

## Background Information

[Purdue University's](#) mission is to provide students with a [higher education at the highest proven value](#). The University and the Purdue Research Foundation always seek ways to improve the undergraduate and post-graduate educational experience in the most affordable ways possible.

A new funding option for students who need additional financial support other than through a private or Parent PLUS loans, the Purdue Research Foundation is offering an Income Share Agreement (ISA) called Back a Boiler – ISA Fund.

Back a Boiler – ISA Fund is available to Purdue's rising Sophomore, Junior and Senior level students enrolled at Purdue West Lafayette campus for the fall, spring and summer academic sessions. Students, parents and/or guardians who may have questions about the program, are interested in learning more, or who wish to apply may go to [purdue.vemo.com](http://purdue.vemo.com) where they can set up a login account or call the Purdue Division of Financial Aid at 765-494-5050 or email [BackaBoilerinfo@prf.org](mailto:BackaBoilerinfo@prf.org).

## FAQ about Back a Boiler — ISA Fund

### Q: What is an ISA?

In general terms, an Income Share Agreement (ISA) is a contractual agreement in which a student receives education funding in exchange for an agreed upon percentage of post-graduation income over a defined number of years.

### Q: Why is Purdue Research Foundation offering an ISA?

Purdue Research Foundation has established the Back a Boiler – ISA Fund to provide another choice of funding options for students that could reduce debt and financial risk for graduating students.

Purdue University and Purdue Research Foundation are focused on student-centric communication and will conduct the ISA with transparency and openness with a priority on helping students pay for their academic education that best suits their particular needs.

### Q: Is the Back a Boiler – ISA Fund meant to replace student loans?

The program does not replace government-subsidized student loans, but does offer students another option to pay for their education should they need additional resources or favor a more income-flexible funding alternative. An ISA could be a good alternative to private student loans and Parent PLUS Loans. Click [Comparison Tool](#) to see how the Back a Boiler – ISA Fund compares with private student loans and Parent PLUS Loans.

### Q: How would an ISA impact my other financial aid?

The ISA would be treated the same way as private loans. The maximum would be your Cost of Attendance minus other financial assistance. Grants, scholarships, and other need-based aid would not be reduced by the ISA.

Purdue Research Foundation has established the Back a Boiler – ISA Fund to provide another choice of funding options for students that could reduce debt and financial risk for graduating students.

### Q: What are the benefits to students?

ISAs offer students an alternative to debt: debt creates substantial risks to students if they cannot afford their payments during and after college, whereas ISA payments adjust according to levels of income. In addition, there

will be a minimum income threshold and a maximum payment cap, so students who use the program will not pay if they do not meet a minimum income level, while those who earn a substantial amount of income will not pay above a certain maximum amount.

**Q: Am I required to fully pay the money that was given to me under the ISA?**

An ISA recipient is simply required to pay the agreed upon percentage of post-graduation income for the prescribed term of the contract. After making successful payments over that term, no additional payments are required even if they have paid less than the amount of funding they received.

**Q: May I repay my ISA early?**

The ISA may be prepaid by paying the total payment cap that is stated in your disclosure.

**Q: Will the amount I am responsible to repay grow through interest expense until I begin making payments or by my occasional underpayment?**

One of the ways that an ISA differs from a traditional loan is that students aren't accruing interest on the total amount funded, however most individuals in the program will pay more than the principal borrowed. The amount you are required to pay (Income Share multiplied by earned income) will only grow due to the growth rate of the amount of the income you earn, but the income share level percentage will not change over the course of the ISA.

**Q: What are the risks to students?**

The amount of payment is based on income, so if a student commits to an ISA and earns a high income after graduation they may pay more to the fund than they would have with conventional debt. However, Purdue Research Foundation caps the total amount paid and states the cap in all your disclosures. To see how the Back a Boiler – ISA Fund compares with private student loans and Parent PLUS Loans, click [Comparison Tool](#).

**Q: What is the cap on total ISA payments?**

Once payments have been made equal to the payment cap that is stated in your disclosure, no more payments are required.

