

UEL
Federal Loan Guidance
2019/0

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LOAN OVERVIEW

All loans, for US citizens and eligible non-US citizens, are originated with and borrowed from the US Government. You may apply for a private loan alongside your government loans as long as the total amounts borrowed do not exceed your Cost of Attendance (CoA). The University of East London's OPE ID School Code is **G30450**.

GOVERNMENT (DIRECT) LOANS

There are three types of Government Loans. Direct Subsidized, Direct Unsubsidized and PLUS Loans.

Subsidised Loans

Subsidized Loans have a fixed maximum value depending on the level of study you are undertaking and based on your CoA. There is NO interest charged on this loan whilst you are in school and the origination fee of **1.062%** is payable on disbursement. The origination fee can be included in your CoA. The current interest rate is fixed at **5.05%** for undergraduate students.

Unsubsidized Loans

Unsubsidised Loans have a fixed maximum value depending on the level of study you are undertaking and based on your CoA. Interest IS charged on this loan while you are in school. The origination fee of **1.062%** is payable on disbursement. The origination fee can be included in your CoA. The current interest rate is fixed at **5.05%** for undergraduate students and **6.6%** for graduate students.

PLUS Loans

The maximum amount you can borrow is set by the school based on your CoA. Interest IS charged on this loan while you are in school. The origination fee of **4.248%** is payable on disbursement. The origination fee can be included in your CoA. The current interest rate is fixed at **7.6%**. The maximum amount you can borrow per academic year is the CoA less the total amount of all Subsidized and Unsubsidized Loans borrowed. Please note that independent undergraduate students are not eligible for PLUS loans.

- i. **Parent PLUS** loans can be borrowed by parents of dependent undergraduate students. If you are a dependent student whose parent is borrowing a PLUS Loan and requires any excess balance to be paid to the student, then written authorisation from the parent borrower must accompany the application form.
- ii. **Graduate PLUS** loans can be borrowed by graduate level students only.

PRIVATE LOANS

The GEMS Smart Option Student Loan® by Sallie Mae® can be applied for online at www.myglobaled.com/StudentLoan/studentLoans_uscitizen.html.

The maximum amount you can borrow per academic year is the CoA less the total amount of all Government Loans borrowed. Private loans are paid via bank transfer.

DIRECT LOAN LIMITS

Direct loan borrowers are subject to both annual and lifetime loan limits, as outlined below.

Direct Loan Annual Limits

| Dependent Students | Subsidized | Unsubsidized |
|---|-------------------|---------------------|
| First year undergraduate | \$3,500 | \$2,000 |
| Second year undergraduate | \$4,500 | \$2,000 |
| Third year and beyond undergraduate | \$5,500 | \$2,000 |
| | | |
| Independent Students | Subsidized | Unsubsidized |
| First year undergraduate | \$3,500 | \$6,000 |
| Second year undergraduate | \$4,500 | \$6,000 |
| Third year and beyond undergraduate | \$5,500 | \$7,000 |
| | | |
| Graduate & Professional Students | Subsidized | Unsubsidized |
| All years | \$0 | \$20,500 |

Undergraduate Lifetime Limits

As a dependent undergraduate student, the maximum total debt allowed from Subsidized and Unsubsidized Loans over the course of your studies is \$31,000 (no more than \$23,000 of this amount may be in Subsidized Loans).

As an independent undergraduate student, the maximum total debt allowed from Subsidized and Unsubsidized Loans over the course of your studies is \$57,500 (no more than \$23,000 of this amount may be in Subsidized Loans).

Interest is not charged on Subsidized Loans while in school. Interest is charged on Unsubsidized Loans while in school. For both types of loans, a loan origination fee is deducted at disbursement. Current loan fees and interest rates are available on the Federal Student Aid website - studentaid.ed.gov/sa/types/loans/.

Direct PLUS Loans - Parents of undergraduates can take out a Direct PLUS Loan under their name. They may borrow from the limit of the Subsidized and Unsubsidized Loans up to the full Cost of Attendance (CoA). They cannot borrow more than the rest of the CoA and the loan is subject to credit rating.

Interest is charged while in school. A loan origination fee is deducted at disbursement. Current loan fees and interest rates are also available on the above website.

Graduate Lifetime Limits

Direct Loans - Direct Subsidized Loans for graduates have been eliminated for loan periods beginning on / after 1st July 2012. A graduate student will typically be eligible to borrow up to a maximum of \$20,500 each year through a Direct Unsubsidized Loan.

