

TOP MBA FAQs



Juno

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I've heard that you should avoid private loans at all costs. Why is Juno any different?

Well, you've gotten advice that's more reasonable for undergraduate students.

For the vast majority of graduate students, Juno is able to offer rates that are lower than the federal loan rates. This is especially true for graduate students with cosigners. Hence, if you are optimizing for the cost of the loan, you'd likely be better off with a Juno loan. (Btw, most MBAs in prior years have used Juno).

The major trade off to consider, other than cost, are:

- 1. Public Service Loan Forgiveness**
- 2. Income Based Repayment Plans**

Essentially, if you are going to go into a career where you don't expect to make a good income, then the federal loans have certain features that can help you out.

Given most MBAs at X end up making \$150K+ starting, they usually can't take advantage of the features that are unique to federal loans.

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I am low-income (Non-profit) and need help budgeting. What advice do you have for me?

Keep in mind that the maximum you can borrow via student loans (federal, private or combined) is limited to the school's cost of attendance minus any aid you've received. The cost of attendance includes things like living expenses, transportation costs, supplies, etc.

Hence, you need to follow a strict budget and ensure you don't run out of money in the middle. It can be very expensive.

One thing you might consider doing is to get a 0% APR Credit Card before you quit your job. These cards often charge 0% for 12 - 18 months. After that, it becomes a very high interest rate. Hence, the strategy with the 0% APR credit card is that you use the card during the promotional period.

Then, during your internship, you pay off the card. You get a new card during your internship and repeat the process for your second year. This is a risky strategy as it can become expensive if you don't get that internship / full-time offer in a quick time period but might be good to keep it in your back pocket.

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What are interest rates currently? How does a company decide what rates I get?

Rates are relatively high at this moment. As of February 2023, the range is between 4.45% - 13.85% . Juno is working to get these rates down for the upcoming school year.

It's still marginally better than Federal because Federal charges an origination fee of 4.2% on top of the 7.54% interest rate.

If you get a rate that's lower than 7.54%, you'd be better off with Juno.

If you get a rate between 7.54% and 8.2%, you'd be better off with Juno but it's harder to see. You can use this calculator to see why this is the case:

[Fed vs. Private Simple Comparison.](#)

If you get a rate that's higher than 8.2%, you'd be better off with Federal.

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Should I take out a loan or use my savings?

Depends on the rates you get and what your post-MBA plans are.

If you think you'll find yourself pursuing a path where "cash is king", like entrepreneurship or ETA, then taking out a loan could be a great option.

If you think you can invest your savings such that it earns more the interest you are paying, then you might be better off taking a loan.

If the above don't apply, then using your CASH SAVINGS, can be a good idea.

Note: if you are thinking about selling stocks or other assets, especially any that have appreciated since when you bought them, the answer becomes more complex. You may incur a tax liability and as a result, it may not be worth it by a wide margin to use your savings. In these cases, it often makes sense to borrow against those assets if possible (For example, check if your brokerage will offer a loan against the stocks, make sure you don't over leverage that you are forced to liquidate if the stock price drops). Alternatively, just take a student loan.

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How do students pay for all of their travel? My understanding is loans only cover tuition and the school's estimated COA (which typically isn't enough to cover travel). Does this mean students only use savings/credit cards for travel?

It depends, but usually, folks use some combination of credit cards, savings, personal loans, and refunds from their student loans. As you mentioned, the loan can cover up to the Cost of Attendance (COA) minus any aid received, so you could get a portion of the loan as cash in your bank account.

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The idea of using credit cards or even private loans makes me nervous because how do you pay those back with no income for two years? (Genuine question - does anyone know if you can defer payments or what?)

Agreed. Our lending partner offers a 9 month grace period, meaning you can defer your payments for 9 months post-graduation. However, by opting for something like a \$25 in-school monthly payment, you can actually take advantage of the .25% autopay discount immediately.

