



US Financial Aid Information

ESMT Degree Programs

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Introduction

ESMT participates in the US Department of Education direct loan scheme, which is part of the Title IV loan programs. You are eligible for a direct loan if you are a US citizen or a permanent resident (green card holder) of the US and a student at ESMT.

The school borrower code is G41765 when filling out the [FAFSA application](#).

Interested students should inform ESMT's Full-time MBA Program Coordinator that they plan to apply for federal loans via the following address: us-financial-aid@esmt.org. We will then walk you through the next steps in your application.

To ensure the funding is available when the program starts, the application deadline for students applying for US financial aid is October 1 for the full-time MBA program.

Please be sure to read the [information about US federal student loans from the US Department of Education](#) carefully.

The information in this guide provides a brief overview of important information about the US federal loan program.

The US Department of Education requires institutions that participate in the Title IV loan programs to disclose certain information to students.

Should you require any further information or have any questions at any point in the process, please contact the Full-time MBA Program Coordinator at us-financial-aid@esmt.org.

Your general responsibilities

It is your responsibility to notify ESMT immediately of the following:

- anything that affects your ability to repay your loan
- any changes in your status, including graduation, and any changes to your name, address, or telephone number
- if you fail to enroll for the period covered by your loan
- renewals, deferments and withdrawals
- renewing your loan
- deferring an existing loan
- if you withdraw from the program.

If you receive financial aid and then withdraw from the program or drop below the half-time enrolment requirement, ESMT will determine whether money you must return funds to the US Federal Aid Program.

Please be advised that all students receiving loans must complete [entrance and exit counseling](#).

Types of loans available

From the Academic Year 2010/11 forward, all federal education loans are made directly through the US Government Direct Loan Program and cannot be made through private banks and other lenders (as was previously the case under the Federal Family Education Loan Program).

Please note that the degree programs at ESMT are graduate programs, which means that only unsubsidized loans are available to US students.

Two types of loans are available to US students at ESMT through the US Direct Loan Program:

- Direct Unsubsidized Loans (current interest rate 6.21%): not based on financial need
- Direct PLUS Loans (current interest rate 7.21%): to help pay for education expenses up to the costs of attendance minus other financial assistance (e.g., ESMT scholarships).

For both of these types of loans, interest is charged during all periods, even during the time a student is in school and during grace and deferment periods.

Cost of Attendance (COA)

The cost of attendance (COA) is an estimate of your educational expenses for your enrollment period. It will specify the total amount you may borrow through US Title IV loans minus any other aid you may be receiving for that award period.

Please refer to the degree programs webpages for an overview of fees and expenses for [Master's in Management](#), [Full-time MBA](#), and [Executive MBA](#).

After completing the [FAFSA](#), you will receive a Student Aid Report (SAR). The MBA Coordinator will then provide you with a self-assessment worksheet. You will use your SAR to fill out the self-assessment form, which will tell you which loans you can take and for how much. You will then decide and officially state how much of the loans you actually want to take.

Included in the worksheet will be your COA, and your loan eligibility (see below).

ESMT students may borrow money for tuition, fees, living expenses, one round-trip ticket from the US to Berlin, and other “educationally needed” items, like a laptop computer, or insurance.

Your Direct Unsubsidized Loan eligibility (determined before calculation for direct PLUS loans):

Cost of Attendance (see above) minus available financial assistance (sponsorship, award or other aid) = Unsubsidized Eligibility. The amount may not exceed the annual total limit (see below).

Your Direct PLUS Loan eligibility:

Cost of Attendance (see above) minus available financial assistance (sponsorship, award or other aid) = Unsubsidized Eligibility. The amount may not exceed annual total limit (see below).

If you have financial need above what is available in Direct Unsubsidized Loans, a PLUS loan may be needed.

A separate application process exists for PLUS loans. During the process, students go through a credit check. After the application and credit check, you will find out how much PLUS loans you may borrow.

