your actual 2012 information is higher than your projection, we will recalculate your financial aid eligibility and notify you of any adjustments.

We will carefully consider the information submitted, but this does not guarantee a revision to your financial aid eligibility. You will be contacted if additional documentation is required.

Can my financial aid package change from year to year?

Yes. The most common reasons why your financial aid package could change include:

- Increase or decrease in family income
- Change in the number of family members in college
- Change in household size
- Increase in cost of attendance
- Receipt of an outside scholarship
- Unsatisfactory academic progress

You need to apply for financial aid each year because the information used to determine your eligibility may change annually.

I was just awarded a new outside scholarship. How will this affect my Carnegie Scholarship?

Please refer to the information provided on page 11 of this guide.

My student aid report says I was “selected for verification.” What does this mean and what do I have to do?

The U.S. Department of Education requires colleges to “verify” students applying for aid and selected for federal verification. Carnegie Mellon will ask for confirmation of the data provided on your financial aid applications. We will verify all undergraduate students selected for verification by the Department of Education and any student with inconsistent or conflicting information. The applicant data that must be verified includes: household size, number of family members in college, adjusted gross income, wages, taxes paid and untaxed income.

Can my academic performance affect my financial aid package?

Yes. The U.S. Department of Education requires recipients of Federal Title IV Financial Assistance to meet academic progress standards each year. Federal Title IV Financial Assistance includes the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Federal Perkins Loan, Federal Work-Study, Federal Direct Student Loan and Federal Direct PLUS Loan programs. Each university determines its own policy regarding satisfactory progress standards. Federal academic progress standards must include two elements: cumulative QPA and cumulative units. At Carnegie Mellon, we define this as follows: first-year freshman students must pass 80 percent of all cumulative units attempted at Carnegie Mellon and have a 1.75 cumulative QPA after the first year, all other students (excluding graduate students in The Tepper School and Heinz College) must pass 80 percent of all cumulative units attempted at Carnegie Mellon and have a 2.0 cumulative QPA.

Financing Your Remaining Balance

Like any major investment, most families pay for education with a mix of current income, savings and borrowing. Finding the right balance among these resources can save you money. First, determine the difference between your costs and any financial aid you expect to receive. This is a good estimate of the amount your family is expected to pay. Apply it to the Tuition Management Systems (TMS) payment plan. If the resulting monthly payment is greater than the amount you are able to afford, you can combine the advantages of both.

You may also use BorrowSmart to help you determine the maximum monthly payment to save you money. Call 888.251.3533 for this free assistance or visit www.cmu.afford.com.

Financing Your Remaining Balance

Parents may take advantage of BorrowSmart over the phone or via the website: <https://borrowsmart.afford.com/brs/>. TMS Education Payment Counselors can help you decide which program or combination of programs will best limit the amount you borrow.

A customized calculator is available on the web as a powerful tool to help families develop an ideal financing plan. Go to www.cmu.afford.com for more information about the payment plan and longer-term loan options.

Whether you need a payment plan, a loan, a combination or if you want to learn more about the differences between each loan and payment plan option, then please investigate them by visiting www.cmu.afford.com or by contacting Tuition Management Systems directly at 888.251.3533. If you need assistance to determine what will work best for you, then Tuition Management Systems will help you find your family's best payment solution with free and objective education payment counseling. Using the best combination of these resources with current income and savings is the focus of the Carnegie Mellon Financing Plan. We hope you find this information helpful in determining what works best for you. We look forward to helping you afford a Carnegie Mellon education.




Other Borrowing Comparisons

If you're thinking about using a 401(k), home equity loan or other investments to finance a student's education, here are a few things you should contemplate and discuss with a financial advisor.

401(k)

You may be able to borrow against your 401(k) and pay yourself back with interest this way. This may affect the money you will need for retirement. Another important thing to remember is that the contributions you made to your 401(k) were in pretax dollars. If you take out a loan, you'll be paying yourself back in after-tax dollars. Also be aware that some plans require an employee who loses his/her job to pay back the 401(k) loan immediately.

Home Equity Loan



Approval for a home equity loan is based on several factors including credit history, debt-to-income ratio and equity in your home. The interest on this loan may be tax-deductible. Be sure to compare this interest rate to the rate you qualify for if you apply for a private loan. And does this leave you with any funds for emergencies or other opportunities? The amount borrowed is limited only by the amount of equity in the applicant's home, debt-to-income ratio and credit-worthiness. Another important thing to remember is that there are no deferments available during unemployment or economic hardships.

