



## **INTERNATIONAL STUDENT LOAN PROGRAM FREQUENTLY ASKED QUESTIONS (FAQ)**

Please read this FAQ sheet on the KGI International Student Loan Program in conjunction with the Master Promissory Note.

### **Which KGI students are eligible to borrow from this program?**

International MBS, MEng, and PPM students who are neither citizens nor permanent resident aliens of the U.S. are eligible to borrow from this program.

### **How do I obtain a master promissory note for this program?**

The master promissory note is available at the KGI website at: <http://www.kgi.edu/Admissions/Financial-Aid/Student-Loans.html>

### **Which KGI office do I contact about borrowing from this program?**

The KGI Financial Aid Office answers questions about loan applications for this program:  
[Financial\\_aid@kgi.edu](mailto:Financial_aid@kgi.edu), 909-607-8258

### **How much may I borrow from this program?**

MBS students may borrow up to **\$10,250.00** per semester, for a total of up to **\$41,000.00** for the four semesters of the two-year MBS program.

PPM students may borrow up to **\$14,950** per semester, for a total of up to **\$29,900.00** for the two semesters of the one-year PPM program.

### **Is there an origination fee on loans in this program?**

A **2%** origination fee is added to the principal amount owed for each loan in this program.

### **What is the interest rate on the loans in this program?**

The interest rate for a given academic year is equal to the Wall Street Journal prime rate as of the preceding April 1 plus **5%**, with a minimum interest rate of **8.5%**.

### **How does interest accrue on the loans in this program?**

Interest accrues from the date of each borrowing on the principal of the loan, and continues to accrue monthly on the principal and on previous unpaid accrued interest.

### **How may I reduce the amount of interest that I have to pay?**

Students are billed monthly for accrued interest while still enrolled at KGI. Paying those bills is optional while still a student. However, students who choose to pay those optional bills will reduce the amount of accrued interest that is capitalized and added to the amount owed when the repayment period begins.

### **When must I begin to repay my loans?**

Borrowers must begin to repay the principal and accrued interest on their loans at the end of a six-month grace period following separation from KGI, which is typically graduation, except in cases of earlier withdrawal from KGI.

### **How long do I have to repay my loans?**

Borrowers have **10** years from the end of the six-month grace period following separation from KGI to repay their loans.

### **What is the total cost of the loan?**

The total cost of the loan varies based on the interest rate, amount borrowed, and the amount of interest capitalized during enrollment and grace periods. The estimated maximum interest cost of the loan is **\$23,172**, with an estimated maximum monthly payment of **\$588.93** for **120** months.

### **Is there a prepayment penalty if I repay my loans early?**

No, there is no prepayment penalty.

### **May I defer my payments due to financial hardship?**

Borrowers are permitted one deferment for financial hardship for no more than six months. Interest continues to accrue during a hardship deferment. Any unpaid accrued interest is capitalized and added to the amount owed when the deferment ends and repayment begins.

### **May I defer my payments if I continue my education after KGI?**

Borrowers may defer principal payments while enrolled for at least a half-time course of study at an institution of higher education. Any unpaid accrued interest is capitalized and added to the amount owed when the deferment ends and repayment begins.

### **Who is the administrator for repayments for this loan program?**

The Student Loans Department in the Financial Services Office at Claremont University Consortium (CUC) is the administrator for repayments for this program. The contact there is: Dianne Jimenez, **(909) 621-8414**, [dianne\\_jimenez@cuc.claremont.edu](mailto:dianne_jimenez@cuc.claremont.edu).

### **How will I receive bills for the repayments that I owe?**

CUC contracts with an external billing service, Heartland ECSI, to send borrowers monthly bills for this program. Borrowers may contact Heartland ECSI at [www.heartland.ecsi.net](http://www.heartland.ecsi.net) or **1-888-549-3274**.

**What other documents besides monthly bills will I receive from Heartland ECSI?**

Heartland ECSI also sends borrowers an IRS Form **1098-E** each year by January **31** for the amount of interest paid during the previous calendar year for income tax filing purposes.

**Who do I notify if I change my address?**

Borrowers need to notify the Student Loans Department in the Financial Services Office at CUC of any change of address.

**What are the consequences if I fail to make payments as scheduled?**

Delinquent accounts are referred to a collection agency, and borrowers become responsible for paying all collection costs, including legal fees, that the agency incurs to collect the balance owed. Past due interest continues to accrue on delinquent accounts referred for collection. Delinquent accounts are also reported to credit bureaus, which impacts the ability of borrowers to obtain other forms of credit in the United States, such as home mortgages, car loans, or personal loans.