



2012-2013

Financing  
Your  
MIT  
Education



Massachusetts Institute of Technology

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# Dollars



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Dear prospective member of the class of 2016,

Congratulations on your admission to one of the premier higher education institutions of science, technology, engineering and mathematics. We hope you will be joining our community of entrepreneurs, researchers and thinkers who devote their energies and talents to solving the world's biggest problems.

But before you tackle the world's biggest problems, we know you and your family have an important decision to make regarding your college choice. Figuring out how to pay for college may be one of the factors in your decision-making. Student Financial Services is here to help. Whether you dreamed about attending MIT your entire life or just decided that this is the place for you, our need-based financial aid program provides access to students of limited means and affordability for students of more moderate circumstances.

Please take the time to read through this publication and share it with your parents. There's helpful information for all incoming freshmen, not just financial aid recipients. We encourage you to contact us if you have any questions or concerns about your financial aid award or if you have additional information that may be helpful to us in understanding your family's financial situation.

Warmest wishes,

*Elizabeth M. Hicks*

Elizabeth M. Hicks  
Executive Director, Student Financial Services

## Student Expenses

<b>Tuition</b>	\$41,770
<b>Fees</b>	\$280
<b>Housing</b>	\$7,554
<b>Meals</b>	\$4,634
<b>Books</b>	\$1,000
<b>Personal</b>	\$1,772
<b>Total</b>	\$57,010

One of the first steps on your journey into adulthood is managing your finances. While you may have your parents' support, managing your college budget will be your responsibility. So, let's start by breaking down your 2012-2013 expenses into categories.

### Tuition & Fees

This year, tuition is \$41,770, which is less than half of what it costs to educate you since MIT subsidizes tuition for all its students. The student life fee of \$280 is charged to all students and helps fund activities devoted exclusively to enhancing the quality of student life, including student groups, activities and organizations, club sports, and the operation of the Zesiger Sports and Fitness Center. Additionally, because you are required to have health insurance in Massachusetts, you are automatically enrolled and billed for the Student Extended Insurance Plan unless you notify MIT Medical before their waiver deadline that you have comparable coverage.

<http://medweb.mit.edu/healthplans/student/waiver.html>.

### Housing

All freshmen live on campus, but individual housing charges vary by room type and residence hall. Since we won't know which room you have until after the summer housing lotteries, we bill you the average weighted housing charge of \$7,554 in July. We adjust this figure in September based on your actual cost. However, regardless of where you live, we use the average weighted housing charge when determining your financial aid budget. For more information contact the Housing Office at [residence@mit.edu](mailto:residence@mit.edu) or 617-253-2811.

### Meals

MIT offers a variety of dining options to satisfy your eating preferences, from full board plans to more flexible selections, depending on your residential community. You are also able to create a declining balance TechCASH account to use your ID card to make purchases at any of MIT's dining halls, restaurants, coffee shops and convenience stores. Students are budgeted an annual meal allowance of \$4,634. For more information on dining and meal options, contact Campus Dining at [foodstuff@mit.edu](mailto:foodstuff@mit.edu) or 617-253-8475.

### Books, Supplies and Personal Expenses

Out of pocket expenses for books, supplies, clothing, laundry, medicine, telephone, recreation, entertainment, local transportation and travel home will vary according to the individual. When determining the financial aid budget we allow \$2,772 for books, supplies and personal expenses, plus an additional travel allowance based on your parents' residence unless you are an international citizen or a U.S. citizen living abroad.

2016

# Understanding **Your Financial Aid Award**



You were accepted to MIT based on your academic merit and potential. However, we award financial aid solely on the basis of financial need. If you are having difficulty understanding your financial aid award, this information may be helpful.

## **Budget**

The budget we use to determine your financial need approximates the price of attending MIT for one year. Your actual costs will depend on a number of factors, including your housing and dining options as well as other lifestyle choices. The majority of the expenses you incur are billed through MIT. These expenses include tuition, the student life fee, health insurance (if you remain on the MIT plan), on-campus housing, any dining plan, and in some instances TechCASH arrangements you make. The remaining expenses are not billed through MIT, but are out-of-pocket purchases you make for books and supplies, personal expenses and travel.

To be fair we do not change a student's budget based on lifestyle preferences. Whether you end up spending more or less than our allowances, your financial need and financial aid award stay the same.

## **Family Contribution**

Your total expected family contribution (EFC) is a combination of what we expect you and your parents to contribute to your education for one year. We carefully review the information you provide and our EFC reflects our analysis of what we believe your family can afford in education costs over time, not necessarily what can be paid from current income. Our EFC may not match those of other colleges or universities. Some of those institutions may use Federal Methodology to determine need; others may use their own Institutional Methodologies that differ from what we use.

