GMAT Club Chat with Prodigy Finance

Zack Hirschfeld - Student Relations Manager, Prodigy Finance.

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https://prodigyfinance.com/

Contributing to each other's learning

		Live Q&A with Zack Hirschfeld - Student Relations Manager, Prodigy Finance.
		Topic set by Ergen on Thu Jan 21 2016 21:30:00 GMT+0530 (India Standard Time)
20:53		+++ ChanServ has given op to Ergen
21:28	Narenn	Hey Zack!!
21:28	Narenn	Welcome
21:28	Ergen	Hi Zack. Nice to see you here.
21:28	Zack_ProdigyFinance	Hi everyone! Glad to be here
21:28	Zack_ProdigyFinance	Good morning from New York City
21:31	Narenn	Hello Everyone, Thank you for joining GMAT Club Prodigy Finance Live Q&A session today and warm welcome to our guest – Mr. Zack Hirschfeld.
21:31	Narenn	Zack is Student Relations Manager of Prodigy Finance, the company known for revolutionising student finance. You can learn more about Zack here http://gmatclub.com/forum/live-q-a-with-prodigy-finance-211782.html#p1629546
21:31	Narenn	Welcome Zack!! This is the first time we are hosting Prodigy Finance team in our live chats. Pleasure to have you here.
21:32	Narenn	Today Zack will answer your questions regarding education loan options provided by ProdigyFinance. You are welcome to discuss your concerns regarding eligibility, funding limits, terms and conditions, interest rate, repayment tenure, country specific rules, etc.
21:32	Zack_ProdigyFinance	Thanks for the warm welcome Narenn! Happy to meet you all and to answer any questions you might have!
21:32	Narenn	There are around 20 chat participants and more are expected to join in couple of minutes. It is humble request to all participants to adhere to the following rules during

		the chat.
21:32	**Narenn**	**1. Ask the questions one by one. Before posting your question, make sure the earlier question is answered.**
21:32	**Narenn**	**2. Keep the questions on general topics/issues. Do not discuss personal cases.**
21:32	**Narenn**	**3. Keep your question typed in advance and paste them in chat box when earlier question is answered.**
21:32	**Narenn**	**This chat is now open for Q&A. Start asking your questions one by one.**
21:32	**Guest28968**	can you tell me on what basis how much it is decided to allocate loan amount to the applicant?
21:34	**Zack_ProdigyFinance**	**Sure, Guest28968. Each prospective borrower completes an application (takes about 15-20 minutes to complete). With all information in this application, we use an innovative scorecard model to determine your Total Debt Burden (how much you can realistically be expected to afford to repay)**
21:34	**Guest28968**	can you give some more insight on this?
21:35	**Zack_ProdigyFinance**	**Examples of information include: pre-MBA salary, past credit history, what school you are going to, what country you are from, GMAT score, etc.**
21:35	**Ergen**	even gmat score.
21:35	**Ergen**	interesting
21:35	**Guest28968**	how much premba salary matters?
21:35	**mib_z7ob2e**	Does the loan cover living expenses too?
21:36	**Zack_ProdigyFinance**	**pre-MBA certainly matters, but it is hard to say as it is a complex risk assessment model**
21:36	**Guest28968**	Okk

21:36	Zack_ProdigyFinance	**And yes, we do cover living expenses in addition to tuition**
21:37	suboo7994	I'd like to know if any collateral is needed for getting a loan without having an US cosigner for an Indian applicant
21:38	Zack_ProdigyFinance	**Thanks, Suboo. No collateral is ever needed. In fact, Prodigy will not accept any form of co-signor or collateral. We only assess YOU -- the individual student.**
21:37	lav4	Is it possible to get a higher loan amount for someone who does not have a solid bank balance but is willing to keep something as collateral? (international applicant)
21:38	bpbressa	For international applicants, what type of documentation will be required to be presented when requesting a loan?
21:39	Zack_ProdigyFinance	**Thanks, bppressa. Here's the link to all supporting documentation necessary:** https://prodigyfinance.com/students_faq#category_105
21:40	Zack_ProdigyFinance	**You do not need to provide it all up front (before you find out your loan amount and interest rate), but you will need to provide proof of documentation before the loan is disbursed.**
21:38	Ergen	How are rates determined? I read that it depends on individual. Could you give us more information. Does pre-mba salary affects rates?
21:42	Zack_ProdigyFinance	**Ergen -- rates are determined similar by country of residence, the school you're going to, even the extent of prior work experience.**
21:44	Zack_ProdigyFinance	**yes, salary can influence rate but it is mainly there to determine loan amount. Every data point we ask for can influence loan amount and interest rate**
21:38	HarleyQ	Does everybody who applies and is qualified for a loan get the maximum loan amount they request?
21:47	Zack_ProdigyFinance	**Thanks, HarleyQ. We try to give every student 100% of what they ask for. However, often a student will not be able to afford all of what they want (based on our model). In this case, we will offer the student a reduced amount and ask the student to come up with the remainder of his or her budget with savings, scholarship or another means besides a loan.**

