



Income Share Agreement FAQ

The NYCDA Income Share Agreement is a no-risk alternative to student loans, available to qualifying students in New York City, Philadelphia, and Washington, DC. This FAQ highlights some specifics of the program. If you have more questions, contact admissions@nycda.com.

Q: WHAT IS AN INCOME SHARE AGREEMENT (ISA)?

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

Q: WHAT IS A DEFERRED TUITION ISA?

A Deferred Tuition ISA is an ISA where the required payments are always equal to or less than the sticker price of tuition. You may end up paying the full sticker price of tuition, less than the full price, or nothing at all. No one ever pays more than the sticker price of tuition.

Q: WHY IS NYCDA OFFERING AN ISA?

NYCDA is offering an Income Share Agreement to fight back against student loan debt, and challenge the status quo of the education industry. By offering an ISA, high-quality education becomes more accessible to those who may be unable to receive other forms of financing, and reduces the risk a student takes by pursuing an education.

Q: IS THE NYCDA ISA PROGRAM MEANT TO REPLACE STUDENT LOANS?

The program covers the full cost of an NYCDA intensive course's tuition, but does not cover other expenses incurred during the program, like transportation, living expenses, personal study materials such as notebooks, laptop, etc. An ISA is meant to replace private student loans with respect to tuition only.

Q: WHAT ARE THE BENEFITS TO STUDENTS?

ISAs offer students an alternative to traditional debt: debt creates substantial risks to students if they cannot afford their payments during and after the program, so ISA payments adjust according to levels of income and begin after the program is completed. In addition, there will be a minimum income threshold and a maximum payment cap, so students who use the program will not make monthly payments if they do not meet a minimum earned income level, while those who earn a substantial amount of income will not make monthly payments more than 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-completion earned income for the prescribed term of the contract and will not have to pay more than the payment cap amount. After making successful payments over the course of the payment, no additional payments are required even if they have paid less than the amount of funding they received.

Q: WHAT ARE THE ISA PAYMENT STIPULATIONS?

ISA payments begin when a graduate has earned income of \$40,000 or more annually. Monthly payments will be 8% of monthly income for 48 months, or until the tuition cap is reached, whichever occurs first.

Q: WHAT HAPPENS IF MY ANNUAL INCOME FALLS BELOW \$40,000?

The student account will be placed in deferment status and no payments will be owed if the student (i) has enrolled at least full time in higher education or training, (ii) earns less than \$3,333/month (equivalent to \$40,000/year), (iii) is unemployed, or (iv) is not in the labor force. We may extend the payment term by one month for each month of deferment, up to an additional twenty-four (24) months.

Q: MAY I EXIT OR SATISFY MY ISA EARLY?

You may extinguish your obligations for the ISA before the payment term ends by paying the full tuition amount owed less any payments already made.

Q: WILL THE AMOUNT I AM RESPONSIBLE TO PAY GROW THROUGH INTEREST EXPENSE UNTIL I BEGIN MAKING PAYMENTS OR BY MY OCCASIONAL UNDERPAYMENT?

An ISA is not a loan, and is not subject to interest expense. Beyond the cost of tuition, the only additional expenses a student may incur are associated with late payments (not to exceed \$5) or returned payment/check fees (\$20).

Q: WHAT ARE THE RISKS TO STUDENTS?

The total payment amount is capped at the sticker price of your tuition, so you will never pay more than that price, even if you earn a high income after graduation. The only risk that you face is if you do not fulfill your obligation to provide up-to-date income information or to make payments based on that income. If that occurs, then your account will become delinquent and may eventually go into default.

Q: WHAT IS THE CAP ON TOTAL ISA PAYMENTS?

The cap on total ISA payments is the original tuition amount at the time of enrollment, plus any fees that are assessed associated with late or returned payments. A student will never make more than 48 monthly payments.

Q: FOLLOWING GRADUATION, WHEN DOES THE NYCDA ISA PAYMENT PLAN TAKE EFFECT?

Upon completing or exiting the program, students are given a 3-month grace period to find a job and settle into their career. Payment will begin on the first day of the month following the 3-month grace period.

Q: HOW DO ISA PAYMENTS WORK?

Monthly payments are calculated by applying your income share to your total monthly earned income, and that amount is sent to you in a monthly bill. Your earned income includes two things: (a) your wages, salary, tips, and all other earned income that you report on line 7 of IRS tax form 1040 or line 1 of IRS tax form 1040-EZ and (b) your business income that you report on line 12 of IRS tax form 1040. You can then pay online or with a check. Payments pause if you return to school, lose your job, or have an annual income below \$40,000.

Q: WHAT DOCUMENTS DO I HAVE TO SIGN?

After you sign your enrollment agreement with us, you will sign an Income Share Agreement, which includes a disclosure and additional contract terms and explanations. When classes begin, you will also receive a final disclosure, but it is only a reminder of the primary contract terms, and you do not have to sign it.

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 NYCDA STUDENTS WILL BE ELIGIBLE TO APPLY FOR AN ISA?

The program is only available to students enrolled in the Software Engineering Intensive, Software Development Intensive, Web Development Intensive, and UX Design Intensive programs in New York City, Philadelphia, and Washington, DC. right now.

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.

Q: HOW CAN NYCDA STUDENTS APPLY FOR AN ISA OR GET MORE INFORMATION?

For more information, contact the NYCDA admissions team at admissions@nycda.com, or by phone at 844-322-CODE (2633). To apply for the ISA program, students must fill out an application to a qualifying program at nycda.com/apply.

Q: WHAT HAPPENS IF I DROP FROM THE PROGRAM?

If a student drops, they'll be subject to our current fee schedule for drops in their respective location. See course catalog for refund policy details.