## **Financial Need**

The budget minus the family contribution equals the financial need. We meet the full need of each family with a combination of assistance as described in the next section.

## **Financial Aid Award**

Part of your financial aid award is self-help. Self-help can be an academic year job, a student loan or a combination of job and loan. We allow students to use scholarships from outside sources to meet their self-help. If your financial need is greater than your allotted self-help, we meet your remaining need primarily through an institutional scholarship that does not need to be repaid.



## Scholarships and Grants

Scholarships and grants are funds you don't have to repay. MIT undergraduates receive need-based scholarships and grants from MIT, the federal government, state governments as well as need-based and merit-based scholarships from private sources.

### MIT Scholarships

MIT scholarships are awarded based on financial need and come from a variety of sources, including endowed funds, gifts from MIT alumni and friends, and general Institute funds. Our donors take a genuine interest in learning about the recipients of their funds, so we may ask you to make a personal connection by writing your donor to share your experiences as a MIT undergraduate and thank them for their support. Reading about how their generosity affects you inspires alumni and friends of the Institute to continue their support for MIT undergraduates.

In order to match scholarship recipients with donor preferences, we require you to update us each year on your various interests and activities. If you accept our admission offer, please follow the instructions in your financial aid award letter to complete the MIT Student Information Review Form online between **May 1** and **July 1**.

### Federal Grants

MIT administers three federal grant programs you'll automatically be considered for when you apply for financial aid each year. If you're eligible, we either include these federal grants in your aid package or send you further information: the **Federal Pell Grant**, the **Federal Supplemental Educational Opportunity Grant (SEOG)**, and the **Federal Teacher Education Assistance for College and Higher Education (TEACH) Grant**.

### State Grants

Some states have their own financial aid programs, including need-based grants and merit-based scholarships. If you're a U.S. citizen or permanent resident, you may qualify for financial aid from your home state, which you can then use to study at MIT. If you're eligible for one of these state grants, we will include it in your aid package.

### Private Scholarships

There are many private scholarships you can seek on your own. If you receive one, we use it to replace your self-help before we reduce your MIT scholarship. There are many free scholarship search engines that you are encouraged to use. You should *never* pay for a scholarship search service. Some suggested sites are:

- [www.collegeboard.com](http://www.collegeboard.com)
- [www.collegeview.com](http://www.collegeview.com)
- [www.fastweb.com](http://www.fastweb.com)
- [www.finaid.org](http://www.finaid.org)
- [www.gmsp.org](http://www.gmsp.org)
- [www.petersons.com](http://www.petersons.com)
- [www.princetonreview.com](http://www.princetonreview.com)
- [www.students.gov](http://www.students.gov)
- [www.uncf.org](http://www.uncf.org)
- [www.foundationcenter.org](http://www.foundationcenter.org)

### Outside Award Reply Form

Please use the Outside Award Reply Form to update us on any scholarships or grants you receive that are not listed on your most recent award letter.

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# Loans

Loans are funds that you have to pay back, usually after you graduate. If the loan is subsidized, there is no interest accrual while you are in school. If the loan is unsubsidized, any unpaid interest while you are in school is added to the principal balance when you graduate. If your family wants to borrow, start by applying for financial aid, since the most affordable loans are need-based student loans. You may be awarded student loan eligibility as a part of your self-help award. If you would like to change the amounts assigned to loans and/or work to fully maximize your eligibility for federal and institutional loans, please let us know.

The following federal loans are available to U.S. citizens or permanent residents. Please note that the terms and conditions of future loans, such as interest rates, may change. Check the Student Financial Services (SFS) web site for updates.

### Federal Perkins Loan

This is a need-based loan and you may borrow up to \$5,500/year at a fixed rate of 5 percent. This loan is subsidized, so there is no interest while you are enrolled at least half time. Repayment begins 9 months after graduation or if your enrollment is less than half time.

### Federal Direct Subsidized Stafford Loan

This is a need-based loan and you may borrow up to \$3,500 your first year, \$4,500 your second year and \$5,500 your third and fourth years, with a planned fixed rate of 6.8% after July 1, 2012. This loan is subsidized so there is no interest accrual while you are enrolled at least half time. Repayment begins 6 months after graduation or if your enrollment drops below half time.

