

University of the Arts London
US Loan Information for US Students
2010/2011



YOU MUST READ THE FOLLOWING DOCUMENT CAREFULLY AS IT PERTAINS TO YOUR ABILITY TO FUND YOUR STUDIES.

- YOU NEED A STUDENT VISA TO ENTER THE UK IF YOU ARE STUDYING
- YOUR TUITION FEES ARE DUE IN FULL AT ENROLLMENT
- IF YOU ARE FULLY DEPENDENT ON LOANS TO FUND YOURSELF, YOU MUST HAVE YOUR LOANS GUARANTEED BEFORE YOU GET A VISA AND IN ORDER TO PAY YOUR FEES

Applying for a DIRECT Federal Loan (Stafford, Parent PLUS, Grad PLUS)

1. Complete a FAFSA (<http://www.fafsa.ed.gov>) **AFTER** you and your family have filed your taxes. The FAFSA will generate your Student Aid Report (SAR) which we need in order to certify you for federal loans. You will need the **school code** when filling out the FAFSA:

Camberwell College of Arts	School Code G12333
Central Saint Martins College of Art and Design	School Code G12539
Chelsea College of Art and Design	School Code G34753
London College of Communication	School Code G34624
London College of Fashion	School Code G34733
Wimbledon College of Art	School Code G35003

2. When you have completed your FAFSA, and waited for the information to upload (normally takes 24 hours), check your SAR online to make sure it includes an EFC (estimated family contribution) and details of any previous federal student loans that you borrowed. If that information is **missing** or if there are **any problems** detailed in the comments section, **you must log back into your FAFSA to make corrections. We need an error-free SAR** in order to certify you for loans.
3. **Filling in a FAFSA is NOT the same thing as applying for a loan.** You must apply for your federal loans by submitting your Master Promissory Note (MPN) electronically through this website: www.studentloans.gov. You will need a PIN and as we understand it, you can use the same PIN that you created to do your FAFSA.

4. When you have completed your MPN(s), you should be able to view them as a PDF. **You must email the PDF of your MPN to us and** simultaneously inform us that you have completed your FAFSA and checked your SAR for errors.
5. If you are borrowing a PLUS loan (Parent PLUS or Graduate PLUS) you must also **email us with the amount you wish to borrow**. We will assume that you want the full allowance on the Stafford loan but if you don't, you must inform us accordingly.
6. Complete your Entrance Counselling. This is a requirement of the US Department of Education and can be done online via www.mappingyourfuture.org/OSLC/. The counselling should take 20 minutes to complete and **counselling must be done for each federal loan where the student is the borrower**.



Additional Information About Your Loans

We must have a copy of your MPN and SAR in order to certify you for federal loans and we should now be able to obtain both documents electronically. **It is very important that you email us with your MPN in PDF format, inform us that you have completed your FAFSA and checked your SAR for errors, and provided the amounts you wish to borrow in federal loan funding.**

When we are in possession of your SAR and MPNs **and** you have told us which loans you want to borrow and how much, we can proceed with certifying the loans for you. After the loans are certified/guaranteed, you will be told how much you will get and when the money will be disbursed. Provided we have all the relevant information from you, it should only take a few days for the loans to guarantee.

While most of our courses are eligible for federal loans, our Access courses, Graduate/Postgraduate Certificate programmes, short courses and Study Abroad programmes are not. This also applies to Distance Learning courses and some research courses. If you are not sure if your course is eligible, please contact us.

Stafford Loans

Students are always advised to borrow a Stafford loan **first** as these loans are partially subsidized by the US Government and have the lowest interest rates. Since Stafford loans are government funded, however, there are set limits you can borrow based on your age and course grade level. Under Direct Lending, the interest rates are lower than under the previous FFELP programme. Presently, Stafford subsidized loans have a 4.5% interest rate and Stafford unsubsidized loans have a 6.8% rate. The proportion of the loan that is subsidized (government pays the interest for you while you are in school) versus unsubsidized varies according to your EFC and/or previous borrowing levels.

<u>Dependent Undergraduates (under age 24)</u>	<u>Subsidized</u>	<u>Unsubsidized</u>	<u>Total</u>
Foundation/Diploma (grade level 01)	\$3500	\$2000	\$5500
1 st year BA or 1 st year Foundation Degree (02)	\$4500	\$2000	\$6500
2 nd / 3 rd year BA, 2 nd year Foundation Degree or Graduate Diploma (03/ 04)	\$5500	\$2000	\$7500
<u>Independent Undergraduates</u>	<u>Subsidized</u>	<u>Unsubsidized</u>	<u>Total</u>
Foundation/Diploma (grade level 01)	\$3500	\$6000	\$9500
1 st year BA or 1 st year Foundation Degree (02)	\$4500	\$6000	\$10,500
2 nd / 3 rd year BA, 2 nd year Foundation Degree or Graduate Diploma (03/ 04)	\$5500	\$7000	\$12,500

<u>Graduate Students</u> (MA/PhD/Postgrad Diploma)	<u>Subsidized</u>	<u>Unsubsidized</u>	<u>Total</u>
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(Grade level A-D, depending on year) \$8500 \$12,000 \$20,500

Your federal loans will be disbursed in equal instalments at the start of each term. Generally, this means 3 equal instalments. **These disbursement arrangements are a requirement of the US Government's Deficit Reduction Act 2005 (HEA 428G(e)), which came into effect on 1st July 2006, and must be abided by.**

The University requires full tuition fees to be paid at enrolment. The multiple disbursements on the federal loans mean that the first combined instalments alone will not normally be sufficient for this purpose.