Credit check & alternative

When you apply for a Direct Unsubsidized PLUS Loan, the US State Department of Education will check your credit history. To be eligible to receive a PLUS Loan, you cannot have an adverse credit history. If you are not granted a PLUS loan alone, you can ask another person to be a cosigner/guarantor on the loan, which could increase your chances of the loan being granted. A guarantor is someone who agrees to repay the PLUS Loan if you fail to repay it yourself.

Loan limits

The actual loan amount you are eligible to receive for your academic studies is determined by ESMT. The aggregate (total) limit for Unsubsidized Loans is \$20,500. Any additional needed loans for ESMT program costs can be taken through PLUS loans if desired.

The aggregate limit of total federal loan debt (from all schools ever attended, and including PLUS Loans) is \$138,500 (includes loans for undergraduate study).

With a Direct PLUS Loan, you can borrow up to the cost of the student's attendance minus other financial aid the student receives.

Disbursement

Generally, your loan will cover the full academic year, and ESMT will make two disbursements to you at the beginning of each semester. The disbursements, if any, will be by bank transfer.

ESMT will first disburse your loan money to the School account to pay tuition fees due. If the loan disbursement amount exceeds your school charges, we will pay you the remaining balance of the disbursement directly to your German bank account. You will receive your money in Euros, so for all transactions the exchange rate \$/€ from the day we have received your money will apply.

We will notify you in writing each time we disburse part of your loan money. You will also receive information about how to cancel all or part of your disbursement if you find you no longer need the money. You will also receive a notice from the U.S. Department of Education confirming the disbursement. You should carefully read and keep all correspondence received concerning your loan.

If you take a loan to pay for personal expenses, you will receive payment for those expenses in two transfers, i.e, the week before the semester begins.

Loan cancellation or change

If you wish to make a change to your loan amount or cancel the loan during the year, please note that we require a minimum of four weeks' notice prior to the next disbursement date. To make a change, please re-submit your updated Cost of Attendance worksheet to us-financial-aid@esmt.org

Using the loan for education expenses

You may use the loan money you receive only to pay for your education expenses. Education expenses include school charges such as tuition, room and board, fees and indirect expenses such as books, supplies, equipment, dependent child care expenses, transportation and rental or purchase of a personal computer.

Retaining loan eligibility – Enrolment status

You must be enrolled and continue to be enrolled at ESMT to remain eligible for student loans.

It is your responsibility to keep the [Direct Loan Servicing Center](#) informed of any changes in your status, so that your loan information is up-to-date.

You must notify the Direct Loan Servicing Center if you:

- change your local address, permanent address or telephone number;
- change your name (for example, maiden name to married name);
- do not enroll at least half-time for the loan period certified by the school;
- do not enroll at the school that certified your loan;
- stop attending school or drop below half-time enrollment;
- transfer from one school to another school; or graduate.

Until you graduate or leave school, you must also keep us informed of these changes. A non-scheduled break in enrollment is considered an interruption in your enrollment; you must inform your Direct Loan Center.

When you graduate, drop below half-time, or withdraw from your academic program, you will receive a six-month grace period for your Direct Unsubsidized Loans. Once your grace period ends, you must begin repaying your loan(s).

Graduating or withdrawing

Make sure that both we and the [Direct Loan Servicing Center](#) know that you are no longer enrolled. If you do not begin making payments when required, there is the possibility that you will lose repayment incentives you may have received or even go into default.

We are required to ensure that you receive Exit Counseling before you graduate or withdraw.

Please complete exit counseling online [here](#).

Grace periods

When you graduate or withdraw from the program, you will receive a six-month grace period for your Direct Unsubsidized Loan. Your grace period begins the day after you stop attending school. Once your grace period ends, you must begin repaying your loan(s).

If you re-enroll in school before the end of your 6-month grace period, you will receive the full 6-month grace period when you stop attending school.