### Federal Direct Unsubsidized Stafford Loan

This is a non-need based loan and you may borrow up to \$5,500 your first year, \$6,500 your second year and \$7,500 your third and fourth years at a fixed rate of 6.8 percent. These annual loan limits include amounts borrowed under a Federal Direct Subsidized Stafford Loan. Students who are considered federally independent or whose parents are declined a PLUS Loan (p.9) may borrow an additional \$4,000 for first and second years and \$5,000 for third and fourth years. Since this loan is unsubsidized, the interest accrues while you are in school. You are advised, but not required to make interest payments as they accrue. However, if you choose not to, your interest will be capitalized at repayment and added to your principal balance.

### How to get a Loan

- Apply for financial aid.
- Once you receive your financial aid award letter, review your self-help award, which is your suggested employment and loan amount. Think about how much you would like to borrow, especially if you are trying to maximize the amount of money that can be applied to your student account.
- Send an email to [getaloan@mit.edu](mailto:getaloan@mit.edu), stating the amount you wish to borrow or any questions you may have about your maximum loan eligibility.
- When the actual loan fund(s) are assigned, follow the instructions given to complete the online loan entrance counseling and sign the promissory note(s).
- After you complete all requirements, your loan(s) will be disbursed directly to your student account after you are registered.
- If you are not eligible for a federal loan, or have exhausted your federal eligibility, you may want to consider a private loan. Please visit our web site for information on private loans.



## Student Employment

Most MIT students, regardless of their financial aid status, work while in school. Earning a weekly paycheck is a great way to cover books and personal expenses that all students face. We encourage you to cover a portion of your “self-help” by working and assign the first \$3,000 of our financial aid awards as employment. Students work both on-campus in department offices, labs and centers as well as off-campus in the community. If you work on-campus you can expect to earn at least \$9.50/hr (the current MIT minimum student wage) or more depending on the job and your skill level. The average MIT student works about 10 hours/week earning \$1,400 to \$1,600 per term. If you are an international student, your student visa guidelines restrict you to on-campus employment at no more than 20 hours/week during the term. To view the current on-campus and off-campus job listings, please visit [http://web.mit.edu/sfs/jobs/for\\_students.html](http://web.mit.edu/sfs/jobs/for_students.html) (MIT web certificate required).

### UROP

Under MIT’s Undergraduate Research Opportunities Program (UROP), you can participate in research in any academic department or interdisciplinary laboratory. As a UROP student, you can receive academic credit, work on a volunteer basis or get paid for your research work. For more information on applying for a UROP, visit <http://web.mit.edu/urop/students>.

### Community Service

There are many opportunities to make a difference in the lives of others while broadening and deepening your own educational experience. You can learn about volunteer opportunities from the MIT Public Service Center, which also offers fellowships for specific projects at <http://web.mit.edu/mitpsc>.

If you have Federal Work Study eligibility in your financial aid package, you may also qualify for a paid community service position. <http://web.mit.edu/mitpsc/resources/work-study/students/index.html>

### How to get a Job

- Fill out the I-9 form. This form is a required government form that shows you are eligible to work in the United States and you must fill it out even if you are a U.S. citizen or permanent resident. You only need to complete this form once while at MIT, but it must be done before you can begin working. You will need to bring your original identification documents, such as your birth certificate or Social Security card with a driver’s license, or your passport. A list of acceptable documents can be found at <http://www.uscis.gov/files/form/i-9.pdf>.
- Complete the federal and state tax forms and set yourself up with direct deposit for payroll at <http://web.mit.edu/sapwebss> under Money Matters.
- View job listings at [http://web.mit.edu/sfs/jobs/for\\_students.html](http://web.mit.edu/sfs/jobs/for_students.html)
- All employees at MIT, including international students, must have a U.S. Social Security number on file. If you don’t have one, you can get one by visiting <http://www.socialsecurity.gov/ssnumber>.  
  
International students should view specific instructions at <http://web.mit.edu/iso/students/ssn.shtml>.
- Once you start working, submit your weekly “time sheets” online promptly. Your earnings will be deposited directly in the bank account you specified.

# Billing and Payment

Once you accept MIT's offer of admission, Student Financial Services (SFS) will set up a student account in your name for charges, such as tuition and fees, on-campus housing and dining plans and for credits, such as scholarships, loans and family payments. If your charges are greater than your credits, you must pay the difference when billed. If your credits are greater than your charges, you may be eligible for a refund to pay other non-billable expenses such as books, school supplies, personal expenses or off-campus housing.

We bill you on or about **July 10** for the fall term with payment due **August 1**. We bill you on or about **December 10** for the spring term with payment due **January 1**. If there are additional charges throughout the year, we bill on the 10<sup>th</sup> of the month and your payment is always due on the first day of the following month. Remember, even though your parents may be expected to contribute to your education, it is your responsibility to make sure the bill is paid. However, we advise you to set up your parents as *authorized payers* in the MIT online student billing system.