The amount you are entitled to borrow will be determined by the information on your Institutional Student Information Record (ISIR) and whether you will be receiving any other funding. The maximum total debt allowed from Subsidized and Unsubsidized Loans over the duration of your studies is \$138,500 (no more than \$65,500 of this amount may be in Subsidized Loans).

Interest is charged on Unsubsidized Loans while in school and a loan origination fee is deducted at disbursement. Current loan fees and interest rates are available on the Federal Student Aid website - studentaid.ed.gov/sa/types/loans/.

Direct PLUS Loans - Graduates must borrow a Direct Unsubsidized Loan first, and then they may borrow from the limit of their Direct Unsubsidized Loan up to the full Cost of Attendance (CoA). You cannot borrow more than the rest of the CoA, or more than you can afford and this loan is subject to credit rating.

Interest is charged while in school. A loan origination fee is deducted at disbursement. Current loan fees and interest rates are also available on the above website.

Only applicants/students who have been made an offer of a place on a programme at UEL may apply for a loan.

BEFORE YOU ARRIVE

APPLICATION PROCEDURES

FAFSA

Students are required to complete the Free Application for Federal Student Aid (FAFSA) at fafsa.ed.gov/. UEL's school code is **G30450**.

To complete the FAFSA electronically, you must have a Federal Student Aid (FSA) ID. To apply for a FSA ID if you do not already have one, or for customer service regarding a previously assigned FSA ID, visit the Federal Student Aid website at studentaid.ed.gov/sa/fafsa/filling-out/fsaid.

Continuing students must complete a Renewal FAFSA. This can be done at www.studentloans.gov. The FAFSA is based on previous tax year income.

Students will be assessed as either dependent or independent for FAFSA purposes –

- i. **Dependent** - This applies to undergraduate students who are under the age of 24. When filling in the FAFSA your parent's financial information will be requested. Dependent students whose parents have been refused a parent PLUS Loan are able to borrow the Unsubsidized Loan up to the limit applicable to independent students.
- ii. **Independent** - An independent student is one of the following: at least 24 years old, married, a graduate or professional student, a veteran, a member of the armed forces, an orphan, a ward of the court, or someone with legal dependents other than a spouse, or an emancipated minor. Additional information relating to dependency status is available on the Federal Student Aid website (studentaid.ed.gov).

Entrance Counselling

By law students are required to complete entrance counselling. This must be completed once for Direct Subsidised and Direct Unsubsidised Loans, and once for PLUS Loans. Normally this is to be completed by students new to Direct Loan borrowing. To ensure that UEL complies with all relevant legislation all students (new and continuing) requesting Direct Loans for the academic year of 2019/0 are required to complete Entrance Counselling. We regret that we are unable to originate / disburse any loans to students who fail to comply.

Entrance counselling can be completed online at www.studentloans.gov. You will need your FSA ID to complete the entrance counselling. This is the same ID used to complete the FAFSA.

You will need to complete entrance counselling for each type of loan you borrow (e.g. Subsidised, Unsubsidised and PLUS Loans). Parents are not required to complete Entrance

Counselling for a Parent PLUS Loan. A PDF copy of your Entrance Counselling receipt / confirmation must be included with your completed 'UEL US Loan Request Form 2019/0'.

Master Promissory Note (MPN)

An MPN is a legal document that is the borrower's promise to repay the loan, with interest in specified instalments. All students are required to complete a MPN. Unlike students studying in the US a new MPN must be completed for every academic year / loan period. A separate MPN must be completed for Direct Subsidised and Direct Unsubsidised Loans, and PLUS loans.

MPN's can be completed online at www.studentloans.gov. You will need your FSA ID to complete the MPN. This is the same FSA ID used to complete the FAFSA. Loans cannot be originated without a current signed MPN in place. If you are a dependant undergraduate whose parent is taking out a Parent PLUS loan on your behalf, they will need to log in themselves to complete this action.

Application Form

Students must complete the UEL US Loan Request Form 2019/0 which you can download from www.uel.ac.uk/international/funding-for-north-american-students. The completed form and supporting documentation must be e-mailed to federalaid@uel.ac.uk. All e-mail correspondence concerning Federal Aid must be directed to the same email address or it will not be actioned.

Cost of Attendance (CoA)

We calculate your CoA using the UEL CoA spreadsheet. The CoA is the total of all fees and maximum estimated living costs. It is related to individual courses of study and is for education related costs only.

Schools are only allowed to certify up to 'reasonable' costs and if a student chooses to live expensively the university may not certify it. The university decides the CoA but accepts that some student circumstances may vary. Your CoA cannot be recalculated during the academic year even if there are significant fluctuation in exchange rates.