There is no grace period for Direct PLUS Loans—the repayment period for each Direct PLUS Loan you receive begins 60 days after we have made the last disbursement of the loan. However, you can defer repayment while you are enrolled in school at least half time and for an additional 6 months after you graduate or drop below half-time enrollment.

Remember, if you choose to defer payment on a Direct PLUS Loan, any interest that accumulates during the deferment period will be added to the unpaid principal amount of your loan.

This is called "capitalization," and it increases your debt because you'll have to pay interest on this higher principal balance.

Reservists called to active duty: If you are called or ordered to active duty for more than 30 days from a reserve component of the US Armed Forces, the period of your active duty service and the time necessary for you to re-enroll in school after your active duty ends are not counted as part of your grace period. However, the total period that is excluded from your grace period may not exceed three years.

If the call or order to active duty occurs while you are in school and requires you to drop below half-time enrollment, the start of your grace period will be delayed until after the end of the excluded period.

If the call or order to active duty occurs during your grace period, you will receive a full 6-month grace period at the end of the excluded period.

If you are a reservist called to active duty with the US Armed Forces for more than 30 days, contact the Direct Loan Servicing Center to inform them of your status.

Information about choosing a repayment plan

You'll have the choice of [several repayment plans](#), and the Direct Loan Servicing Center

will notify you of the date your first payment is due. If you do not choose a repayment plan, the Department will place you on the Standard Repayment Plan. Most Direct Loan borrowers choose to stay with the Standard Repayment Plan, but there are other options for borrowers who may need more time to repay or who need to make lower payments at the beginning of the repayment period.

Consolidation

If you have multiple federal education loans, you can consolidate them into a single Direct Consolidation Loan. This may simplify repayment if you are currently making separate loan payments to different loan holders, as you will only have one monthly payment to make. There may be tradeoffs, however, so you will want to inform yourself about the advantages and possible disadvantages of consolidation before you consolidate. Visit the Department of Education's [Direct Consolidation Loan website](#) for more information about consolidation.

Satisfactory Academic Progress (SAP)

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§ 1 Introduction

ESMT is required by US Federal Law (34CFR 668.16) to define and enforce standards of Satisfactory Academic Progress for students who wish to receive US financial aid. The guidelines have been established to encourage students to progress and successfully complete the academic program for which aid is received. SAP entails both a qualitative and a quantitative standard, both of which must be met to continue receiving financial aid.

§ 2 Conjunction with existing documents

ESMT's satisfactory academic progress policy for degree programs shall be in line with the corresponding ESMT degree program Study Books and Examination Rules. These regulations are made available to students during Orientation Week at the start of the program and are always available upon request from the relevant Program Office: mim-office@esmt.org, mba-office@esmt.org, and emba-office@esmt.org.

§ 3 Qualitative standard

Students must maintain the academic standing necessary to continue studying at ESMT. Academic progress for students receiving US financial aid will be continually monitored by the corresponding Program Office and evaluated at the end of each module. The Program Office will compare the student's cumulative grade point average with the credits earned. Percentages from 0% to 100% are used for the evaluation of examination performance and to determine course grades. An overall minimum grade point average of greater than 50% must be maintained to remain enrolled in the program or to continue being eligible for or participate in the Title IV program. To meet ESMT's requirement for graduation, a student must demonstrate a minimum grade of 50%.

Students may be dismissed from the program at the end of any module if they have not made sufficient SAP to warrant continuing the program. Participants will be dismissed from the program and taken off of ESMT's register if one of the following criteria apply:

1. The first attempt examination performance in three different courses has been graded less than 50% (Fail).
2. The second attempt examination performance in any one course has been graded less than 50% (Fail) and, in case of an appeal, the candidate has been denied the possibility of an additional, remedial reexamination.
3. The Master's Thesis has been unquestionably graded less than 50% (Fail). Students failing to maintain sufficient SAP will be dismissed from the program.

Withdrawal from the program will follow the policies and procedures outlined in the Examination Regulations.