## How to Receive and Pay Your MIT Bill

- On or about **July 10** for the fall semester or **December 10** for the spring semester, SFS will send a billing reminder to your official MIT email address. Click the *student link*, which will take you to WebSIS, the web-based student information system that provides you access to your academic, financial and biographical records. To log in to WebSIS you need your MIT Kerberos ID and password. The direct URL for WebSIS is <http://student.mit.edu>.
- Click *MITPAY* on WebSIS. Once you are in the secure web site, click *Authorized Payer* and follow the instructions to set up your parent(s) as authorized payers.
- Immediately contact your authorized payer(s) and tell them to access MITPAY by going to <http://web.mit.edu/sfs/bills> and clicking the *Authorized Payer Login* link under "How can I make payments?" Once your authorized payer(s) have successfully logged into MITPAY, instruct them to replace their temporary password and sign up to receive monthly email reminders under *User Preferences*.

- To review the most current account statement in MITPAY, click *View Accounts*. To make online payments, click *Make a Payment*. If you plan on making regular e-payments, you can provide banking information under *Add E-check Profile*, but you cannot schedule payments in advance.
- If you prefer, you can mail us a check by clicking *View Accounts* and the PDF icon to get a paper copy of the current bill. Follow the preprinted mailing instructions or deliver the check in person to us in Room 11-120.
- In subsequent months, access MITPAY on the 10<sup>th</sup> of each month, even if you do not receive an e-mail reminder.

## Payment Options

If your family seeks alternatives to paying the full amount at the beginning of each term, the following financing options are available:

**The MIT Monthly Payment Plan** – The MIT Monthly Payment Plan is an installment arrangement administered by Tuition Management Systems (TMS) that allows you to pay your bill in monthly installments interest free. The terms and conditions of the monthly payment plan can be found at: [http://web.mit.edu/sfs/afford/monthly\\_payment\\_plan.html](http://web.mit.edu/sfs/afford/monthly_payment_plan.html)

**Federal Direct PLUS Loan** – This is a non-need based parent loan option. Parents may borrow up to the cost of attendance less financial aid received. The interest rate is 7.9 percent fixed.

**Private Education Loans** – These are student and parent loans made from third party lenders. Ordinarily, you should not consider a private education loan unless all of your federal eligibility is exhausted because the terms and conditions of private loans, including the interest rates, are less favorable.

## Next Steps

We know you have received an overwhelming amount of information from MIT to get you started in September. To help you out, here's a guide regarding your financial responsibilities.

### SPRING *(before Freshman Year)*

- **Living at MIT:** Look for an email from Undergraduate Advising and Academic Programming with information about everything from the housing lottery to local banking options.
- **Outside Scholarships:** If you receive any outside scholarships, submit the *Outside Award Reply Form* to SFS as soon as you are notified of your scholarship(s). You may submit this form as many times as you need if you are notified of more scholarship(s) throughout the summer.
- **MIT Scholarships:** If you receive a MIT scholarship, complete the *Student Information Review Form* online between **May 1** and **July 1**. Your financial aid award will notify you of your eligibility.

### SUMMER *(before Freshman Year)*

- **Student Loans:** If you would like to borrow student loans, follow the instructions on our web site.
- **Keep Your Parents Informed:** Set up your parent(s) as *authorized payers* and have them change their temporary password and sign up for monthly email reminders.
- **Sign up for Direct Deposit for MITPAY:** If your student account is overpaid (i.e. you borrowed a loan to help with living expenses), you may be eligible to receive a refund. We issue refunds via a direct deposit to the bank account you indicate on MITPAY.
- **Your MIT Bill:** Check your MIT email account around **July 10** for information about your fall bill and MIT's electronic billing system MITPAY.
- **Submit Payment:** Pay your fall bill by **August 1** or consider signing up for the MIT Monthly Payment Plan through TMS (see previous page for details).
- **Medical Insurance:** If you don't need the MIT Extended Insurance Plan, submit a waiver to MIT Medical by **September 15** for the fall semester or **February 15** for the spring semester.

### FALL *(during Freshman Year)*

- **Working on Campus:** If you plan on working at MIT, complete an *I-9 Form* and your online Direct Deposit Authorization. View the job listings on our web site. Once you find a job, complete the required federal and state tax forms.

### SPRING *(during Freshman Year)*

- **Re-apply for Financial Aid:** Complete and submit your financial aid renewal application by **April 15**.

### SUMMER *(after Freshman Year)*

- **Financial Aid Award:** Watch your email for your financial aid award. Follow the instructions if you want to borrow and remember to submit the *Outside Award Reply Form* if you receive additional outside scholarships.
- **MIT Scholarships:** If you receive a MIT scholarship, complete the *Student Information Review Form* online.

