



FAQ's on US Loans

We have prepared a Frequently Asked Questions page to help you understand the US loan application process and how the money will be handled once disbursed.

Which loans can I borrow?

The University of the Arts London can certify US students for federal Stafford, federal Graduate PLUS and federal Parent PLUS loans. We can also certify students for Sallie Mae's private Smart Option Loan. Please make sure you are eligible for these types of loans prior to applying for them. You can read more about your eligibility in our US Loan Guide.

How much can I borrow?

You can borrow loans to fund your full estimated cost of attendance which is the value produced when you combine your tuition fees plus the University's estimated living costs. The estimated living costs can be found in Appendix 1 in the US Loan Guide and are **non-negotiable**. We use figures based on British Council standards and quotes from other London universities so the values are deemed accurate, standard, and are intended to be fair to all students. US loans are not available to help you support a certain lifestyle.

What is FAFSA?

FAFSA is the Free Application for Federal Student Aid and you must fill in the FAFSA in order to obtain loans. By filling in a FAFSA, you are basically providing the US government with your financial details which we'll need when certifying you for loans.

What's an MPN?

The MPN is the Master Promissory Note. It's the contract between you and the US Government that outlines the terms and conditions of your loan. You can complete your MPN via www.studentloans.gov and you will be able to view your MPN as a PDF. You must email the PDF to us after you have completed your MPN.

What's a SAR?

The **Student Aid Report** is a summary of the FAFSA. When you have completed your FAFSA and checked it for errors, you must email us to let us know so that we can obtain your SAR electronically.

Is applying for loans similar to how it works in the US?

No...you are much more responsible for handling your own funding. Read the US Loan Guide *carefully* for assistance with regards to how to apply for loans when studying in the UK.

How do I actually apply for loans?

Since there are no lenders involved in Direct Loans, you simply visit www.studentloans.gov where you will submit your MPN online. As we understand it, this will generate a loan application automatically. If you wish to borrow a private loan, the only provider we're aware of is Sallie Mae and you must visit their website to apply online for their loan: www.salliemae.com.

What about grants and actual financial "aid" as opposed to loans?

The financial aid package offered to students studying in the US is not the same when you choose to study overseas. You will not be eligible for aid such as Pell Grants or Academic Competitiveness Grants if you choose to study outside the US.

Can I get Veteran's Affairs funding?

Yes, if you, or a member of your family, is a veteran, you may be eligible for VA funding. While the University is registered with VA and is listed as an approved institution, each course has to be approved for funding on an individual basis. Course approvals can take upwards of 6 months so it is very important that you let us know as soon as possible so we can start the process of having your course approved before you begin your studies.

Will I be able to borrow funding for my whole degree programme, even if it's 3 or 4 years long?

Yes but you must apply for your loans EACH YEAR. You will not be able to borrow the full cost of the degree all at once. Since financial information changes annually, you must complete a new FAFSA each year and apply for a new set of loans each year too. Generally, you will be emailed in April/May with information and reminders to start the loan process.

Can I still borrow loans if I'm getting a scholarship?

Yes but you need to tell us about your scholarship as we have to include the value of the award in your estimated cost of attendance. We are not allowed to over-certify our students. If your scholarship covers your full tuition fees and living costs, then you will not be able to borrow loans.

What is Entrance counselling?

Entrance Counselling is a method of ensuring you understand the terms and conditions of borrowing a loan. We are legally required to have proof you have done Entrance Counselling for our auditors. You must complete this counselling before we can distribute federal loan funds to you.

Where do I complete the Entrance Counselling for my federal loans?

Visit this website to complete your counselling: <http://www.mappingyourfuture.org/OSLC/>. It should take about 20 minutes and you, as the borrower, must do counselling for any federal loan you take. Ensure you

select the **correct school** because we are emailed automatically when you complete your counselling.

What is Exit Counselling?

Exit counselling works in the same way as Entrance Counselling and can also be completed through <http://www.mappingyourfuture.org/OSLC/>. Exit Counselling assists the borrower to understand what happens to their loans after graduation and offers advice on re-payment plans. You need to complete Exit Counselling when you finish a course with us.

How long does it take you to process my loans?



It's hard to say. With the new Direct Loans programme, everything is electronic so we would assume it will only take a few days to certify you and get the loans guaranteed. We won't know the full details, however, until we've gone through the process with you.

What's the difference between certifying and guaranteeing?

The University must certify your loan before you can expect to receive funding. Once certified, the loans go through additional processing via the US Government and if they are satisfied with the information provided, they will guarantee the loan.

When do I get my Financial Aid Award Letter?

Historically, we did not produce such letters but we will now create one for you if you are a new student or if you are extending your visa. If you are a returning student, you will simply be emailed with the relevant information. Your letter will be sent to you after your loans have been certified and guaranteed and will pertain to federal loans only. If you are borrowing a private loan with Sallie Mae, you will need to get any relevant guarantee documentation from Sallie Mae directly.

Are all your courses eligible for US loans?

No. Access courses, Graduate/Postgraduate Certificates, short courses, Study Abroad, any programme classified as "distance education" and some research programmes are in-eligible for federal loans. All our full-time degree courses are eligible for private loans, however. If you're unsure if your course is eligible, please ask us!

How much can I borrow in Stafford loans?