Investments

Cashing in investments may seem more attractive than borrowing. This may increase your income tax liability with additional capital gains. By cashing in investments, you lose any future returns on that money, which in turn may affect the money you will need for retirement.

Private Loans

Private loan programs offer competitive interest rates and borrower benefits. Private loans also may enable students to share in the borrowing responsibility and develop a credit history.

See page 17 of this guide for more information about private loans and the Pennsylvania Private Loan Marketplace.

Student Account

Student Account Invoices

Student account invoices (E-bills) are produced for you on the last calendar day of each month. The invoice includes both current activity and future semester charges and credits when they are available. Carnegie Mellon will notify you via e-mail when an invoice is produced and ready to be viewed on Student Information Online (SIO): www.cmu.edu/hub/sio. Carnegie Mellon does not mail paper invoices. You can authorize individuals to receive your invoices by e-mail through Student Information Online (SIO). You can also authorize parents or other individuals to access My Plaid Student—a secure website which provides certain information about a student. Information available through My Plaid Student includes access to student account invoices and student account activity, and the ability to request enrollment verifications. Learn how to take advantage of these services on The HUB website: www.cmu.edu/hub/ebill-mps-instructions.

For more billing information, go to www.cmu.edu/hub/billing.

Charges

Your invoice may contain charges for tuition, housing, dining and administrative fees. NOTE: Books, supplies, transportation and personal expenses do not appear on the invoice. See insert for more information on the estimated tuition and fees.

Financial Aid Credits

With the exception of Federal Work-Study and outside scholarships, one-half of your annual financial aid will be applied as a credit to your student account each semester.

A Federal Direct Student Loan or a Federal Direct PLUS Loan will not automatically be reflected as a credit to your student account until the loan proceeds have been electronically disbursed through electronic funds transfer (EFT) to Carnegie Mellon. You must apply for these loans.

Reminder: Because of the lender's origination fee, 49.5% of the annual amount of a Federal Direct Student Loan or 48% of the annual amount of a Federal PLUS Loan will appear on your student account each semester once the funds are disbursed.

All first-time federal student loan borrowers must complete a Federal Direct Loan Master Promissory Note and Entrance Counseling. If you previously borrowed a Federal Direct Student Loan and completed a Master Promissory Note and Entrance Counseling, you do not need to complete another MPN for each subsequent academic year.

Students who do not apply for financial aid but plan to borrow an unsubsidized Federal Direct Student Loan only or students whose parents plan to only apply for a Federal Direct PLUS Loan, are only required to complete a FAFSA (Free Application for Federal Student Aid).

Complete instructions for applying or reapplying for a Federal Direct Student Loan or Federal Direct PLUS Loan are available on The HUB website at www.cmu.edu/finaid/undergraduate/applying.html.

Other Useful Websites

FastWeb – www.fastweb.com

American Education Services – www.aessuccess.org

Sallie Mae – www.salliemae.com

USA Funds – www.usafunds.org

The SmartStudent Guide to Financial Aid – www.finaid.org

Student Gateway to the U.S. Government – www.students.gov

PHEAA (Pennsylvania State Grant) – www.pheaa.org

You Can Deal With It – www.youcandealwithit.com

FAFSA – www.fafsa.gov

Tuition Management Systems – www.afford.com

The College Board – www.collegeboard.com

Private College 529 Plan - www.privatecollege529.com

Federal Tax Credit Information – www.irs.treas.gov

Fellowships and Scholarships Office – www.cmu.edu/fso

Selective Service – www.sss.gov

National Student Loan Data System – www.nsls.ed.gov

Private College 529 Plan

Prepay Tuition at Today's Prices

Carnegie Mellon University is one of more than 270 colleges and universities nationwide participating in the Private College 529 Plan, a prepaid college tuition program created specifically for private colleges that locks tuition in at today's prices. The plan is a tax-advantaged way to help parents (and grandparents) afford a private college education for their students.

U.S. residents 18 years of age or older may purchase certificates that can be used to pay future tuition costs for a named beneficiary. Those certificates, which can be redeemed at participating colleges across the country, can be used to pay the percentage of tuition that was originally repurchased. For more information visit www.privatecollege529.com.



Tax Information

Tax Benefits for Education

There are two tax credits available to help you offset the costs of higher education by reducing the amount of your income tax. They are the American Opportunity Credit and the Lifetime Learning Credit.

