



## Class of 2022 Loan Reduction for Private Sector Employees

HBS is pleased to offer a loan reduction program for students from the Class of 2022 working in the private sector with compensation significantly below the HBS average. These awards offer a one-time loan reduction and typically range from \$5,000 – \$15,000 USD. To be considered for an award, applicants must be working in the private sector with total compensation at or below \$110,000 USD. Applications from students with total compensation above this amount cannot be considered.

***\*\*Application deadline is 12noon ET on Monday, September 19, 2022\*\****

Award availability is determined based on an applicant's earnings and need-based debt, as well as employment and job fit criteria. Funds awarded can be used only to reduce existing need-based loans. Eligibility and selection are determined by a Selection Committee, and awards are distributed on a funds-available basis. The Program is jointly administered by the Financial Aid Office and Career & Professional Development. All determinations made by the School and the Selection Committee are final. The School and the Selection Committee reserve the right to restructure or discontinue the Program as necessary.

### **ELIGIBILITY**

*Quick self-assessment tip:* If you did not receive any HBS Fellowships while enrolled in the MBA program, it is unlikely that you have need-based loans eligible for this one-time offer.

You may be eligible for one-time loan reduction based on your application if you:

- Graduated in May 2022. *NOTE: ECs who deferred their EC year by one semester and therefore complete the MBA Program in December 2021 with a March 2022 graduation date are eligible to apply in April 2022 or September 2022.*
- Have accepted a full-time, MBA appropriate job in the private sector. For purposes of this program, a full-time job is defined as working a minimum of 35 hours per week with a projected tenure of 12 months or longer. Or, you are pursuing self-funded entrepreneurship through acquisition (search fund). *NOTE: The Rock Center Loan Reduction for Entrepreneurs Program is not open to graduates who are pursuing self-funded ETA.*
- Total guaranteed compensation at or below \$110,000 USD.
- Had significant financial need as determined by MBA Financial Aid Services during the standard two-year financial aid application process. (You may not start a retroactive application now for first-year financial aid in order to participate in this program.)
- Will not be sponsored/reimbursed for any MBA-related expenses now or in the future.
- Your employment start date is on or before January 4, 2023.

The following positions are ineligible for private sector loan reduction awards:

- Managerial positions in the nonprofit and public sector. Applicant may be eligible for the [HBS Social Enterprise Loan Repayment Assistance Program](#).
- Founders/entrepreneurs.
- Self-funded entrepreneurship by acquisition ventures ("search funds").
- HBS-HMS joint degree MD-MBA students entering medical residency. Applicant may be eligible for the [HBS Social Enterprise Loan Repayment Assistance Program](#).

- Political campaign work. Given the restrictions under federal and certain state law on political activity by organizations such as Harvard University, HBS will not provide funding for political campaign work.
- Part time (<35 hours/week) or temporary (<12 months in duration).

## **Loans**

To be considered for the Social Enterprise Loan Repayment Assistance Program (SELRAP) or either of the at-graduation loan reduction programs (Rock Center Loan Reduction for Entrepreneurs or Loan Reduction for Private Sector Employees), your loans must meet all of the following criteria:

- Must have been either approved by HBS or fully disclosed to HBS at the time loan was made
- Student must be the borrower
- In no case will an amount larger than the cost of attendance less other aid be considered
- Independent third-party verification of the loan must be available to HBS

### Eligible loans types typically include:

- U.S. federal student aid (e.g., Perkins, GradPLUS, Stafford)
- U.S. state programs (e.g., MEFA, VSAC, etc.)
- Foreign national, state, and provincial educational loan scheme
- Educational loans from a bank or credit union (e.g., CitiAssist, Discover, HUECU, etc.)

Applicants must not be delinquent or in default on their loans at the time of application. *If in doubt, please ask HBS MBA Financial Aid before committing to a loan.*

### Debts not covered by the programs include:

- Debt used to replace student contributions as calculated by MBA Financial Aid Services, or borrowing for living expenses above the financial aid budget
- Debt incurred for non-HBS work in a joint degree program
- Debt from other degree programs
- Consumer debt

### Ineligible loan types include the following:

- Loans from past, present, or future employers, especially those that may be forgiven upon resumption of employment
- Personal loans from family or friends
- Bank loans not certified or verified by MBA Financial Aid
- Home equity loans or lines of credit

**Please note** that loans offered as employer sponsorships are ineligible for all of the HBS loan reduction or loan repayment assistance programs.