Federal loan money will now be wired to the University. We will put the funds towards your tuition fees and any surplus will be refunded to you for living costs. **Refunds take 1-2 weeks to be processed.**



PLUS Loans

Parent PLUS and Graduate PLUS loan applications are processed the same way as the Stafford loans. We will still require your SAR and an MPN. Please note that unlike the Stafford, the Graduate and Parent PLUS loans are subject to an adverse credit history check. Both PLUS loans are presently fixed at an 7.9% interest rate which is lower than the rate under the FFELP programme.

Parent PLUS loans are federal loans taken out by a parent on behalf of a student and are **only available to students under age 24 who are studying at undergraduate level**. If a parent is denied on their application for a Parent PLUS loan, the student is eligible to be considered "independent" for Stafford loan purposes. Please alert us as soon as possible if your PLUS loan is denied so that we can adjust the Stafford loan amounts accordingly.

While Parent PLUS loans generally go into repayment immediately, a parent borrower can request to defer repayment during the student's studies and/or for an additional 6 months after the student graduates.

Graduate PLUS loans are available to **graduate/professional students only** and are taken out by the student. Graduate PLUS loan borrowers must apply for the maximum Stafford loan available to them before being allowed a Grad PLUS. This loan, like the Parent PLUS, can also be deferred during your studies but you must request this otherwise the loan will go into repayment immediately.



Private Loans

Due to the multiple disbursement policy on all federal loans, you may require funds in addition to (or instead of) a Stafford, Parent PLUS, Graduate PLUS loan.

Private loans are credit-based loans and therefore you must have a credit-worthy co-signer. You can borrow up to your estimated Cost of Attendance (see Appendix 1) minus any federal loans, grants or scholarships that you will be receiving. Private loans generally disburse in a single instalment however you can select to have two instalments. Please be reminded, however, that you will need enough funds to pay your fees and living expenses so multiple instalments may not work for you.

The only private loan we are currently aware of is the Sallie Mae Smart Option loan and this loan will still be disbursed via cheque to the University.

This loan can be applied for by visiting Sallie Mae's site, www.salliemae.com. Note that students and/or their co-signers are **required to make monthly interest payments on this**

loan. This allows students to build good credit and pay off the loan faster. The private loans have a variable interest rate, based on credit, that can make them either affordable or quite expensive. They are based on LIBOR (which is the current bank base rate) plus a percentage that ranges between 4% to 12.5%.



Accommodation and Loans

While loans can be used towards housing expenses, upon arrival to the UK please note that your loan monies will not be available in time for you to pay deposits or rent. Many of the properties are managed externally from the University and thus have strict payment policies. Students must arrange to make their initial housing payments independently of their loans and can refund themselves from the loan money when it becomes available.



Withdrawal and the Return of Federal Loans

If you withdraw or fail to attend your course, you must inform us immediately. If you withdraw from your programme of study before, and up to, a point in time when 60% of your programme of study has passed, the University is required, in accordance with federal regulations, to return all 'unearned' loan funds to your guaranty agency or lender. This is also stipulated on your MPN.



Loan Deadlines/Entry Clearance

In order to secure a student visa, you must provide proof that you are able to pay for tuition and living expenses. Please refer to your offer letter for the minimum amount of living expenses the Border Agency will expect you to be able to demonstrate. Please refer to Appendix 1 for the estimated cost of living for US loan purposes.

You must apply for your loans in a timely manner, should you be reliant on these funds to obtain entry clearance and pay your tuition fees. You must apply early enough so that the loans have time to be processed and guaranteed. **We cannot assist with any issues relating to the inability to pay tuition fees or acquire entry clearance due to a late loan application. The recommended FINAL deadline to apply for a loan is August 1st for courses starting in September and December 1st for courses starting in January.**

If you have questions, please contact us:

Melissa Chatton at m.chatton@arts.ac.uk (011 44) 207 514 8463

Helen Powell at h.powell@arts.ac.uk (011 44) 207 514 8413

Appendix 1 – Cost of Living

When calculating financial need, a Cost of Attendance (COA) is required. This is a set formula based on the estimated cost of living in London plus tuition fees. **Please note that tuition fees have NOT been included below, as fees vary per course.**

The amount of money you can borrow cannot exceed your Cost of Attendance minus any scholarships, grants or bursaries you will be receiving for the same study period.

Costs	10 months	12 months
Room	£7,000	£8,400
Board	£2,000	£2,400
Books/materials	£4,000	£4,800
Travel	£1,000	£1,200
Personal	£3,000	£3,600
Return Flight	£800	£800
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TOTAL COST OF LIVING	£17,800	£21,200

To determine your total COST OF ATTENDANCE, you must add your COST OF LIVING (listed above) + your TUITION FEES (found on your offer letter).

** Please note these figures are set by the University and are based on current costs. **You do not have to borrow money to match these exact figures--they are estimates only but you will not be permitted to borrow more than these figures.** We will update this formula on an annual basis if required. It is designed to be fair to all students no matter what subject matter or level of study and is therefore non-negotiable.

