

# UEL Federal Aid Guidelines 2016/7



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# General information

University of East London (UEL) OPE ID School Code: G30450

All loans for US citizens and eligible non-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).

## 1. Government Loans

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

- a. **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 1.068% is payable on disbursement. The origination fee can be included in your CoA. The current interest rate is fixed at 4.29% for undergraduate students.
- b. **Unsubsidized 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 1.068% is payable on disbursement. The origination fee can be included in your CoA. The current interest rate is fixed at 3.76% for undergraduate students and 5.31% for graduate students.
- c. **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 4.272% is payable on disbursement. The origination fee can be included in your CoA. The current interest rate is fixed at 6.31%.

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 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.

## d. Private Loans

The GEMS Smart Option Student Loan® by Sallie Mae® can be applied for online at [http://www.myglobaled.com/StudentLoan/studentLoans\\_uscitizen.html](http://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.

**e. Direct Loan Annual Limits**

<b>Dependant Students</b>	<b>Subsidized</b>	<b>Unsubsidized</b>
First year undergraduate	\$3500	\$2000
Second year undergraduate	\$4500	\$2000
Third year and beyond undergraduate	\$5500	\$2000
<b>Independent Students</b>	<b>Subsidized</b>	<b>Unsubsidized</b>
First year undergraduate	\$3500	\$6000
Second year undergraduate	\$4500	\$6000
Third year and beyond undergraduate	\$5500	\$7000
<b>Graduate &amp; Professional Students</b>	<b>Subsidized</b>	<b>Unsubsidized</b>
All years	\$0	\$20500

**Undergraduates**

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 loan a loan origination fee is deducted at disbursement. Current loan fees and interest rates are available on the Federal Student Aid website - <https://studentaid.ed.gov/sa/types/loans/>.

Direct PLUS Loan - 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.

## **Graduates**

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 - <https://studentaid.ed.gov/sa/types/loans/>.

Direct PLUS Loan - 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 Cost of Attendance, 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 available on the Federal Student Aid website - <https://studentaid.ed.gov/sa/types/loans/>.

**Students who have been made an offer of a place on a programme at UEL may apply for a loan.**

# Before you arrive

## 2. Application Procedures

- a. **FAFSA** - Students are required to complete the Free Application for Federal Student Aid at <https://fafsa.ed.gov/>. UEL's school code is **G30450**.

To complete the FAFSA electronically, you must have a 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 <https://studentaid.ed.gov/sa/fafsa/filling-out/fsaid>.

Continuing students must complete a Renewal FAFSA. This can be done at [www.studentloans.gov](http://www.studentloans.gov). The FAFSA is based on previous tax year income.

A PDF copy of your FAFSA / SAR must be included with your completed 'Application for Federal Aid at UEL 2016/17' form. If you are a dependant student requiring a Parent PLUS Loan **ONLY** then you are not required to complete a FAFSA.

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

- i. **Dependent** - This applies to 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 limits 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, an emancipated minor or someone who is homeless or at risk of becoming homeless. Additional information relating to dependency status is available on the Federal Student Aid website (<https://studentaid.ed.gov/sa/node/64>).
- b. **Entrance counselling** - Bylaw 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 2016/17 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](http://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 Loan). Parents are not required to complete Entrance Counselling for a Direct PLUS (Parent) Loan.

A PDF copy of your Entrance Counselling receipt / confirmation must be included with your completed 'Application for Federal Aid at UEL 2016/17' form.

- c. **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](http://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.

A PDF copy of your MPN receipt / confirmation must be included with your completed 'Application for Federal Aid at UEL 2016/17' form.

- d. **Application form** - Students must complete the UEL Federal Aid 2016/17 application form which you can download from [www.uel.ac.uk/students/smart/federalaid](http://www.uel.ac.uk/students/smart/federalaid). The completed form and supporting documentation must be e-mailed to [federalaid@uel.ac.uk](mailto: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.

- e. **Cost Of Attendance (COA)** - Calculate your COA using the UEL CoA spreadsheet. You will need to include a copy of your COA with your 'Application for Federal Aid at UEL 2016/17' form. The CoA is the total of all fees and living costs. It is related to individual courses of study. It is for education, not for luxuries.

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.

### **3. Origination**

On receipt of the form 'Application for Federal Aid at UEL 2016/17' 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.

### **4. Loan Award Letter for Visa Application**

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 (<https://www.gov.uk/tier-4-general-visa>) for further guidance on documentation you will be required to submit with your student visa application.

### **5. Visa / Immigration Advice**

Students with a US passport will normally need to apply for a Tier 4 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 - <http://www.uel.ac.uk/isa/student-visas/>.

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

- A Confirmation of Acceptance for Studies (CAS) reference number issued by an education provider in the UK who is on the UKVI Tier 4 Sponsor Register (such as UEL)
- Having sufficient funds to cover tuition fees and maintenance costs



## **6. Confirmation of Acceptance for Studies (CAS)**

Your unique CAS reference number will be stated on your CAS Letter, which our International Office will send to you by email. Your CAS Letter can be issued as long as you have:

- met any academic conditions
- accepted your offer of a place on the course (you can do this online \_ <http://www.uel.ac.uk/isa/student-visas/>)
- had your Federal Aid signed off by the SMART Team at UEL

## **7. Evidence of having sufficient funds**

When applying for the visa, you need to show that you have sufficient funds available to pay for your tuition fee and living expenses for the first year of your course. Living expenses are estimated by UK Visas and Immigration to be £11,385 per year. Your tuition fee will be mentioned in your offer letter.