**Q: How much funding is available for individual students?**

Individual funding amounts may vary depending on each student's particular case. Students may receive up to 15 percent of their expected annual income. Students should talk with a financial aid adviser or call the Purdue Division of Financial Aid at 765-494-5050 for more information.

**Q: How will students know if an ISA is a good option for them?**

ISAs are among many options that are available for education funding. Students, parents and/or guardians should research which options work best for their individual situations. Students can visit the [Comparison Tool](#) to compare an ISA to other funding options.

**Q: What types of payment terms will be offered for students?**

Exact terms will vary by student, but the term length and percentage are set to be competitive with current education finance options such as private student loans and Federal Parent PLUS Loans. Depending on the student's post-graduate income, the amount paid back on the ISA may be either lower or higher than the amount provided to the student.

**Q: Following graduation, when does the Back a Boiler – ISA Fund payment plan take effect?**

Students are afforded a six-month grace period after graduation or the commencement of employment before payments are required.

**Q: Will students be required or steered toward certain types of post-graduation employment?**

There are no requirements stipulating the nature or type of employment that students choose after graduating.

**Q: Which Purdue students will be eligible to apply for an ISA?**

The program is available to rising Sophomores, Juniors and Seniors.

Other eligibility requirements include:

- Enrollment on a full-time basis at the West Lafayette Campus
- U.S. citizen or Permanent Resident
- 18yrs+ old at time of contract execution
- Current and anticipated financial obligations at a reasonable threshold
- Meeting Satisfactory Academic Progress (SAP) towards degree as defined by Purdue University
- Must have a declared Major (i.e. may not be First Year engineering or Exploratory studies)

**Q: What factors should students consider when applying for financial assistance, an ISA or educational loan program?**

A student's individual education financing plan should include an assessment of all of the options available based on their individual financial situation. Click [Comparison Tool](#) to see how the Back a Boiler – ISA Fund compares with private student loans and parent PLUS Loans. Purdue encourages any student interested in an ISA to discuss Back a Boiler further with their parents and/or guardians and a financial aid adviser and consider how an ISA compares to other education financing options.

**Q: How can Purdue students apply for an ISA or get more information?**

For more information, visit [backaboiler.org](http://backaboiler.org), email [BackaBoilerinfo@prf.org](mailto:BackaBoilerinfo@prf.org) or call the Purdue Division of Financial Aid at 765-494-5050. To apply, visit [purdue.vemo.com](http://purdue.vemo.com). It is recommended that interested students discuss the Back a Boiler – ISA Fund with a financial aid advisor, parents and/or guardians before deciding if an ISA is a possible funding solution for them.

**Q: What happens if I transfer or go to grad school?**

While in school, whether it be Purdue or any other accredited university, your ISA will toll or be paused (similar to in-school deferment) and not be in a payment status for up to five years. Your ISA payment term will be extended by the amount of time you are in school.

**Q: Can I get an ISA for more than one year? If so, how would that look in payment?**

Yes, for instance, if you take one as a Sophomore you may also take one as a Junior and/or a Senior. Each ISA is a contract on its own, so term lengths and rates may vary, but your payment will be the sum of the percentages.

**Q: What if I take time off to travel or start a family?**

If you voluntarily leave the work-force, your ISA will toll or be paused and not be in payment status for up to five years. Your ISA payment term will be extended by the amount of time you take off.

**Q: What is the process to apply? How long does it take?**

The application is available at [purdue.vemo.com](http://purdue.vemo.com) and can be completed online. Due to Federal disclosure laws, it will take at least a week to process.

**Q: What criteria is used to deny a student’s Back a Boiler application due to a negative credit event or action?**

If a student has had a collection or credit action taken against them that is paid or unpaid, their application will not be approved. Examples of credit actions include garnishment, lien attachment, judgment or tax lien; bankruptcy; or unsatisfied suit or judgment.

**Q: What are the minimum and maximum amounts I can take in an ISA?**

A Back a Boiler – ISA Fund will start at \$5,000 for students enrolled in the fall and spring academic sessions and \$2,500 for summer session. The maximum depends on a student's cumulative student loans and any prior ISA obligations.