We can't tell you exactly what you can get until we've got your SAR. See our US Loan Guide in order to view the maximum amounts allowed, based on grade level and dependency status. **We presume you want the full allowance in Stafford funding but if you don't, you must email us to say otherwise.**

How much can I borrow in PLUS loans?

Provided you are eligible for the PLUS loans (Parent or Graduate PLUS), you can borrow up to the rest of your estimated cost of attendance on these loans. Please bear in mind, however, that tuition fees must be fully paid in order to join your course. PLUS loans are also federally regulated so they will come in multiple instalments like Stafford loans. If you choose to borrow only Stafford and PLUS funds, you will need to have additional personal funds available to cover the rest of your tuition/living costs. You **must email us with the amount you wish to borrow** when you email your MPN to us.

How many instalments will my loans come in?

Federal loans must be disbursed in equal, multiple instalments based on the study period/terms of your course. For example, if your course has three terms, your federal loans must come in three instalments. Only private loans can come in a single instalment.

There is **NO NEGOTIATION** with regards to this instalment policy which is enforced by your US Department of Education. We're happy to give you additional information about these federal regulations but we will not entertain people challenging this rule. The University cannot legally certify students for single instalments on the federal loans.

Courses running from September/October to June/July will generally get three instalments while courses running from January to December or October to September will receive two instalments.

How do I pay my fees in full if I'm getting my loans in instalments?

This is a conflict of policies and cannot be negotiated. If you are fully reliant on loans to fund your studies, you may have to borrow multiple loans in order to accrue enough funding for enrolment. Most US students borrow private loans in addition to federal loans.

How are the funds disbursed?

Historically, we received cheques but the US Treasury will now wire the funds directly to the University's nominated bank account. If you borrow a Sallie Mae private loan, however, this loan will still be disbursed as a cheque.

How do I pay the tuition fees if you receive my money?

We will allocate the funds towards your tuition fees for you. If you owe additional money, we'll let you know so that you can pay that at enrolment. If there is an excess of funds, we'll refund that to you so you can use it for your living costs.

What exchange rate will you use to clear my money?

The exchange rate changes constantly so the money will be converted on whatever the rate is at the time the funds are transferred.

How long does a refund take and how will I receive my refund?

Once the money has been cleared and allocated to your student record, any excess funds will be refunded to you as a cheque in Pounds Sterling. Refunds take 1-2 weeks to be processed and you will be contacted when your cheque is ready to collect.

What am I supposed to do with a cheque in Sterling?

Open a bank account! Deposit your cheque and then you can begin to use it for your living expenses. Request a bank letter from your school registry office as you will need that to open a bank account. Most US students tend to go with Citibank, HSBC, Natwest or Lloyds TSB.



What do you do with the remaining instalments of my loan once the tuition fees are paid?

Provided you have no further debts to the University, any subsequent loan instalments will be refunded to you for living expenses after the funds have been converted to Sterling.

What if I don't need my remaining loan instalments?

If you do not feel you need the additional funds, you must let us know BEFORE the money is wired from the US Treasury. If we receive the money and then you wish to return it, you will be liable to pay the possible charges that occur due to the fact that the money is being converted multiple times.

We will email students prior to each instalment and it will be your responsibility to inform us, at that time, if you do not want your instalment so that we can cancel the funds before they are sent.

Can I pay my accommodation out of my loan money?

Yes but we must refund you an excess loan money first before you can pay your housing. Since this process takes 1-2 weeks, it is generally not possible to pay the first instalment of your rent via the loans. Students must make arrangements to pay their initial housing costs themselves and can refund themselves from the loan money when it becomes available.

What are private loans?

Private loans are not regulated by the US Department of Education and thus do not come in multiple instalments. They are generally disbursed in a single instalment at the start of the year.

The only private loan we are aware of is Sallie Mae's Smart Option Loan. Private loans have higher interest rates than federal loans and if you wish to borrow a private loan, you'll need a credit-worthy co-signer.

What if I don't have a co-signer or can't find one?

It is unlikely you will be able to borrow a private loan.

I just got offered a place and the course starts in a week! Help!

Students can generally enrol up to one week late (and for 2010/2011, students are allowed to enrol up to one month late in light of the new visa and US loan regulations) but if you don't have your SAR, or if you have not applied for your loans, it will be impossible to get your funding sorted in time for you to pay your fees. You are advised to defer your place or to pay your fees out of personal finances and then refund yourself later when the loans have arrived.

When can I apply for my visa?



All international students are required to enter the UK on a student visa. If you are a student, and arrive in the UK without appropriate entry clearance, you risk being deported. It is YOUR responsibility to organize your visa before you travel. There is ample information about student visas on the University's website:

<http://www.arts.ac.uk/international/prospective/3902.htm>

You need your offer letter and proof of funding secured before applying for the visa. If you are reliant on loans, you must have these **certified AND guaranteed FIRST** before you book your visa appointment...another reason why you must start the loan application procedure in a timely manner.

I borrowed loans last year and need to tell my old lenders so that I don't go into repayment. What can I do?

If you are being contacted by previous lenders about going into repayment, you will need to provide us with an In-School Deferment form for those lenders. We will fill out the forms and submit them on your behalf. In-School Deferment forms verify that you are still in school and thus not eligible to start paying back your previous loans. Once you graduate, however, your past loans will go into repayment. Loans you borrow while studying at the University will have a 6-month grace period.

Should you have additional questions that have not been answered here, please contact us:

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