## **CRITERIA**

In addition to financial need and employment verification, selection is based on the following qualitative criteria:

- **Quality of position:** Based on level of responsibility, significance of managerial opportunity, and opportunity for managerial development. Of particular interest are jobs that require the applicant to apply the business and managerial skills gained at HBS, as well as the applicant's capability to produce significant, sustained benefits for the employer within these goals.

- **Job fit:** Applicant's background and previous experience as evidence of potential for a successful match between the applicant and the job, and applicant's ability to succeed in that job.
- **Commitment and long-term goals:** Applicant's commitment to the relevant industry or sector as well as the applicant's long-term career goals and job fit with those goals.

## **AWARDS**

Award amounts will be based on total funds available and:

- Your financial aid application data on file and your monthly need-based student loan obligations.
- Analysis of projected monthly income.
- Total number of applicants.

Award amounts are subject to the following restrictions:

- Loans borrowed to fund your personal contribution will not be considered.
- Debt from other degree programs, including joint and concurrent degree programs, will not be considered. Consumer debt will not be considered.
- You may not increase your student loan debt after applying for an award.
- Outside loans **not reported & documented** to the MBA Financial Aid Office while enrolled are ineligible for any of the HBS loan reduction or loan repayment assistance programs. Such loans include: personal loans from friends or family members, a loan from a bank not certified or verified by the MBA Financial Aid Office, home equity loans or a line of credit. Documentation presented as part of, or after, an application is made for loan reduction or loan repayment assistance will not be accepted.
- Documentation means a copy of a signed promissory note indicating the amount borrowed and the complete terms of repayment. In no case will an amount larger than the cost of attendance less other aid be considered.
- *Please note that loans offered as employer sponsorships are ineligible for all of the HBS loan reduction or loan repayment assistance programs.*

**Tax treatment:** awards will be considered taxable to the recipient even though the funds awarded to the recipient are intended for payment to the loan holder.

Upon receiving an award, recipients will be required to complete tax forms for submission to the School. Failure to supply these forms within 30 days from notification of award will lead to forfeiture of your loan reduction award.

**Funds disbursement:** payment is made to you by check and sent via U.S. Mail within 60 days from the date of your award notice.

**Donor notification:** award recipients are matched with the donors who make this program possible. Often, donors appreciate hearing about your work and how the loan assistance program has supported your career path. The School compiles thank-you letters from award recipients as a symbol of donor appreciation and stewardship. Following receipt of your award, the School will contact you with the name of the donor to whom you are matched and a thank-you note request.

**Note:** you are required to inform HBS of the following:

- Offer is retracted by you or the hiring organization / you do not start your job.
- Within 12 months of your start date, your compensation increases from the amount indicated on your loan reduction application.

- Within 12 months of your start date, you have a change in employment status, including reduction to part-time employment, termination of employment, or change in employer.

While rare, should these changes occur, you may be responsible for repaying all or some of your loan award back to HBS. By applying for a loan reduction award, you understand that the Selection Committee may verify any and all parts of your application and supporting materials.

Recipients of an HBS Loan Reduction for Private Sector Employees award agree to abide by the [HBS Community Values](#) and the [MBA Honor Code](#)

## **APPLICATION PROCESS**

To be considered for the Loan Reduction for Private Sector Employees program, you must complete and submit the [online poll](#) which requests contact information for yourself and the hiring organization as well as details of your compensation.

Upload the following three **supporting materials** via the online application:

1. A copy of your offer letter showing total compensation, signed and dated by you.
2. Confirmation from the hiring organization acknowledging receipt of your offer acceptance.
3. A personal statement (approximately 500 words) which addresses the following:
  - Why did you seek the position?
  - What is the relevance of your management education to this position?
  - How will your previous experience or background enhance your ability to excel in this position?
  - What are the significant managerial opportunities you expect to have in this organization, and what opportunities do you expect to have to develop your managerial skills?
  - Please describe reporting relationships in the organization and the type of supervisor(s) to whom you will report. What are their responsibilities and what do you hope to learn from working with them?
  - What are your long-term career goals and how does this position fit with your goals and/or contribute to your career development?

Please note:

- Exceptions to the deadline are not possible.
- Applications will not be reviewed prior to the application deadline.
- Your application must be fully complete by the application deadline. This includes having received *and* accepted a written offer. Awards cannot be made on the basis of having received or accepted a tentative, expected, developing, or verbal offer.

### **Questions should be directed to:**

Phillip Andrews, Corporate Relations Director, HBS Career & Professional Development

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