21:47	Zack_ProdigyFinance	**Some students unfortunately get declined by our model. However, more than 80% are approved.**
21:41	Guest28968	can you tell... if an applicant applies for loan.. ebfore even getting visa.. do you grant the loan as per the candidacy.. so that during process a person is not suppose to show such amount by himeslf? as if he has to show amout by himeslf then whats the need of loan then?
21:49	mib_tk8w1d	Have you seen/heard many students be able to use the "loan approval" letter at the US consulate to secure the F1 visa stamp?
21:42	Zack_ProdigyFinance	**In terms of visas, many students apply to Prodigy once they've gained admission but before they have secured a visa. Students are welcomed to do this. If approved, we will send a "conditional approval" letter, with which the student can use on their visa application.**
21:43	BrainFog	Hi Zack, what are the factors you look for when sanctioning a loan less than asked for? And how much can my savings help?
21:52	Zack_ProdigyFinance	**Overall, we ask students to provide us a 2-year budget (for 2 year programs) based on the school's official Cost of Attendance, which includes all tuition, fees and expected living expenses. We will only offer a loan amount that is lower than desired by the student if we can understand that the student will be able to cover the gap in his/her budget by another means.**
21:43	Narenn	**Newly Joined Members: We are chatting with Zack Hirschfeld, Student Relations Manager, Prodigy Finance. If you have any questions about education loan options provided by ProdigyFinance, you are free to ask them to Zack. But before asking a question, please make sure earlier questions are answered. Thank you!!**
21:52	Guest28968	one last question : an Indian applicant is definitely having lower salary... so this is for sure Indian applicant on an average can't depend on loan from prodigy for at least full tuition cost? How you compare Indian guys salary in your loan model?
21:53	Zack_ProdigyFinance	**Sure, Guest28968. Because we deal with many students from around the world, we understand reduced salaries and currency devaluation. As such, we will take this fact into consideration when assessing students.**

21:54	mib_z7ob2e	So an applicant's current savings pool/bank balance is not a factor in the loan decision process?
21:57	Zack_ProdigyFinance	mib_z7ob2e -- **savings will only matter when we are trying to determine if you are able to cover the entire Cost of Attendance budget. As a policy, we can only provide up to 80% of Cost of Attendance. As such, you will need to use either some savings, scholarship, or company sponsorship.**
21:54	bsv88	Hi Zack, If we apply right after receiving an offer, is there any chance that the loan is granted in time in order to pay the commitment/installment fees using loan money?
21:58	Zack_ProdigyFinance	bsv88 -- **unfortunately we cannot cover deposits.**
21:54	HarleyQ	I know that salary is one the elements that come in to play. I live in Africa and my salary is nothing compared to the world standard. Does this mean that Prodigy Finance can't help me? I really don't have many other options besides Prodigy Finance
22:01	Zack_ProdigyFinance	HarleyQ -- **I understand your concern. I would recommend submitting an application to see if you can qualify -- it will not hurt your chances for another loan opportunity if you are declined.**
21:55	rohitkumar77	Hello Zack ; I would like to know what are main factors you look into when you decide on giving loans. i ask this because my indian salary cant be compared to euros / dollars
21:55	Ergen	Zack, how much having assets such land and apartment affects our candidacy? Especially rates.
22:03	Zack_ProdigyFinance	Ergen -- **regarding land and apartments, etc. We can only evaluate these assets if they are liquidated as savings and use it to determine your ability to cover the Cost of Attendance budget. Having more or less assets will not affect your rate.**
22:00	suboo7994	if abroad semester is a part of the curriculum then will the cost for that be included in the loan amount that we receive
22:00	Zack_ProdigyFinance	**if tuition is paid to the school that you are attending, then yes we can.**
21:57	BrainFog	Zack, If I ask for 20,000 loan and also have 20,000 in savings. Will that help in getting a lower rate? Also are my savings and a family members savings treated equally? I got the

