Prodigy Finance Live Chat Transcript - Sept 19, 2017

Zack Hirschfeld, Student Relations Manager, Prodigy Finance

- **Ask Your Questions to Prodigy Representative:** https://gmatclub.com/forum/prodigy-finance-223463.html

Moderator: Welcome Everyone! It's great to have you all in this live chat with Prodigy Finance representative. We are joined by Zack Hirschfeld, Student Relations Manager of Prodigy Finance. Today Zack will answer your questions regarding Prodigy's student loans.

narendra111988: What are the major factors for considering an applicant for prodigy's scholarship?

Zack: Prodigy Finance takes into account your past work experience and the employment statistics from your program. From this, we calculate your future affordability, and offer you a loan based on this affordability.

narendra111988: How do you guys decide how much am i affordable based on past experience?

Zack: Very simply, we quantify your education and work experience (salary and where you've worked). We also look at the increases in salary from students who have entered your program (or a similar program). That is all added to an algorithm to determine what you can realistically borrow and repay in the future.

septwibowo: How much can I borrow? I mean, on your website you said that Prodigy can provide up to 80% cost of attendance. How is the reality?

Zack: It all depends on your application (mainly, your work experience and the program you'll be attending). Some applications do receive up to 80% Cost of Attendance, while some do not. You can submit an application with no strings attached today to find out!

septwibowo: If, let say, I only get 40% of total cost of attendance, can we ask from additional amount of loan by submitting others requirement or supporting documents?

Zack: Unfortunately no. We always give the maximum loan amount straight away. If you'd like to proceed, you would need to tell us how you plan to finance the rest of your Cost of Attendance for the program.

shairi12: Your website says it t covers cost of attendance... I assume this means tuition only?

Zack: Cost of Attendance is a technical term used by all schools. It means tuition + fees + expected living expenses.

MBAHariKoduru: Hi, do you provide loan for fee only? or do you cover living and other expenses also?

Zack: It depends on the program. For European and Canadian schools, we can only provide up to tuition. For U.S. programs, we can cover living expenses.

Stne: Dear Zack, Thank you for coming here. After getting admitted exactly what documents would we need to produce for finance .

Zack: Here are all the documents that we ask for: https://prodigyfinance.com/resources/faq/uploading-your-documents-6979f60fe66ddb66

2coolforBschool: Hi Zack, before securing admission, is there a way to figure out what would be the amount of loan that I would be eligible for based on my profile?

Zack: Yes! You can submit an application and receive a provisional offer before you are admitted. However, you will not be able to progress until you can upload your Admissions Letter.

pudugramam: Hi Zack, does Prodigy Finance support weekend MBA programs at Kellogg/Booth? I have been getting conflicting information about the same. What are the terms of such a loan?

Zack: We support the weekend MBA at Booth. However, we cannot support the Kellogg weekend MBA unfortunately.

Private: I am currently not employed since, I have devoted to studying GMAT full time. Is my current salary necessary for funding?

Zack: You can use your most recent salary. It does not need to be current as of this month. However, you actually do not need have been employed. Some students come directly from undergraduate colleges.

700ABOVE: Whats the interest rate on Loan?

Zack: Interest rates include a fixed margin + a variable base rate. Your margin will be between 5.5-8.5%. The base rate will be US LIBOR, which is updated quarterly (4 times per year).
For instance, if you receive a 7% margin, we add the current LIBOR to this to get your total interest rate. LIBOR is currently 1.3%. So, your interest rate will be 7.13% for the following quarter. The next quarter, your interest rate will increase or decrease, depending on how LIBOR fluctuates.

700ABOVE: One more question.. Is the interest rate applied on the amount from the day 1 of loan sanction or once we complete our education?

Zack: Interest is calculated upon disbursement, only on the amount disbursed. If you have multiple disbursements throughout the year, therefore, the interest accrual is staggered. This is simple interest accrual (i.e. not compounding). There is also a grace period of 6-months after your course ends.

himanshukamra2711: Collateral is required for complete finance of the program?

Zack: Nope! Zero collateral or co-signors required. In fact, we never accept them. The loan decision is all about you -- the student. Not your family :)

Nikkb: Hey Zack, i just went over FAQ's. There you have mentioned one is not eligible for loan if he worked in US earlier.. think you mentioned time of 7 years or more. What about loan structure if one is Indian resident but have a masters degree and work exp from USA?