A good rule of thumb – don't borrow more than you anticipate earning your first year.

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Since I'm new to the private loan application process, do you have tips and tricks in getting the best loan rates?

Yep! The best thing you can do is [shop around](#). Since every lender has slightly different underwriting, it's tough to predict which one will get you the best rate. Juno has a rate match program right now that also ensures you'll get the best deal on the market, plus a cash bonus.

Do you know if my rate will be impacted because I do have a home? I've heard of people having issues locking down a mortgage due to student loans. I'm wondering if that applies the other way as well?

A mortgage can affect your Debt To Income (DTI) which in turn can affect your interest rate. Typically, the more you've borrowed, the higher the rate. You can try to counteract this by adding a cosigner such as a parent or partner to your student loan.

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Would you mind covering how loans work for veterans? As of right now, I'm planning on using my GI Bill but I know it likely won't cover everything. Does this mean the schools will only certify whatever GI/Yellow Ribbon doesn't cover?

That's correct. If you apply for a loan and request an amount that's too high, the lender will work with the school to lower your borrowing amount.

How much am I actually going to be spending on travel? And what tips do you have for building a budget?

Varies dramatically but on average, around 10k per year on travel. We've got a webinar about budgeting [here](#). TKTK

**What is the average debt load for MBA graduates?
What are ways to avoid this much debt?**

Right around 70k per year. We've got a webinar about budgeting [here](#). TKTK

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Will I be eligible despite not making an income if I quit my job early?

Yep! Many students are able to get a good rate despite not having an income, especially when they add a cosigner to the loan.

What are the eligibility criteria for student loans?

We endeavor to help students from all over the world. Any past, present, or future student of a university (Title IV accredited, non-profit) based in the United States is eligible to join Juno. There are [certain popular universities](#) outside the U.S. that are also eligible.

Both international and domestic students are welcome to join, including DACA recipients and those on a visa.

Our domestic lending partner requires that you (or your cosigner) has a minimum FICO score of 650, has at least 3 years of credit history, no bankruptcies, and no accounts in collections.

Our database pulls from the federal database of title IV schools in the U.S. to determine eligibility and we're looking to expand to even more.

Currently supported:

Undergraduate programs of Title IV accredited, non-profit universities

All grad programs, such as law, medicine, PA, MBA, etc. of Title IV accredited, non-profit universities

Graduates of the above programs looking to refinance their loans

Currently not supported:

For-profit universities

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What happens if I am unable to make loan payments?

If you're unable to make your payments, there may be options available to you. Some of the following options may have eligibility standards and documentation may need to be provided. It's important to note, if the primary account holder is unable to make payments, the responsibility of payments will fall to the co-signer.

Skip-a-payment

Unexpected life events can affect your budget, so we offer you the ability to skip one payment every 12 months. Your first request to skip a payment can be made once you've made at least 6 months of consecutive on-time payments, and your loan is in good standing. During your skipped payment, simple daily interest continues to accrue on your loan. You can start your request for a skip-a-payment [here](#).

Forbearance

In certain situations, you may qualify for forbearance, the protection offered by our lending partner for clients who are experiencing a documented and verifiable hardship. During forbearance, simple daily interest continues to accrue on your loan.

In grad school or enrolling in grad school?

If you're going back to grad school at least half-time, you may be eligible for deferment, which postpones your loan payments for a period of time. During deferment, your loan will continue to accrue interest.

In the military?

Our current lending partner offers military deferment and SCRA benefits to eligible service members.

Loan forgiveness and discharge

In the unfortunate event of death or total and permanent disability, our lending partner will discharge all private student loans.

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What is the typical time frame for repayment of student loans after graduation? Can I change these if something happens?

Most folks choose a 10 year repayment plan. Regardless of how long the term is, you typically can repay earlier without any fees or penalties should you choose.

If you wind up in a situation where you want to take longer to pay off the loan, you'd need to refinance to a different repayment plan which is not always possible.