§ 4 Quantitative standard

The curriculum determines the study program's timeframe and schedule (see relevant program Examination Regulations for outline of curriculum). Students must meet all requirements for satisfactory academic progress unless they meet one or more of the reasons for failure, which include:

- The first attempt examination performance in three different courses has been graded *failing* (less than 50%)
- The second attempt examination performance in one course has been graded *failing* (less than 50%) , and the student has been denied the possibility of an additional examination after appeal.
- The Master's Thesis has been unquestionably graded *failing* (less than 50%).
- Students fail to meet the non-academic conditions of the program, including financial and administrative obligations, attendance to classes, and professional conduct, as outlined in the Study Book.

ESMT evaluates SAP at the end of each module. Students must complete all required courses by the end of the degree. Scheduled awards for the next semester will be canceled.

Financial aid will be disbursed at the beginning of each semester. Students who withdraw after that will have their eligibility to retain part of their financial aid calculated on the basis of the percentage of the semester attended. Students who attend more than 60% of the term may retain all of their aid. See Title IV Return Policy section below.

§ 5 Transfer students

Applicants to ESMT who have taken courses with a passing grade in countries which are party to the "Lisbon Convention" have the right to apply for a credit transfer of equivalent courses at ESMT. The onus is on ESMT to assess this application and, in case of non-acceptance of the claim, to provide evidence for this decision. The recognition of prior learning is guaranteed as a method of demonstrating that participants have acquired equivalent competences to those targeted in program elements for which credit transfer is being sought. Applicants may also apply for credit transfer for courses which are similar in nature as long as the competences which are demonstrated as developed by the applicants in these courses are broadly equivalent to the program element for which credit transfer is being sought. ESMT provides assessment of prior studies as a public service free of charge.

Credit transfer applications in cases of internal credit transfer and non-residential study must be submitted prior to the start of the module containing the course for which credit transfer is requested. Credit transfer requests as part of the admission process must be made three months prior to the start of the program to which the applicants wish to gain admittance. Credit transfer should be requested, and may be granted subject to the outcome of assessment, for specified individual courses (with own specified content documented in a syllabus); credit transfer shall not be granted for a set of courses "en bloc". No credit transfer shall be granted for credits that have already been used toward completion of another degree. Assessment shall be carried out by ESMT's Admissions and Examinations Committee. The full Credit Transfer Policy can be seen in a separate, more detailed document.

§ 6 Appeals and waivers of SAP

Participants who feel being adversely affected by a decision made in application of these rules can file a written objection within one week after the appealed decision has been communicated. Grades cannot be appealed. Only in case of an issue of due process do participants have the right to appeal. The participant concerned must present a written request outlining the reasons for the appeal to the Program Director who will examine the appropriateness of the respective decision and advise the participant regarding the appeal process. Appeals are to be made to the President of the Academic Committee who will appoint an ad hoc appeal committee composed of four Professors, including a Chairman appointed by the President, and one student representative elected by the class concerned. The person(s) responsible for the decision being appealed cannot be member(s) of the appeal committee. The appeal committee has quorum if at least four votes are exercised, including the vote of the chairman. Decisions by the appeal committee are made by simple majority of the votes, with the chairman of committee having a casting vote. This decision is final and not subject to further appeals. The sessions and considerations of the appeal committee are confidential. The committee can, upon its discretion, invite people to provide information. The appeal shall be accepted by the appeal committee if there is sufficient evidence that the provisions of the examination rules have been disregarded, or misinterpreted in practice, to the disadvantage of the participant. In case of an accepted appeal, remedial action must be taken which, if applicable, may take the form of re-examination and the commissioning of an examiner who has not been involved in the previous examination. In case of a rejection, the appeal committee may also conclude on a more severe decision affecting the appealing participant. No appeal is possible against this decision.

§ 7 Entry into effect

This policy shall enter into effect as of March 17, 2011 (updated March 27, 2015).