We strongly advise that you submit all of your loan application documents to us at federalaid@uel.ac.uk before the deadlines set out below, to ensure that your funding is in place before your arrival in the UK -

| Course Start Date | Loan Application Deadline |
|--------------------------|----------------------------------|
| September 2019 | 30-Aug-19 |
| January 2020 | 30-Nov-19 |

In exceptional circumstances, we can process your loans retrospectively but are not responsible for any resulting consequences of not applying for your loans on time.

LOAN ORIGATION

On receipt of the 'UEL US Loan Request Form 2019/0' and the requested supporting documentation UEL will confirm your eligibility and if required, originate your loan.

Origination is the term used for the certification of loans within the Direct Loan Programme. Origination is done electronically. Your loan will be originated to the figure that is in your CoA but rounded down to the nearest hundred.

LOAN AWARD LETTER

Once your loan has been approved the university will send a loan award letter to the address on your application form. The wording and format of the letter has been agreed with UK Visas and Immigration (UKVI) as acceptable proof of funding. Only the original letter on headed paper and signed by an authorised university administrator will be accepted by the UKVI.

If you need to apply for a visa and are dependent on federal aid for proof of funding it is advisable not to apply for the visa until you have received the loan award letter confirming your loan and disbursement amounts and dates. Please consult the UKVI webpage (www.gov.uk/tier-4-general-visa) for further guidance on documentation you will be required to submit with your student visa application.

VISA AND IMMIGRATION ADVICE

Students with a US passport will normally need to apply for a Tier 4 (General) Student Visa before coming to the UK. The student visa application has become simpler in recent years but it is imperative that you follow the correct procedures in order to secure the visa. If you do not, then your application is likely to be refused.

Below is a brief outline of how the process works, but as well as reading this, please take the time to read the guidelines available on our website - www.uel.ac.uk/international/student-advice and the Government website above.

In order to secure a visa, you will need to meet UKVI requirements as follows:

- have a Confirmation of Acceptance for Studies (CAS); and
- have sufficient funds to cover tuition fees and maintenance costs

Confirmation of Acceptance for Studies (CAS)

A CAS is an electronic document issued by an education provider in the UK who is on the UKVI Tier 4 Sponsor Register (such as UEL). The International Admissions Team will send you by email a CAS statement.

The CAS statement itself is not required for your Tier 4 application, but it includes your unique CAS reference number, bespoke information about your course and Tier 4 sponsor, and some of the information about money, that you need to complete your Tier 4 application form.

Your CAS can be issued as long as you have:

- met all the academic conditions of your course offer
- accepted your course offer
- had your Federal Aid signed off by the US Financial Aid Office at UEL
- provided satisfactory additional information or documents if requested by the International Admissions Team or the International Compliance Team.

Evidence of having funds

When applying for the visa, you are expected to have sufficient funds available to pay for your tuition fees and living expenses for the first year of your course.

For the purpose of the Tier 4 visa application only, UKVI has set living expenses at £1,265 per month, for up to a maximum of 9 months. If you are studying for a course lasting nine months or more, the minimum amount you will need is £11,385.

You will also need enough money to pay for the course fees for the first year of your course, or the entire course if it is less than one-year long. Your tuition fee will be mentioned in your offer letter, and any tuition fees paid will be stated on your CAS Letter. If your loan will cover your full tuition fees, your CAS will show £0 fees paid, and the Loan Award Letter sent by UEL proves that you have the tuition fees to cover your course.

Once your Federal Aid is signed off by the US Financial Aid Office at UEL, the International Admissions Team will issue an official letter to confirm what loans you will receive, the disbursement dates, and all other necessary information needed by the UKVI to satisfy this requirement (please see Section 4 for more details). We will send this letter to you through courier. You must submit this original document with your visa application if requested by UKVI – UKVI will not accept a photocopy, nor will they accept any other document in place of this.

In some cases, the loans that you receive will not be sufficient to cover the full costs of your tuition and living costs. In this case, you are expected to have the remaining funds available elsewhere.

You will also need to provide further documents to submit with your Tier 4 visa application. Please see - www.uel.ac.uk/international/student-advice/applying-for-visa/outside-the-uk-tier-4-supporting-documents.

For more information on the visa application process, please visit the ISA website www.uel.ac.uk/international/student-advice or email isa@uel.ac.uk.

ONCE YOU ARE HERE

DISBURSEMENT OF LOAN FUNDS

Loan funds are electronically transferred from the US treasury to an account held for UEL by Travelex. The US Department of Education regulations require the university to immediately deduct your tuition fees. We can then transfer any excess funds on to your personal UK bank account so that you can pay for your other expenses. This process is known as disbursement.