		impression from your reply that savings can actually be bad. If my budget is 70k but I want all of it to be funded through loan even if I have 50k savings, would that be possible?
21:58	**Ergen**	good question Brainfog. I had the same in my mind
22:05	**Zack_ProdigyFinance**	BrainFog **et al: Savings are never bad. They simply are not a major factor in increasing your loan amount or decreasing your rate. We always will extend to you the maximum offer allowable by our model (no matter if you say you can cover more of the Cost of Attendance with savings)**
22:07	**Zack_ProdigyFinance**	**I urge my students to let us know how much money in total you have in savings, and then how much you would like to use towards your Cost of Attendance. We will let you know then how much of that savings you will need to use, based on our credit assessment.**
22:00	**rohitkumar77**	zack - if a student have a low gpa and lets say average academics but he does crack a decent college ; will this affect his chances for the loan?
22:08	**Zack_ProdigyFinance**	rohitkumar77 **-- we do not take GPA into account, only GMAT and which school you will be attending.**
22:03	**thesouthpaw**	Hi Team, just want to know how interest rates are set for candidates.
22:07	**HarleyQ**	Zack, you said about 20% of loan applications are declined. What are the main reasons for a loan application to be declined?
22:10	**Zack_ProdigyFinance**	HarleyQ **-- we decline students if our model shows they cannot reasonably pay back the minimum amount they need to cover Cost of Attendance. Also, some students have outstanding debt and liabilities, which can take up all of their Total Debt Burden, based on our model.**
22:07	**suboo7994**	you said country of residence is taken into account while evaluating the eligibility amount.. so how does that come into play for indians
22:11	**Zack_ProdigyFinance**	suboo7994 **-- I am not exactly sure how country of residence is taken into account (as I said before the model is complex), but I do know that it can have an influence.**

22:08	**mib_z7ob2e**	You mentioned 80% is the limit for tuition fee loan. Is there a similar cap on living expenses?
22:13	**Zack_ProdigyFinance**	mib_z7ob2e **-- 80% of Cost of Attendance includes living expenses. For example, if tuition is $80k and living expenses are $20k, we can fund up to $80k ($100k x 0.8)**
22:08	**mib_tk8w1d**	How my loan application would be viewed if my TOTAL amount of loans requested exceeds 80%. I.e. If i borrow 75% COA from school, and then maybe another 10-15% COA from Prodigy?
22:14	**Zack_ProdigyFinance**	mib_tk8w1d **-- In the U.S., there is a limit of 100% of Cost of Attendance. Anything above 100% will not be certified by the school.**
22:14	**mib_tk8w1d**	Awesome, thanks!
22:08	**Ergen**	Zack, is there any deadline for application? And if savings are not a factor, then why we need to report it?
22:16	**Zack_ProdigyFinance**	Ergen **-- there are no deadlines, but applicants should submit their application at least 1 month before they need funds to be disbursed. I tell my students to submit much earlier than that, especially because documents like credit reports can be difficult to obtain in some countries.**
22:10	**suboo7994**	You mentioned pre mba salary as a factor. so do you differentiate it for an entrepreneur and salaried person because as an entrepreneur you might be earning less than a salaried person initially
22:11	**Zack_ProdigyFinance**	suboo7994 **-- if you are an entrepreneur that is purposely giving yourself a lower salary, we can take a closer look at your situation and re-assess. We have dealt with this situation in the past.**
22:12	**Ergen**	A question from one member: the influence a person's country of citizenship and lack/presence of a US co-signor has on the determination of ROI performed by Prodigy. Will the ROI decrease by having a US Cosignor? Are there ways to work towards reducing our interest rates that Prodigy's model will calculate
22:13	**Zack_ProdigyFinance**	Ergen **-- No, cosigners will not influence interest rates at all. We only lend to international students**