American Opportunity Credit

You may be able to claim an American Opportunity Credit of up to \$2,500 for qualified education expenses paid for each eligible student. Your allowable credit may be limited by the amount of your income. Also, the nonrefundable part of the credit may be limited by the amount of your tax.

Lifetime Learning Credit

You may also be able to claim a Lifetime Learning Credit of up to \$2,000 for qualified education expenses paid for all eligible students. There is no limit on the number of years this credit can be claimed for each student. Your allowable credit may be limited by the amount of your income and the amount of your tax.

Tuition and Fees Deduction

You may be able to deduct qualified tuition and related expenses paid during the year for yourself, your spouse or a dependent. You cannot claim this deduction if your filing status is married filing separately or if another person is entitled to claim an exemption for you as a dependent on his or her tax return. The tuition and expenses must be for higher education. This deduction can reduce the amount of your taxable income by up to \$4,000. This deduction is taken as an adjustment to income even if you do not itemize deductions.

Student Loan Interest Deduction

Generally, student loan interest is interest you paid during the year on a loan (such as a Federal Direct Student Loan or Direct PLUS Loan) you borrowed to pay qualified higher education expenses.

More information and eligibility requirements about these tax credits and deductions can be found by visiting the National Association of Student Financial Aid Administrators website at www.nasfaa.org/advocacy/Students/tax_Breaks_for_Higher_education.aspx.

**CARNEGIE MELLON UNIVERSITY DOES NOT PROVIDE TAX ADVICE.
PLEASE CONSULT YOUR TAX ADVISOR FOR TAX ADVICE ON THE
MATTERS CONTAINED IN THIS BROCHURE.**



Important Dates 2012-2013 Academic Year (Tentative)

Initial Financial Aid Award Letters Mailed

Returning Students.....	May 2012
First-Time Borrowers Apply for a Federal Direct Student Loan.....	June 1, 2012
Enroll in Carnegie Mellon/TMS Monthly Payment Plan	July 1, 2012
Fall 2012 Invoices Distributed.....	July 2012
Fall 2012 Payment Deadline *	August 15, 2012
Fall 2012 First Day of Classes	August 27, 2012
Thanksgiving Break.....	November 21-23, 2012
Spring 2013 Invoices Distributed	December 2012
Fall 2012 Last Day of Classes.....	December 7, 2012
Fall 2012 Last Day of Final Exams	December 18, 2012
Spring 2013 First Day of Classes.....	January 14, 2013
Spring 2013 Payment Deadline *	January 15, 2013
Spring Break.....	March 11-15, 2013
2013-2014 Financial Aid Materials Due.....	April 15, 2013
Spring 2013 Last Day of Classes.....	May 3, 2013
Spring 2013 Last Day of Final Exams.....	May 14, 2013
Commencement.....	May 19, 2013

* Past due accounts are subject to a 1.5% penalty charge each month until the balance is paid in full.

We hope this information will be helpful to you and your family. If you have any questions regarding these materials or if we may be of any further assistance, please contact the appropriate Carnegie Mellon office. Contact information is located at the beginning of this brochure.

Carnegie Mellon

THE HUB - STUDENT FINANCIAL AID OFFICE
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F: 412.268.8084
E: thehub@andrew.cmu.edu
www.cmu.edu/hub

*Choose your program
Change the world*

Carnegie Mellon University does not discriminate in admission, employment, or administration of its programs or activities on the basis of race, color, national origin, sex, handicap or disability, age, sexual orientation, gender identity, religion, creed, ancestry, belief, veteran status or genetic information. Furthermore, Carnegie Mellon University does not discriminate and is required not to discriminate in violation of federal, state, or local laws or executive orders.

Inquiries concerning the application of and compliance with this statement should be directed to the vice president for campus affairs, Carnegie Mellon University, 5000 Forbes Avenue, Pittsburgh, PA 15213, telephone 412-268-2056.

In addition to the statement above, please insert the paragraph below in all communications to prospective graduate and undergraduate students as well as communications to prospective employees.

Carnegie Mellon University publishes an annual campus security and fire safety report describing the university's security, alcohol and drug, sexual assault, and fire safety policies and containing statistics about the number and type of crimes committed on the campus and the number and cause of fires in campus residence facilities during the preceding three years. You can obtain a copy by contacting the Carnegie Mellon Police Department at 412-268-2323. The annual security and fire safety report is also available online at <http://www.cmu.edu/police/annualreports/>.

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