The university will take 50% of your tuition fees from your first loan instalment and the remaining 50% from your second loan instalment. For September start students, the first disbursement will be in September 2018 and the second disbursement will be in January 2019. The exact dates will be included on your Visa Loan Letter.

Loan Funds will not be requested from the US Treasury until the student has arrived in the UK and enrolled for their programme of study at UEL. The following steps must be completed by new students to be deemed a fully enrolled student:

- 1) Online enrolment
- 2) Finance check with the Credit Control team
- 3) Visa check
- 4) ID card collected

Returning students must have completed their re-enrolment (steps 1 and 2) before loan funds can be disbursed.

Once your loans have been disbursed, and tuition fees have been deducted, any remaining balance will be refunded to you by bank transfer (issued in pounds sterling). Please ensure you set up a UK bank account as soon as you arrive in the UK, and send the relevant details (bank name, sort code and account number) to federalaid@uel.ac.uk. We are unable to transfer funds to non-UK bank accounts.

We can only process your funds on the indicated disbursement date if we have your UK bank account details, therefore any delay in providing your bank account details to us will cause a delay in your funds being disbursed.

Please note that the disbursement date is not the date when funds will be cleared in your UK bank account, it is simply the date that we request funds from the US Treasury. It may take up to 10 working days after the relevant disbursement date before the balance of the loan can be refunded to you. We therefore advise you to ensure that you have brought sufficient funds with you to cover your initial expenses.

TRAVELEX

Along with other UK Higher Education Institutions, UEL have opted to use Travelex to process our Direct Loans. Travelex ensures that UEL can make payments to the students in a timely efficient manner and that we comply with the US Department of Education's regulations.

Note: We are unable to provide students with an exchange rate. US Dollars are converted to Sterling at Travelex's current exchange rate on the date that US loan funds reach their account.

RESIDENCE IN THE UK

Direct Loans are only available to students who continue to reside in the UK during the entire duration of their programme of study. Students receiving Direct Loans are not permitted to return to the US for anything more than a vacation or family visit for the loan period (e.g. students cannot return to the US to write dissertations or conduct long distance learning).

PAYING YOUR TUITION FEES

As part of your enrolment you are required to meet with our Credit Control team, who will check your tuition fee balance, taking into account your loans. If you do not have sufficient funding in place to cover your full tuition fee you will be required to set up a payment plan to cover the remaining balance. Credit Control will be based in the Enrolment Centre for the duration of the enrolment period, however they are normally based in the East Building, room EB.G.09. You can find further information on the Credit Control team, including their standard opening hours and contact details at www.uel.ac.uk/discover/professional-services/finance.

Please note, students paying fees from Federal Loans are not eligible for the early payment discount because the full amount is not received from the US Treasury prior to the early payment discount deadline. Students in receipt of US loans are not required to pay 50% of their fees up front (as mentioned in the UEL Fees Policy, which can be found at www.uel.ac.uk/financialservices/stewardship/feespolicy/ in order to secure a place on the programme.

ON CAMPUS ACCOMMODATION

On campus accommodation can be arranged through the Residential Services team - www.uel.ac.uk/residential/. Your first loan instalment will not arrive in time for you to secure a place in halls. This means you will need to meet the cost of your deposit and advance rental payment out of your own private funds prior to arrival in the UK. Please note that we do **not** deduct accommodation payments directly from your federal loan in the same way that we do tuition. Your loan funds, minus tuition, will be deposited in your UK bank account and it is therefore your responsibility to arrange payment of your accommodation out of those funds.

ATTENDANCE AND SATISFACTORY ACADEMIC PROGRESS

To conform to US Department of Education requirements, UEL are required to monitor the attendance and progress of all students receiving loans under the Direct Loan programme, in line with UEL's Academic Regulations - www.uel.ac.uk/ga/policies/manual/.

In order to be making satisfactory academic progress a student should not exceed 150% of the published time frame for the course and should remain at least half time status.

Please note that students need a C grade or equivalent at the end of the second academic year of study to continue receiving Federal Aid. We will check individual student status prior to the disbursement of any Federal Aid funds to ensure that Satisfactory Academic Progress (SAP) is being met. Additionally, the second loan disbursement of the academic year will not be requested from the US Treasury until the students teaching school has confirmed the student's attendance on their programme of study and that they have achieved Satisfactory Academic Progress.

Satisfactory attendance and progress on your course is also a requirement of your Tier 4 Visa.

