

Solent University Guide to US Federal Aid for 2023-24

Solent University is certified by the US Department of Education to originate both loan applications for Federal Direct Loans and PLUS Loans together with private student loans via Sallie Mae <https://myglobaled.com/>

General Information

The principal funding available for students from the USA is a Direct Loan which is accessed via the following website: <https://studentaid.gov/understand-aid/types/loans>. Loans are the main way students and parents fund the cost of education while studying in the UK. The lender for the Direct Loan programme is now the US Department of Education rather than a bank or other financial institution. It is imperative that you familiarise yourself with the Direct Loan programme. Direct Loans are explicitly to cover the primary costs of education (tuition, student accommodation, books/supplies and commuter travel). Direct Loans are not intended to cover other expenses that are not directly related to your study. You should plan a budget for your studies (cost of attendance) and you should only borrow what you need. You can find further information and the full terms and conditions of taking out and repaying a loan at <https://studentaid.gov/h/manage-loans>

The university is authorised to process US Direct loans for students who are;

- Citizens or permanent residents of the United States (US) and who have a valid US social security number
- Complete the Free Application for Federal Student Aid (FAFSA)
- Enrolled or accepted for enrolment in an eligible program at Solent (Bachelor's degree, First Professional degrees and Masters degree, PhD). Programs that are non-degree are not eligible.
- Enrolled at least half-time for the period for which the loan originated.
- Not in default on an educational loan and must not owe a repayment on an adjusted federal grant.

THE PROCESS OF APPLYING FOR FINANCIAL AID – A STEP BY STEP GUIDE

We have summarised the key steps in the links below and set out the actions that you need to take and what the university will require of you before we can originate your federal aid.

Initial stage

Before the financial aid process can be started you will need an “unconditional offer or conditional offer” of a place at Solent University. You will need to comply with the university finance policy regarding payment of tuition fees <https://www.solent.ac.uk/finance/make-a-payment>. Once this is

completed you will then receive a CAS (Confirmation of Acceptance for Study) number which is used, together with your loan award letter, to apply for your student visa.

Step 1 – Completing your FAFSA application

The first stage in applying for a US Federal Loan is to go to the website <https://studentaid.gov/h/apply-for-aid/afsa> and complete the Free Application for Federal Student Aid (FAFSA) form. You will need to make sure that your web browser is compatible. Please note that completing your FAFSA is not a loan application, but the US Department of Education uses it to generate a Student Aid Report (SAR). Please read the “comments” section on the SAR to ensure that your data is complete. We use the SAR to determine your eligibility for financial aid. Please retain your SAR for your records. You will be asked for Solent University’s school code which is **G25616**. You may find it helpful to watch the following video links –

How to complete the FAFSA <https://www.youtube.com/watch?v=w9HWaQpuNSk> and a general overview at <https://www.youtube.com/watch?v=emUDDQSFYRI>

Direct Loans

The entitlement to the Direct Loan is made up of two parts, subsidised and unsubsidised, which have fixed limits depending on whether you are dependent, independent or a postgraduate and is available to all students. These may be topped up to the full Cost of Attendance (COA) with a PLUS loan, which is not an entitlement, but is subject to credit checking and may be declined by the US Department of Education.

Subsidised Loans - This is assessed on the basis of financial need, as determined by Federal regulations. The US government pays interest on a subsidised loan which you are enrolled at university at least half time and during the grace period and during deferment periods. Afterwards, these costs will revert to being your responsibility. These figures may change, so you are encouraged to check interest rates when applying for your loans. Direct Subsidized loans for undergraduates have an interest rate currently of 3.73% but this may increase from July 2023.

Unsubsidised Loans - This is not based on financial need. Interest is accrued during the period of study and during the grace and deferment periods. However, no payments are required while you are enrolled at least for half the time. These costs will be your responsibility. These figures may change, so you are encouraged to check interest rates when applying for your loans. The Unsubsidised loans currently have an interest rate of 3.73% undergraduate borrowers and 5.28% for graduate borrowers, which may be increased from July 2023. You will be charged interest starting at disbursement until the loan is paid in full. If the interest accumulates, it will be added to the principle amount of the loan and increase the amount to be repaid. A fee of 1.057% will be deducted from the gross amount of the loan that you borrow, so you should take this into consideration when deciding on the amount of loan that you wish to borrow.