22:17	BrainFog	Zack, if my total budget after scholarship is 70k (35k for each year) and I have 35k in savings. Can I take 35k for the first year and fund second year with my savings? I know a friend who did this but he was sanctioned a lower amount than he asked for. What can I do to make sure the amount i ask for the first year is sanctioned?
22:20	Zack_ProdigyFinance	BrainFog **-- firstly, it is important to include scholarship in your budget. But yes, that sounds like a logical budget. Your approval would depend on the rest of your application information -- but you're on the right track!**
22:17	Doctorhm	Hello Zack, I saw a question above asking if having a cosigner would decrease the rate of interest. Does Prodigy also provide cosigner loans? I thought only non-cosigner loans were provided. Please clarify. Thank you for your time and consideration.
22:18	rohitkumar77	Prodigy finance says " No need for guarantees, co-signers or collateral " - so if someone doesn't have any one this listed he still have same chances of getting a loan
22:19	BrainFog	Also you mentioned credit report. It can be difficult to acquire it in my country. Because organizations provide them directly to loan providers. Also since I never took a loan not even a credit I do not have a credit history. It adds to my difficulty to get a credit report. What can I do?
22:21	Zack_ProdigyFinance	**If you do not have credit or are having trouble getting a credit report, we can accept a "letter of good standing" from your bank. Overall, we use either document to determine if you have a solid financial history.**
22:23	Zack_ProdigyFinance	**Hard to give "pointers" but I would just recommend being as transparent as possible and fill every part of the application out fully. Tell us everywhere you've lived and worked, what your highest salary was, and all debts / liabilities**
22:24	Zack_ProdigyFinance	**the better we can get to know you as an individual, the better chances we can help you!**
22:20	Ergen	**We will wrap in 10 minutes. Ask your questions fast.**
22:20	rohitkumar77	Zack - how can someone increase his chances on getting a loan . any pointers
22:24	Ergen	A question from one member: If I put my salary to my account and not my company, is it still

		considered as a proof of salary?
22:25	Zack_ProdigyFinance	**could you clarify what you mean by account vs. company?**
22:25	Ergen	I think he means his company uses cash as a salary, not a debit card.
22:26	Zack_ProdigyFinance	**ah, thanks. we would need record of a regular deposit into a bank account as proof of salary**
22:26	Zack_ProdigyFinance	**if it's a special case, the applicant is welcome to send me an email to discuss further.**
22:27	Ergen	so, as if I understand correctly, if someone received bonus as a cash, his bonus will not be considered.
22:27	Zack_ProdigyFinance	**there is a section of the application where you can add bonus, so it is considered. But we would need proof of the bonus.**
22:27	suboo7994	how many days would the entire procedure take roughly?
22:27	Zack_ProdigyFinance	**It takes about 15-20 minutes to complete the application. From then, you will hear within 2-3 business days if you are approved, and what the loan amount and interest rate is.**
22.27	Zack_ProdigyFinance	**from there, we will ask for supporting documentation (proof) -- as soon as you can upload those documents we will prepare your loan and send you a loan agreement to sign electronically.**
22:27	Guest28968	please share email id. specifically if there is some indian head
22:29	Ergen	**Ok folks. We will wrap up here.**
22:29	Ergen	**Pls, stop sending your questions.**
22:29	Ergen	**Thanks Zack and all participants for attending out chat today.**
22:30	Ergen	**Zack, it was great to see you here. Hope to see you again in the future.**
22:30	Zack_ProdigyFinance	**Thank you everyone for your questions! My email is zhirschfeld@prodigyfinance.com**

22:30	Zack_ProdigyFinance	you can also reach me on skype at zhirschfeld.prodigy
22:30	Ergen	We will post the transcript of this chat here in few days http://gmatclub.com/forum/live-q-a-with-prodigy-finance-211782.html#p1633297
22:31	Zack_ProdigyFinance	and remember, we've also now extended funding to LLM, MPP and select engineering programs.
22:31	Zack_ProdigyFinance	Please refer friends to Prodigy if they are interested in funding their MBA or those new degrees.
22:32	Zack_ProdigyFinance	have a great day/evening!
22:30	Narenn	Thank you Zack and all participants!!

2015 Live Q&A Session Schedule: http://gmatclub.com/forum/announcement-mba-info-sessions-on-gmatclub-174827.html

GMAT Club's MBA Resources

All MBA Rankings	http://bit.ly/1FaDlT3	Application Experiences of Applicants	http://bit.ly/1lecA6z
All MBA Deadlines	http://bit.ly/19RSTSX	MBA Applicant Blogs	http://bit.ly/1Hx5LJE
All School Stats	http://bit.ly/1MPOguZ	Current Student Blogs	http://bit.ly/1NPG4rD
Live Chats with B-School Adcoms	http://bit.ly/1NJ7v4w	All school discussions	http://bit.ly/1K0N43a
MBA Admission Consultant Reviews	http://bit.ly/1y6eLpt	Best MBA Books	http://bit.ly/1Cvz2qC
2015 MBA Applicants' Profiles	http://bit.ly/1DJKnBO		
For More Information Visit	http://gmatclub.com/forum/business-school-and-mba-115/		