Once your Federal Aid is signed off by the SMART Team, the International Office 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.

We will send this letter to you through courier. You must submit this original document with your visa application – 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 must provide evidence to UKVI that you have the remaining funds available elsewhere. Please see the UEL website (<http://www.uel.ac.uk/isa/student-visas/>) for details of what evidence you can provide.

### 8. Disbursement of loan funds

Funds can only be disbursed once you are fully enrolled as a student. The following steps must be completed to be deemed a fully enrolled student.

- 1) Visa check
- 2) Payment plan set up
- 3) Online enrolment

Loan funds are electronically transferred from the US treasury to an account held for UEL by Travelex.

Loan funds are disbursed in two equal instalments. For September start students, the first instalment is on the 26th<sup>th</sup> of September 2016 and the second instalment is on the 23rd of January 2017.

The US Department of Education regulations require the university to immediately take your tuition fees before any excess is returned to you. The university will take 50% of your tuition fees from your first loan instalment and the remaining 50% from your second loan instalment.

**We would advise you to ensure that you have brought sufficient funds with you, to cover your first months' expenses as it may take up to 10 working days after the disbursement date stated above before the balance of the loan can be refunded to you.** The balance will be refunded to you by bank transfer (issued in pounds sterling). Please send your UK bank details to [federalaid@uel.ac.uk](mailto:federalaid@uel.ac.uk) upon arrival to the UK. Please note that a delay in providing your bank account details to us will cause a delay in your funds being disbursed.

### 9. 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.

#### **New students**

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. Enrolment includes students having their

visa check completed by the International Student Advice (ISA) Team and receiving their student identification card.

### **Returning students**

Returning students must have completed their re-enrolment before loan funds can be dispersed. Loan funds will be dispersed at the beginning of each semester.

### **10. 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.

### **11. Paying your tuition fees**

It is possible to set up a payment plan to pay your tuition fees that coincides with your loan disbursements. To do this you are required to visit Credit Control in person on arrival at UEL. Credit Control are based in the East Building, room EB.G.09. Further details are available from [www.uel.ac.uk/financialservices/stewardship/creditcontrol](http://www.uel.ac.uk/financialservices/stewardship/creditcontrol).

**Note:** Students paying fees from Federal Loans, based on the disbursement of these funds, are not eligible for the early payment discount. Additionally they are not required to pay 50% of their fees up front (as mentioned in the UEL Fees Policy which can be found at <http://www.uel.ac.uk/financialservices/stewardship/feespolicy/>) in order to secure a place on the programme.

**Note:** If you are a new first year undergraduate student that has not borrowed federal student aid previously and we are unable to request your loan funds until thirty days after the start of term, we may require a small payment towards your fees when you enrol and prior to the disbursement of your loan funds.

### **12. On campus accommodation**

On campus accommodation can be arranged through the Residential Services team - <http://www.uel.ac.uk/residential/>

Please note that Federal Loans can be used to pay for accommodation however your first loan instalment will not arrive in time for you to secure a place in halls. You will need to meet the cost of your deposit and advance rent prior to receipt of your funding.

### **13. Attendance & satisfactory 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. The second loan disbursement 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 a satisfactory level of progress.

### **14. 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 team who can be contacted on 02082234444 or by visiting the website at <http://www.uel.ac.uk/isa>. For further information see <http://www.uel.ac.uk/isa/tier4responsibilities/yourresponsibilities/>. 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 could be used, impacting when repayment will commence.

# When you leave

## 15. Withdrawals and Return to Title IV (R2T4)

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.

When a student withdraws during a payment period, 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. The School may also attempt to collect from the student any Title IV program funds that the School was required to return.

## 16. 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](http://www.studentloans.gov).

## 17. 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 <https://studentaid.ed.gov/sa/repay-loans/>.

# Additional information

## 18. Additional Information

**a. 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 - <http://www.uel.ac.uk/isa/>. If you still have any visa questions after reading the website, please feel free to email [isa@uel.ac.uk](mailto:isa@uel.ac.uk).

**b. 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](http://www.sss.gov) If you are 26 and over, and not registered, you are ineligible for support from the Direct Loan Programme.

**c. 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 – <http://www2.ed.gov/policy/highered/leg/hea98/sec483.html>

UEL's Health and Wellbeing team can offer further advice and support. A copy of our policy can be found below – <http://www.uel.ac.uk/wwwmedia/uelwebsite/contentassets/documents/studentlife/UELstudentDrugsPolicy.pdf>

**d. Satisfactory Academic Progress**

Students in receipt of Federal Aid are required to make Satisfactory Academic Progress (SAP) on their programme, in line with UEL's Academic Regulations - <http://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 SAP is being met.

**e. 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.

## **19. Contact Details**

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

Sinead McCarthy – Manager of SMART

**Telephone:** 0044 020 8 223 7166

Tom Horner – SMART Adviser

**Telephone:** 0044 0208 223 6263

**Email:** [federalaid@uel.ac.uk](mailto:federalaid@uel.ac.uk)