Amounts for Federal Loans

The following chart provides maximum annual and total limits for subsidised and unsubsidised loans depending on the course year you will attend.

Year of course	Subsidised	Unsubsidised	Maximum Loan
Dependent UG student (aged 24 and under) - Aggregate limit \$31,000			
Year 1	\$3,500	\$2,000	\$5,500
Year 2	\$4,500	\$2,000	\$6,500
Year 3 and beyond	\$5,500	\$2,000	\$7,500
Independent UG student (aged over 24 or those whose parents are unable to obtain a Parent PLUS Loan) - Aggregate limit \$57,500			
Year 1	\$3,500	\$6,000	\$9,500
Year 2	\$4,500	\$6,000	\$10,500
Year 3 and beyond	\$5,500	\$7,000	\$12,500
Post graduate and Professional (each academic year)			
All Years		\$20,500	\$20,500

Direct Loan Aggregate limits

The academic career limits remain at \$31,000 (combined subsidised and unsubsidised) for dependent undergraduates and \$57,500 (combined subsidised and unsubsidised) for Independent Undergraduates. For Postgraduates it is \$65,500.00 (subsidised) and \$138,500.00 (combined subsidised and unsubsidised). You may not borrow more than this total amount. The Direct Subsidised and Unsubsidised Loan is not enough to pay the full cost of your tuition for undergraduate courses and some postgraduate courses. Therefore, you will need to consider how you intend to pay the outstanding balance of your tuition fees and your living expenses. You can make up the difference with your own funds, a Federal Direct PLUS Loan or a private student loan.

Direct PLUS Loan

The PLUS Loan is available to the parents of dependent undergraduate students and graduate/professional students. The PLUS Loan is to help pay the cost of education up to the cost of attendance minus all other financial aid. Interest is accrued during the period of study.

PLUS Loan for Parents

The parent takes out the loan on behalf of their child to cover any additional educational costs and must complete a Direct PLUS Loan Application and Master Promissory Note (MPN). A credit check is required for this loan. PLUS loans are the responsibility of the parents and not the student. Undergraduates whose parents do not qualify for a PLUS loan can borrow additional federal Direct Federal aid. The interest rate is currently 6.28% (this may increase from July 23) and repayment begins within 60 days after your loan is disbursed and last 10 years.

PLUS Loan for Graduates

The Graduate PLUS loan is a Federal loan that graduate students with good credit histories may borrow to help pay their educational expenses. You complete the application form so that you are the student as well as the borrower. A credit check is required for this loan and students with low or little credit may require a co-signer. The interest rate is currently 6.28% (this may be increased from July 23) and repayment begins within 60 days after your loan is fully disbursed and last ten years.

Other charges

The US Education Department charge an origination fee on all loans and this is deducted from each disbursement. Origination fees for Direct Parent Plus loans are currently set at 4.228% but may increase from July 2023.

Step 2 – How much can you borrow?

Next, you need to complete the relevant Cost of Attendance (COA) spreadsheet. The COA comprises estimated costs for tuition fees and living expenses as determined by the University. These figures do not guarantee to represent the actual costs that you may incur and actual costs may be higher or lower. The COA along with other factors such as your aggregate loan limit, dependency status and your estimated family contribution (EFC) determine the amount you will be able to borrow for the academic year. The information you report on your FAFSA is used to determine your Expected Family Contribution (EFC), which is a calculated formula that allows the University to determine your financial need. To determine your financial need, your EFC is subtracted from your cost of attendance (COA) for need based awards. The University will also deduct any other aid paid to you or on your behalf for educational expenses. This is referred to as Estimated Financial Assistance (EFA)

Each academic year, the university establishes standard student budgets that use cost of attendance (COA) estimates for awarding financial aid funds. The figures below are used to calculate your maintenance/living costs according to your study level and the designated loan amount. The budget reflects typical student expenses for direct educational costs (tuition fees, books and supplies) and indirect maintenance costs accommodation, travel, food, social and miscellaneous personal expenses. In addition, the University will add on an average cost of two return flights home and computer start-up costs. You will be able to borrow, in US dollars, the combined total of your COA and no more (unless you have very specific reasons such as medical costs). The COA is a very generous amount compared to loans which UK students can apply for

and you may not need or want to take out the full amount. While your costs may vary depending on where you stay in Southampton we expect your cost of attendance to be roughly in line with our estimates. If you believe that the costs relating to your education are significantly higher than those, we have estimated please contact us to discuss the matter further. There are limits on the maximum amount in subsidised and unsubsidised loans that you are eligible to receive each academic year and over your academic career (total loan limits).