TAKING A BREAK (LEAVE OF ABSENCE)

Students should not take a break from studies unless there are exceptional reasons, for example, a serious illness or a forced break due to UEL's academic regulations, which has to be agreed in advance with your School supported with appropriate evidence. You would be required to return to your home country during the break period. Please consult with the International Student Advice (ISA) team who can be contacted on 0208 223 3050, by emailing isa@uel.ac.uk or you can attend ISA advice drop-in sessions or appointments provided via the Student Support Hubs. For more information, visit the ISA website at www.uel.ac.uk/international/student-advice/. Please note that the number of days a student can be on an approved break/leave of absence cannot exceed 180 days within a 12-month period.

Failure to return from a break (leave of absence)

When a student does not return from a break/leave of absence, part or all of the Grace Period (see below) could be used, impacting when repayment will commence.

WHEN YOU LEAVE

WITHDRAWALS AND RETURN TO TITLE IV

The law specifies how UEL must determine the amount of Direct Loans that students earn if they withdraw from their programme. All unearned funds must be returned to the US Government within 45 days of the date UEL were notified of the student's withdrawal. If a student attends 60 percent or more of the term prior to withdrawal, all Title IV aid is considered earned and there is no requirement to refund to the US Government.

When a student withdraws during a payment period/term, the amount of Title IV program assistance that has been earned up to that point is determined by a specific formula. The date of withdrawal is determined by the School Manager and will be the last day the student attended. If the student received (or the School received on the student's behalf) less assistance than the amount that is earned, the student may be able to receive those additional funds. If the student received more assistance than was earned, the excess funds must be returned by the School and/or the student.

The requirements for Title IV program funds when students withdraw are separate from any refund policy that the School may have. Therefore, the student may still owe funds to the School to cover unpaid institutional charges.

FINISHING YOUR STUDIES AND EXIT COUNSELLING

Students are required to complete an exit interview prior to finishing their studies. If this is your final year of study your Exit Counselling should be carried out at www.studentloans.gov.

REPAYMENT

Students do not have to begin repaying most federal student loans until after leaving university or if they drop below half-time enrolment. However, PLUS loans enter repayment once the loan is fully disbursed. Loan servicers or lenders must provide a loan repayment schedule that states when the first payment is due, the number and frequency of payments, and the amount of each payment. Loans may have a Grace Period.

Grace Period

The grace period is a set period of time before loan repayments begin. This can be after graduation, leaving university or falling below half-time enrolment. The grace period gives a student time to get financially settled and to select a repayment plan. Not all federal student loans have a grace period. Note that for most loans, interest will accrue during a grace period.

For more information please see studentaid.ed.gov/sa/repay-loans/.

ADDITIONAL INFORMATION

GENERAL INFORMATION

It is necessary to arrive in the UK with cash (sterling) and access to a small amount of private funding. In some instances loan funds may be delayed. It is the student's responsibility to be prepared for all eventualities. For more detailed information on how to apply for your visa, including interactive visa forms, please visit the ISA website - www.uel.ac.uk/international/student-advice/. If you still have any visa questions after reading the information on the website, please feel free to email isa@uel.ac.uk.

Selective Service Registration

Male students born since 1960 must be registered with US Selective Service Registration. If you are 18 to 25 and are not registered you can register online at www.sss.gov. If you are 26 and over, and not registered, you are ineligible for support from the Direct Loan Programme.

Drug and Alcohol Prevention

IN GENERAL- A student who has been convicted of any offense under any Federal or State law involving the possession or sale of a controlled substance shall not be eligible to receive any grant, loan, or work assistance under this title during the period beginning on the date of such conviction and ending after the interval specified in the table available on the US Department of Education's website –

www2.ed.gov/policy/highered/leg/hea98/sec483.html.

UEL's Wellbeing team can offer further advice and support. A copy of our policy can be found below -

www.uel.ac.uk/wwwmedia/uelwebsite/contentassets/documents/studentlife/UEIstudentDrugsPolicy.pdf.

Disclaimer

Please note that the information contained within this document is subject to change and procedures subject to amendments. We will endeavour to keep all changes to a minimum and where absolute necessity dictates only.

We will endeavour to meet all dates / deadlines given in correspondence to our students but please be aware that problems beyond our control may arise and loan funds may be delayed. It is therefore essential that you arrive in the UK with access to a small amount of private funding so as to be prepared for all eventualities.

CONTACT DETAILS

The International Funding Advisors (part of the Student Money Advice and Rights Team - SMART) are responsible for administering Direct Loans at the University of East London. Our contact details are:

Telephone: 0044 0208 223 6263

Email: federalaid@uel.ac.uk