Social Impact Loan Forgiveness
Private Sector Careers
Loan forgiveness opportunities for students pursuing a career in for-profit social impact are available to support you after you graduate from Stanford GSB.

**LOAN FORGIVENESS PROGRAM**

We are dedicated to preparing our business graduates to lead institutions in all industries. In order to encourage students to make meaningful contributions to areas such as social justice, sustainability, or the health of democratic institutions, we offer a loan forgiveness program to reduce the financial burden of educational debt by paying a percentage of graduates’ Stanford GSB loan obligations. Students must be employed in a private sector social impact organization.

### Loan Forgiveness Program

<table>
<thead>
<tr>
<th>Eligibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application Process</td>
</tr>
<tr>
<td>Required Materials</td>
</tr>
</tbody>
</table>

You can participate in the Stanford Social Impact Loan Forgiveness Program at any point while you are repaying your Stanford GSB loans. Eligibility during any given year does not automatically qualify you for a future year. Loan forgiveness is dependent on available funding. Social impact Loan Forgiveness will be offered to graduates from the class of 2022 and beyond as a pilot program.

This is not an entitlement program. The Financial Aid Office determines eligibility for this program on a case-by-case basis, and these decisions are final. We reserve the right to change eligibility guidelines and required application materials at any time. It is also within our discretion to take into account other relevant criteria as needed when determining your eligibility.

For founders starting a social venture, participation in the Social Impact Loan Forgiveness Program is limited to five years per venture or until the eligibility criteria is no longer met. Extension beyond
five years is at the discretion of the GSB.

If you are a joint or dual degree student, contact the Financial Aid Office before applying for more information about your eligibility.

**APPLICATION FILING DEADLINES**

Approval for this program is coordinated between the Financial Aid and Center for Social Innovation offices. In order to allow our office’s time to review, it is recommended you submit your initial application by the following deadlines:

- November 1st or,
- May 1st

Applications received after these dates will be reviewed on a rolling basis. Only students with loans in an active repayment status may apply for the program. For most students, loans will begin repayment six months after graduation.

**EMPLOYMENT**

To be eligible for the program, you must have founded or have been working at a Stanford GSB approved high-impact business with social or environmental outcomes as the core purpose, a (B-Corp, C-Corp, LLC, or other structure) that meets the following criteria:

- Pre-Series B and has a number of employees commensurate with norms of seed businesses in their industry.
- Investors have provided patient, philanthropic, or sub-commercial capital without expectation of a market-rate return in the most recent fundraising round.

Social impact consulting firms and impact investors are evaluated by both the organizational mission and their portfolio of investments/clients. At least 75% of the portfolio of clients or investments must consist of social impact organizations.

Ventures that are unincorporated at the time of a founder’s first application to the program must be incorporated within two years of the date of the first application.

You must work at a qualifying organization at least part-time (twenty hours per week or more), with the intention of being at the organization for at least six months.

You are required to notify our office immediately if:

- You change jobs
- Your salary changes
- Your marital status changes

Changes in your job, salary or marital status may affect your eligibility. Married students are required to provide their spouse’s income and asset information for review. If at any point you become ineligible for the program, you may be required to repay funds received after becoming ineligible.

**VOLUNTEER POSITIONS**

We consider volunteerism willful employment without compensation; therefore, volunteer activities are not considered qualifying employment for the program.
**INCOME**

You must demonstrate that you would face undue financial hardship if required to repay the loan in full without financial support. We calculate your adjusted income to determine the amount of loan forgiveness for the year in which you apply. You are expected to have a minimum income to cover a reasonable cost of living.

<table>
<thead>
<tr>
<th>Adjusted Income</th>
<th>Eligible Loan Forgiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>$95,000 or less</td>
<td>Full amount of annual loan payments</td>
</tr>
<tr>
<td>More than $95,000</td>
<td>Prorate amount of annual loan payments*</td>
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*Eligibility is based on the income of the household. The chart above represents the student’s income thresholds only. If you are married, your spouse’s income is included in the determination of your eligibility. In calculating your adjusted income, the financial aid office will include other forms of taxable income such as interest income and dividends, as well as nontaxable income such as 403(b) and 401(k) contributions for you and your spouse. Prorated levels of support are based on the applicant’s financial profile, including income and assets of the household and debt level.

**INCOME ELIGIBILITY THRESHOLD**

We annually update the income threshold we use to determine eligibility for full loan forgiveness. The amount is based on a percentage of the median base salary and other compensation of Stanford GSB’s prior year’s graduating class. Income eligibility information typically is updated each year in October.

**ASSETS**

We may consider assets in our adjusted income calculation. Although a reasonable amount of assets will not disqualify you, substantial amounts of assets may lead to a reevaluation.