Title IV return policy

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§ 1 Introduction

Students holding a United States passport are eligible to apply for Title IV funds (i.e., federal student loans). Upon withdrawal from the program for academic, nonacademic, or personal reasons, refund of Title IV funding going towards students' tuition, fees, and living expenses, will be calculated using the following policy, applicable to students receiving Title IV funding who withdraw from a program.

§ 2 Refund administration

Return of Title IV funds is administered by the Program Director. This policy is separate and distinct from ESMT's refund policy. Therefore, the student may still owe funds to the school to cover any Title IV program funds that the school was required to return. The calculated amount of the "Return of Title IV Funds" that is required for students affected by this policy are determined according to the following definitions and procedures. The School has 45 days from the date of withdrawal to return all unearned funds for which it is responsible. The School is required to notify the student if they owe a repayment via written notice. The Return of Title IV Funds policy does not dictate ESMT's refund policy. The calculation of Title IV funds earned by the student has no relationship to the student's incurred institutional charges.

Title IV Funds are awarded to a student under the assumption that the student will attend ESMT for the entire period for which the assistance is awarded. When a student withdraws from the program, for any reason, he/she may no longer be eligible for the full amount of Title IV funds that he/she was originally scheduled to receive. ESMT is required to determine the earned and unearned Title IV aid a student has earned as of the date of withdrawal, based on the number of days the student was **scheduled** to be enrolled in the program. If a student withdraws before graduating from the program, he/she may be required to repay a portion of the federal financial aid that he/she received for that term. A *pro rata temporis* schedule is used to determine the amount of federal student aid funds a student will have earned at the withdrawal date. The return of funds is based on the concept that students earn their financial aid in proportion to the amount of time in which they are enrolled. Once the student has attended 70% of the program, a student is considered to have earned all of the financial aid and will not be required to return any funds.

ESMT will use the Department of Education's prorated schedule to determine the amount of Title IV funds the student has earned at the time of withdrawal. After the second disbursement, a student has earned 100% of the Title IV funds, but ESMT must still perform a Return of Fund calculation to determine the amount of aid that the student has earned.

For a student who withdraws after attending 70% of the program, there are no unearned funds.

§ 3 Determining withdrawal date

A student's official withdrawal date is determined by using one of the following:

- (1) The date officially communicated to the Director of Degree Programs, if the student is electing to withdraw for personal reasons.
- (2) The date the student received notification of dismissal/expulsion from ESMT for academic or non-academic reasons.
- (3) The date the student died, in the unlikely and unfortunate event.
- (4) The last date the student attended class.

§ 4 Leave of absence

In extraordinary circumstances, a student can elect to take a leave of absence from their studies, resulting in one of the following:

- (1) The student puts their Title IV funds "on hold" for the duration of their absences, and extends them past the end of the program, during which time the student can complete their studies in independent programs.
- (2) The student halts their Title IV funds, and continues their program with the class accepted in the following year.

In these cases, no repayment is necessary. Students are expected to continue their studies as per their agreement with the Director of Degree Programs, and the rest of their Title IV funds are paid, upon their return to the program.

§ 5 Determining earned and unearned Title IV funds

ESMT determines the return of Title IV funds as a percentage of the total funds. ESMT is required to determine the percentage of Title IV aid "earned" by the student and to return the unearned portion to the appropriate federal aid program. ESMT will calculate percentage of Title IV aid earned by:

The number of program days completed by the student divided by the total number of program days in the program in which the student withdrew. (This calculation shall exclude all public holidays, weekends, and days when no class is in session).

Percentage completed (PC) = days attended / days in the program

If the calculated percentage exceeds 70%, the student has "earned" all of their Title IV funds.

ESMT will calculate the amount of Title IV aid earned by:

The percentage completed multiplied by the total amount of Title IV aid that the student was entitled to for the entire program.

$$\text{Earned aid (EA)} = \text{PC} \times \text{total aid disbursed (AD)}$$

ESMT will calculate the amount of Title IV funds to be disbursed or returned by:

- If EA = AD, no further action is required.
- If DA > EA, the difference must be returned to the federal aid agency:
Unearned aid to be returned = DA - EA
- If DA < EA, ESMT will calculate a post-withdrawal disbursement, and transfer the required funds to the student's account:
Post-withdrawal disbursement = EA - DA

§ 6 Return of Title IV aid

In accordance with federal regulations, loans given through a federal aid program must be repaid by the loan borrower (student) as outlined in the terms of the borrower's promissory note.