Zack: As long as you have not lived in the USA for the last 7 consecutive years, you can qualify.

divyabhtyagi: Do you also look at the Current Status of the student with respect to Family background?

Zack: No! We do not consider your family background.

Private: Hi Zack! I want to thank you in advance for your time. Does Prodigy provide loans to Iranian students admitted to B-schools?

Zack: As a UK company, unfortunately there have been regulations recently put in place such that we cannot fund Iranian students. We DO NOT agree with this policy, and we are working to amend it. However, we cannot commit to funding Iranian students at this time. I apologize.

Private: Thanks Zack Hirschfeld for your kind answer, I really appreciate you and your company's efforts :-)

The Chosen: Hello Zach. How long does the entire application process take? And also when I get an admission offer, can prodigy pay the acceptance fee on my behalf before the expiry of the deadline to make payments after 30-days of receiving an admission offer?

Zack: No -- we cannot pay your deposit fee. You will cover this fee. However, the process takes about 4 weeks from application submission to disbursement. We disburse all funds directly to the university, so you will only have access to the funds once you reach campus. Many students will complete their applications in the Spring, but wait until the Fall to have those funds disbursed. This way, you can have a worry-free Summer :)

vatanyam: Hi Zack, saw that we can apply for a loan before being admitted to any school to see how much we will be able to get? Is the loan application process the same (through online, etc) as if we have been admitted?

Zack: Yes -- everything is done online. No matter whether you are admitted or not. It's funny, sometimes we get curious looks for our application process being so easy. However, we are an innovative company that's changing international student finance! We're a much simpler experience than an bank. To date, we've funded more than 8,000 students. And big news recently, we just raised another round of funding from top VCs: http://nyti.ms/2hkMbyJ

2coolforBschool: Hi Zack, I just tried creating an application to check for a provisional offer. For Columbia Business School there is no option to select a Sep 2018 1st year intake. Is there a way to check what would be my provisional offer for this school?

Zack: Ah, yes. for next year's intake, we will make applications available in November. If you need to see what you qualify for now, you can create an application for Sep 2017 intake 1st year. We will then withdraw this application and you can re-apply when you're admitted.

Private: I think of pursuing PhD post my MBA (from an Ivy, which would itself be a huge loan). Once I am done with my MBA I would be expected to start paying out the loan (after 6 months?). But I would be studying again for PhD which won't provide much remuneration. How do I proceed then?

Zack: Unfortunately, we cannot provide funding for PhDs, and cannot grant payment extensions for people who decide to pursue a PhD. You would have to understand that you will need to still make monthly payments while studying.

Private: Do you have cases where people opt for PhD post MBA and the remuneration suffices to make the monthly payments?

Zack: I do not know of a specific case. You'd have to figure out what your monthly income would be during the PhD program, and then compare that to the average monthly payments for the Prodigy Finance loan. We can tell you this once you are approved.

AnubhavK: Would it be possible to share, the terms of financing (5 years, 7 years) and if the foreclosure of loans are possible, any charges for foreclosure of education loans?

Zack: Sure -- our loans are offered on 7, 10 or 15 years repayment. However, you fully repay (i.e. close out the loan) at any time for zero fees. Just pay the outstanding balance in full at that point in time.

elinator: Hi Zack, how common it is for students to receive the maximum amount for Prodigy loan?

Zack: I don't have a statistic for you on that. So much depends on your application. I would recommend submitting an application to see what you qualify for. It takes about 15 minutes, and there is no obligation to continue with the loan process after you submit the application.

Narenn: Where can we find the list of eligible universities on Prodigy's website?

Zack: Find our program list here: http://bit.ly/2l2U1dK and here: http://bit.ly/2xUd9nG

Narenn: One more question: Do you also fund Part time and Executive MBA programs?

Zack: For most universities, we do not fund the part-time or executive MBA programs. However, if you search for the school on our website, you'll see which programs are available.

Moderator: Alright: thanks for joining in folks. Thank you very much Zack for your time and insightful answers. We will post transcript of this chat in "Financing Your MBA" forum on Thursday.. https://gmatclub.com/forum/tuesday-sept-19-live-q-a-with-prodigy-finance-249104.html

Zack: Happy to help! Please reach out at info@prodigyfinance.com or visit our website to start an application. All the best in your admissions!

Visit Prodigy Finance Website http://bit.ly/2xUd9nG