**ELIGIBLE LOANS**

The Financial Aid Office will include only original loans borrowed while attending Stanford GSB to help fund your education. All loans must have been certified and administered by the Stanford GSB Financial Aid Office. We do not consider loans from family/friends or other sources. Loans must be in repayment status when applying. The minimum repayment plan length we will consider is 10 years (120 months).

Only loans in good standing are eligible. An applicant’s loans will not be eligible if the loans are:

- Eligible for or in deferment/forbearance
- Past due

If you have consolidated your loans borrowed for your Stanford GSB education, you are eligible for this program as long as you can provide supporting documentation.

Funds received from employers under conditional contracts (e.g., tuition reimbursement, salary advance, etc.) to pay tuition, books and supplies, and other fees, are not eligible for the program.
In order to start the Stanford Social Impact Loan Forgiveness application process, submit the required application materials via the Financial Aid Office’s secure document upload portal.

If the submitted materials are complete, then the Financial Aid Office will begin review of your application. Be advised that supplemental information may be required and will be determined on a case-by-case basis.

There are different applications and materials for leaders joining impact organizations versus founders of social or environmental ventures. Applicants may be required to attend an interview with the Center of Social Innovation.

**AWARD LETTER**

If you are eligible for program funds, the Financial Aid Office will email an award letter and promissory note that indicates your eligibility status. The award letter will state how much you are eligible to receive in your first award disbursement (first six months of eligibility). It will also project how much you will receive in your second award disbursement (the next six months of eligibility) assuming that there is no change in income, employment, and/or marital status. Eligibility will begin on the first day of the month in which the Financial Aid Office receives the completed loan forgiveness application and additional required materials. You may not request back payments on your educational loans prior to submitting the application materials.

**ACKNOWLEDGMENT/ACCEPTANCE LETTER**

The acknowledgment/acceptance letter will be based on the amount you receive for the first award disbursement. In the email, we will ask you to sign and return the acknowledgment/acceptance letter to the Financial Aid Office. A legible fax or scanned signature copy of the letter is acceptable. You may be contacted by the Stanford GSB Development Office to write a thank you letter to the donor on an annual basis. Thank-you letters must be submitted prior to your six-month renewal application.

**DISBURSEMENT**

Once we receive your acknowledgment/acceptance letter in the mail, it typically takes two weeks for us to process and disburse the award in the form of a check payment. It is then your responsibility to pay, in a timely manner, the lender or servicer that holds your Stanford GSB loans. If you live outside the U.S., you will need to consider how to deposit and remit loan payments from your loan forgiveness award to your lender(s) in a timely manner.

Each disbursement of funds from the program is made on the understanding that you will remain employed for the full six months by the eligible organization described in your application. If you change jobs, have a change in salary, or work less than halftime (less than 20 hours per week), you must notify the Financial Aid Office immediately. If requested by the Financial Aid Office, you will be
required to repay any funds advanced, for which you have become ineligible.

Typically, the process takes five to seven weeks from the receipt of the loan forgiveness application and documents in the Financial Aid Office to the time in which you will receive the check payment. You should continue to make required loan payments during the application process.

Any funding received from this program is considered taxable income.

**SIX-MONTH RENEWAL PROCESS**

We distribute annual loan forgiveness funds in two disbursements. At the end of the six months of qualified employment for which your educational loan payments have been made, you must provide the following renewal materials to the Financial Aid Office:

- If you have had a major change in income or employment since completing the Annual Application, complete Renewal Application - Change in Employment
- If you have not had a major change in income or employment since completing the Annual Application, complete Renewal Application - No Change in Employment

The Financial Aid Office must receive the above renewal materials no later than one month after the start of the next six-month renewal period, as indicated in the award letter. Please be advised that the Financial Aid Office may grant back payments for only one month, upon receiving the renewal paperwork.

If the information provided is sufficient, the Financial Aid Office will process a renewal for the second award disbursement payment. If we receive changes to previously submitted information (e.g. change in income, employment and/or marital status), we may adjust the second award disbursement payment.

**RENEWAL AWARD LETTER AND ACCEPTANCE LETTER**

You will receive a renewal award letter and a new acknowledgment/acceptance letter based on the amount you are eligible for in the second disbursement. For the next six-month period, you will need to sign and return the acknowledgment/acceptance letter. Once the new acknowledgment/acceptance letter for the next six-month period is received, the subsequent disbursement will be made. Again, in order to keep loan(s) in good standing, you will need to continue making any required loan payments during the process.

After the second award disbursement has occurred and another six months of qualified employment for which your educational loan payments have been made, the application process will start over.
The following materials are required to determine your loan forgiveness eligibility. Submit these forms to Stanford GSB Financial Aid Office via the secure document upload portal.