Estimated Costs for academic year 2023/24 (As at April 2023 using the UKVI estimated living costs of £1,023 per month (for up to 9 months) for courses outside London.

<https://www.gov.uk/student-visa/money>

	Weekly	52 Weeks (Post Graduate)	42 weeks (Under Graduate)
Rent in uni halls including utilities*	£115 - £150.00 pw	£7,800	£6,212
Living costs including food, utility bills, mobile phone and living expenses	£120	£6,240	£5,040
Domestic local travel	£20	£1,040	£840
Books and supplies	£20	£1,040	£840
Personal allowance	£40	£2,080	£1,680
Sub-total living costs		£18,200	£14,622
Tuition fees (variable)		£14,800 (MA) £15,000 (MSc) £16,900 (MBA)	£15,000 (BA/BSc)
Flights/travel to home country		£2,500	£2,500
Computer/Printer Allowance (1st Years)		£1,500	£1,500
Student Visa costs (£363) and Immigration Health Surcharge (£470)		£833	£833
Estimated loan origination fees		£1,500	£1,100
Maximum cost of attendance (£)		£39,333 (MA) £39,533(MSc) £41,433 (MBA)	£35,555

Converted to US \$ Rate (1.35) May 2023 (Theoretical exchange rate used for all students 2023-24)*		\$53,099 (MA) \$53,369 (MSc) \$55,934 (MBA)	\$47,999
---	--	---	----------

Notes about items above:

This is an estimated cost of attendance for your course. You are not able to borrow more than your COA. The tuition fees shown above are for illustration purposes only and will depend on your course. Estimated Loan origination fees are also included. The standard residence period in halls runs from the 14th September 23 to 1 July 2024 (41 weeks and 4 days) and based on the Kimber halls rate for a superior standard room. An extended contract can be arranged for 51 weeks. Private halls of residence costs vary.

Miscellaneous covers other general costs associated with a student at the university including books and supplies. For first year students this includes the cost of the initial visa, NHS fees, and other money that the typical student needs to assist with their general living costs

Transportation includes two return flights to your home country and transportation in the UK during the period of enrolment.

Other costs that may be included costs if you have someone who will require dependent care or if you have other needs, these can be looked at on a case-by-case basis. We encourage all borrowers to only borrow what they need. The computer allowance is for 1st Year students only

Exchange Rate*

Your funds will be converted to £GBP on receipt and currency conversions will apply. Although the COA form uses a static exchange rate (set once a year in May) to calculate costs the actual amount you will receive for each disbursement will vary, as it will depend on the exchange rate on the date the funds are received. We have made the decision to set the exchange rate for the coming 2023/24 year at 1.35. In doing so we have used the OANDA rate (used by UKVI) for the previous 6 months with 10% added and rounded up to the nearest 0.5. <https://www.ofx.com/en-gb/forex-news/historical-exchange-rates/monthly-average-rates/>

Step 3- Entrance and Exit Counselling

Entrance Counselling – Before your loan application can be completed, the U.S. Department of Education requires first-time borrowers of the federal Direct loan to complete a loan entrance counselling session before the loan funds can be disbursed. You can complete this online at <https://studentaid.gov/entrance-counseling/>. This counseling session provides you with information that will help you understand your rights and responsibilities as a loan borrower, as well as other tools to assist you with managing your loans. This is a completely electronic process. If you are taking out a Plus Loan please ensure you have completed the Plus Loan Counselling.

Please choose Solent University as your school and complete your Entrance Counselling. The Solent University school code is **G25616**. (Note that the alternative Financial Awareness Counselling is not acceptable).

Exit Counselling. Before you withdraw, graduate or drop below half-time attendance, Direct Stafford (Subsidized and Unsubsidized) and Direct Graduate PLUS loan borrowers are required to complete an Exit Counseling session. The Exit Counseling session provides invaluable information about borrower rights and responsibilities regarding repayment of your Federal student loans. All students due to complete their studies at the university in the 2022-2023 academic session are asked to complete an Exit Counseling session on the <https://studentaid.gov/>

Step 4 – Master Promissory Notes and Plus Credit Check

All students taking out a Federal Direct loan outside the US are required to complete a Master Promissory Note (MPN) annually before the loan funds can be disbursed. You will need to E- sign your federal Direct loan MPN at <https://studentaid.gov/mpn/>. The MPN is a legal document in which you promise to repay your loans and any accrued interest and fees to the US Department of Education. It also explains the terms and conditions of your loans.