The student's grace period for loan repayments will begin on the day of the withdrawal from ESMT. The student should contact the lender with questions regarding their grace period or repayment status.

§ 7 ESMT and the student's responsibility for returning Title IV funds

ESMT's responsibilities in regard to returning Title IV funds include:

- (1) Providing each student with the information in this policy
- (2) Identifying students affected by this policy and completing the return of Title IV funds calculation
- (3) Informing the student of the calculation results and any balance owed to ESMT as a result
- (4) Returning any unearned and unpaid Title IV aid and, if applicable, notifying the borrower's lender of the student's withdrawal date
- (5) Notifying the student of a post-withdrawal disbursement, if applicable

The student's responsibilities in regard to returning Title IV funds include:

- (1) Reading and understanding ESMT's Return of Title IV policy
- (2) Resolving any outstanding balance owed to ESMT resulting from a required return of unearned Title IV aid.

§ 8 Post-withdrawal disbursements

In the event a student is eligible for a post-withdrawal disbursement based on the student's return of Title IV funds calculation, the disbursement will be made only when the student does not owe any other outstanding fees, fines, or other outstanding bill with ESMT. The post-withdrawal disbursement must be applied to outstanding institutional charges before being paid directly to the student.

§ 9 Entry into effect

This policy shall enter into effect as of March 17, 2011 (updated March 27, 2015).

Institutional Refund Policy

Overview

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§ 1 Conjunction with existing documents

ESMT's refund policy for degree programs shall be in line with the corresponding ESMT Study Book, the Study Contract, and the Examination Rules. These regulations are made available to students during Orientation Week at the start of the program and are always available upon request from the corresponding Program Office: mim-office@esmt.org, mba-office@esmt.org, emba-office@esmt.org.

§ 2 Which fees are eligible for refund

Students leaving a degree program at ESMT for any reason can request a refund of their tuition and fees. Refunds only extend to those portions of tuition and fees actually paid by the student or external funding agency. No refund is made for ESMT scholarships or scholarships awarded by a business partner of ESMT.

§ 3 Students electing to leave the program of their own accord

(1) Students can elect to leave a degree program for a variety of personal and professional reasons. Students choosing to terminate their degree program without an option to continue must inform the Director of Degree Programs before the students' final day at ESMT.

(2) Students unable to continue their studies for personal reasons (e.g., personal or family illness) can, if desired, have the option to continue the program at a later date, or with a personalized study plan to accommodate their situation, at no extra fee. On submission of a written request, the school can, in exceptional cases, grant a leave of absence. The student concerned will be allowed to retain credits obtained in the academic year and apply it to the following year. Students can discuss their options with the Director of Degree Programs if need be.

(3) The School is not obliged to refund any fees to participants who choose to leave the program of their own accord.

§ 4 Students leaving the program for poor academic performance

(1) The School administration can ask a student to leave the program due to poor academic performance. Specific requirements for being asked to leave the program are found in the Examination Rules.

(2) Students asked to leave the program due to poor academic performance will only be refunded for education not received on the basis of a *pro rata temporis* calculation, based on the date on the official letter of expulsion.

§ 5 Students asked to leave the program for non-academic reasons

(1) The School administration can ask a student to leave the program as a result of failure to meet financial and administrative obligations, failure to attend courses, remedial or excessive lateness to class, or conduct, as described in the corresponding program Study Book and Examination Rules.

(2) Dismissal for non-academic reasons will not lead to a refund.

§ 6 Entry into effect

This regulation enters into effect on March 17, 2011 (updated March 27, 2015).