**Required Materials For Joiners of Social Impact Organizations**

**JOINERS OF FOR-PROFIT SOCIAL IMPACT LOAN FORGIVENESS ANNUAL APPLICATION**

The annual application must be completed each year for which you wish to receive loan forgiveness funds.

**U.S. FEDERAL TAX RETURN & W-2 OR FOREIGN EQUIVALENT**

You will provide a copy of your most recent U.S. Federal Tax Return (1040), including all schedules and copies of W-2 forms, or a foreign equivalent.

If you are submitting a foreign tax statement, provide copies of the most recent tax statement from any and all countries in which they were filed. Include an index of the current exchange rate. Include a U.S. 1040 NR form, if applicable.

If you did not file in any country, you must provide a letter of explanation.

**SPOUSE’S U.S. TAX RETURN & W-2 OR FOREIGN EQUIVALENT**

If you are married and filing separately, you must include copies of your spouse’s most recent U.S. federal tax return, all schedules, and W-2 forms, or foreign equivalents as detailed above.

**PROOF OF EMPLOYMENT AND WAGES**

Provide your most recent pay stub as proof of employment and salary. If you were recently hired and have not yet received a pay stub, you will need to provide your offer letter.

**PROOF OF SPOUSE’S EMPLOYMENT AND WAGES**

If you are married to an employed spouse, provide proof of his or her employment and salary (an offer letter or recent pay stub).

**VERIFICATION OF LOAN DEBT**

Provide verification of outstanding loan debt from lenders or servicers, including:

- Required monthly repayment
- Outstanding loan balance
- Payment history

If a spouse has outstanding educational loans, submit verification of his or her loan debt as well.

View our sample loan summary for guidance.
PROOF OF CHILDCARE EXPENSES
If applicable, include proof of childcare expenses, such as:

- Invoices
- Statements from a licensed childcare provider
- Proof of payment for services if no invoice is available

IMPACT COMPASS SUMMARY
Complete the Impact Compass for your employer. Save a PDF of your completed Impact Compass and submit the document with your application. Links to a guide and the form are available within the application.

DOCUMENT TRANSLATION
If any of the above materials are not in English, provide a personal translation of the pertinent information.

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Required Materials for Founders of Social or Environmental Ventures

FOUNDERS OF SOCIAL IMPACT ORGANIZATIONS LOAN FORGIVENESS ANNUAL APPLICATION
The annual application must be completed each year for which you wish to receive loan forgiveness funds. U.S.

U.S. FEDERAL TAX RETURN & W-2 OR FOREIGN EQUIVALENT
You will provide a copy of your most recent U.S. Federal Tax Return (1040), including all schedules and copies of W-2 forms, or a foreign equivalent.

If you are submitting a foreign tax statement, provide copies of the most recent tax statement from any and all countries in which they were filed. Include an index of the current exchange rate. Include a U.S. 1040 NR form, if applicable.

If you did not file in any country, you must provide a letter of explanation.

SPOUSE’S U.S. TAX RETURN & W-2 OR FOREIGN EQUIVALENT
If you are married and filing separately, you must include copies of your spouse’s most recent U.S. federal tax return, all schedules, and W-2 forms, or foreign equivalents as detailed above.

PROOF OF EMPLOYMENT AND WAGES
Provide your most recent pay stub as proof of employment and salary. If you were recently hired and have not yet received a pay stub, you will need to provide your offer letter.

PROOF OF SPOUSE’S EMPLOYMENT AND WAGES
If you are married to an employed spouse, provide proof of his or her employment and salary (an offer letter or recent pay stub).
VERIFICATION OF LOAN DEBT
Provide verification of outstanding loan debt from lenders or servicers, including:

- Required monthly payment
- Outstanding loan balance
- Payment history
If a spouse has outstanding educational loans, submit verification of his or her loan debt as well. View our sample loan summary for guidance.

PROOF OF CHILDCARE EXPENSES
If applicable, include proof of childcare expenses, such as

- Invoices
- Statements from a licensed childcare provider
- Proof of payment for services if no invoice is available

THEORY OF CHANGE
Upload your Theory of Change in PDF format based on this template.

VENTURE’S CAP TABLE
Upload the most recent version of your venture’s cap table.

VENTURE DOCUMENTATION
Upload any existing documentation describing your venture to prospective investors and supporters.

DOCUMENT TRANSLATION
If any of the above materials are not in English, provide a personal translation of the pertinent information.
SIX-MONTH RENEWAL APPLICATION

We distribute annual loan forgiveness funds in two disbursements: one at the beginning of the application year and the second application at mid-year. These dates may vary, depending on when you submit your application. You must submit the Stanford MBA six-month renewal application to receive your second disbursement.