## Useful Links

### Admissions Office

<http://www.mitadmissions.org>

### Campus Dining

<http://dining.mit.edu>

### Card Services

<http://web.mit.edu/mitcard>

### Division of Student Life

<http://studentlife.mit.edu>

### Housing Office

<http://housing.mit.edu>

### International Students Office

<http://web.mit.edu/iso>

### Orientation

<http://web.mit.edu/firstyear>

### Public Service Center

<http://web.mit.edu/mitpsc>

### Registrar

<http://web.mit.edu/registrar>

### Student Financial Services

<http://web.mit.edu/sfs>

### UROP

<http://web.mit.edu/urop>

### WebSIS

<http://student.mit.edu>

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Fall

### **When is my bill due and how do I make a payment?**

Bills go out on or around the 10<sup>th</sup> of each month, with payments due by the 1<sup>st</sup> of the following month. The fastest way to submit your payment is online through MITPAY. To make a payment by check or money order, send the top portion of your student account statement, which can be printed from MITPAY, and your check made payable to the Massachusetts Institute of Technology to:

Massachusetts Institute of Technology  
PO Box 3972  
Boston, MA 02241-3972

For families seeking an alternative to making a lump sum payment at the beginning of each semester, consider a payment option as the MIT Monthly Payment Plan, through TMS, or borrowing a parent PLUS Loan.

### **My bill is less than my Expected Family Contribution (EFC)**

#### **How do I pay the rest?**

MIT does not send you a bill for the EFC. This is what we estimate your family will need to pay based on our standard student expense budget. Due to the flexibility in housing and dining options, as well as personal lifestyle choices, your family's actual contribution may end up more or less.

### **What happens if my family's financial situation changes?**

If you choose to attend MIT, you may request a reconsideration of your financial aid decision, especially if your family encounters unexpected financial difficulties. We award financial aid based on the prior year's income because it is verifiable through tax returns. Sometimes we may offer a financial aid award one term at a time while we monitor your family's situation. Other times we may recommend that you contact us at the end of a calendar year so we can reassess your family's financial strength based on updated information. Please contact your financial aid officer to discuss your situation.

### **Why is the EFC on my FAFSA lower than the EFC from MIT?**

The FAFSA uses a specific formula developed by the federal government to determine eligibility for federal aid. We use our own formula to determine eligibility for MIT scholarships. Because of this, the EFC MIT determines may be higher or lower than the figure you get from the FAFSA.

### **Why does my outside scholarship reduce my MIT scholarship instead of my parent contribution?**

MIT's outside award policy is to use the full amount of the outside awards first to replace your self-help award, then your MIT scholarship. We award MIT scholarships based on the guiding principle that parents have the primary responsibility to pay for education to the extent they are able. Outside awards are additional resources for meeting need, not replacing the EFC.

### **How do I obtain a refund of the credit balance on my account?**

We disburse your financial aid into your student account to cover direct charges, such as tuition and fees. In the event that your financial aid exceeds your charges, you may be eligible for a refund that can be used for your out-of-pocket expenses, such as books and supplies. Request these funds by signing up for direct deposit for MITPAY and by contacting customer service via email or phone.

**MIT Student Financial Services (SFS)**

<http://web.mit.edu/sfs>

**Financial Aid & Student Employment**

617.253.4971  
sfs@mit.edu

**A-Ch** Elizabeth Barnes  
617.258.5775  
barnes@mit.edu

**Cl-G** Ryan Callahan  
617.258.5604  
rcal@mit.edu

**H-Ld** Jason Marsala  
617.253.0204  
jmarsala@mit.edu

**Le-O** Emma Wilcox  
617.258.0717  
ewilcox@mit.edu

**P-Ss** Aimee Yorsaner  
617.253.8467  
aegrand@mit.edu

**St-V** Susan Wilson  
617.258.5609  
sawilson@mit.edu

**W-Z** Michael Albano  
617.258.5614  
malbano@mit.edu

**Student Accounts**

617.258.8600  
sfs@mit.edu

**A-G** Mary Murray  
617.253.3339  
maryjo@mit.edu

**H-O** Dwayne Daughtry  
617.253.4131  
daughtry@mit.edu

**P-Z** Ashley Russell  
617.253.3335  
russella@mit.edu

**Loans**

800.537.6012  
loan-services@mit.edu

**A-L** Jocelyn Heywood  
617.258.5663  
heywood@mit.edu

**M-Z** Evelyn Browne  
617.253.5606  
evelyn@mit.edu