For Graduate PLUS or Parent PLUS loans a separate MPN is required, if applicable. As PLUS loans are subject to a credit check, MPNs for PLUS loans must be signed using a US postal address. An overseas address will automatically result in the credit check being pended. Solent University's school code is **G25616**.

Step 5 – E-mail your loan application

When you have finished, please send the completed COA spreadsheet, by e-mail to student.funding@solent.ac.uk . You must have completed all of the above steps.

Step 6- How and when you will receive your loan

Once we have received your COA, we will then check and confirm your eligibility for Direct Loans. We will send you an e-mail confirming the details of your loan. If you need to apply for a UK study visa, we strongly advise that you complete your Direct Loan application no later than **1st August 2023**.

You will receive your loans once you have arrived at the University and completed your enrolment (30 days after enrolment if a first-time borrower). The university receives your loan in the form of a bank transfer directly into our US dollar account. Once received, we will convert your US dollars into sterling. You will then be contacted by Western Union for your UK bank account details so they can pay your funds directly into your account. In this way we can ensure you receive the payment quickly and efficiently. Government regulations mean that you can only have part of your Federal Direct Loan each term. Therefore, loans for undergraduates will be disbursed in two equal installments and for postgraduates in three equal instalments. In accordance with the US Government guidelines, the University will deduct tuition payments from the disbursement. If you are living in University accommodation, the University may also deduct accommodation payments from the disbursement. Remaining funds will be paid directly to you.

Disbursement dates for undergraduate students for the 2023/2024 academic session are:

Semester 1 (once enrolled)	Payment Period 25.9.23 - 21.1.24	Paid Week commencing 16 th October 2023
-----------------------------------	----------------------------------	--

Semester 2	Payment Period 22.1.24 – 5.7.24	Paid Week commencing 22 nd January 2024
-------------------	---------------------------------	--

Disbursement dates for postgraduate taught students for the 2023/2024 academic session are:

Semester 1 (once enrolled)	Payment Period 25.9.23 – 21.1.24	Paid Week commencing 16 th October 2023
Semester 2	Payment Period 22.1.24 – 26.5.24	Paid Week commencing 22 nd January 2024
Semester 3	Payment Period 27.5.24 - 22.9.24	Paid Week commencing 27 th May 2024

If you need to increase your federal aid within the limits of the Cost of Attendance

Additional Private student loans

Private loans may also be taken out either on top of, or instead of, Direct Loans or Direct PLUS Loans, subject to credit checking, and only to the value of the Cost of Attendance. Currently, Sallie Mae is the only private loan lender disbursing funds to overseas institutions. When considering a private student loan, we would advise that you take some time to compare interest rates and repayment terms with the Federal Direct Loan to see which is better for you. For further information please go to <https://myglobaled.com/>

Managing your Federal Aid

Any changes to your federal aid must be requested by the date specified in the pre-disbursement email sent to you. This is usually two weeks before the next scheduled disbursement date. If you need to increase your federal aid within the limits of the Cost of Attendance please contact Student Funding stating the new gross \$USD amounts that you would like to borrow in the current academic year. We will return an updated version of your COA to you for your approval. Any approved additional funds will be spread across the remaining scheduled disbursements. If you have an endorser on your PLUS loan, you can only increase the loan up to the endorsed amount. Please contact us to discuss this further. If you are only taking a Subsidised and/or Unsubsidised but your increase includes a PLUS loan, you will need to complete the PLUS loan agreement (MPN) together with Entrance Counselling.

If you would like to decrease the amount of loan please contact us. The reduction will be spread across your remaining disbursements. You cannot decrease the loan below the amounts already released for each type of loan in the current academic year.

Satisfactory Academic Progress for financial aid recipients

All students applying for or receiving US Federal Aid (subsidised, unsubsidised and PLUS Loans) must progress satisfactorily towards completion of a chosen academic program in order to remain eligible to receive US loan support.

The guidelines below have been established to encourage students to successfully complete the academic program they attend and continue to receive financial aid. Go to “Satisfactory Academic Progress Policy” for the full information on this.

Withdrawal from your course

If you receive financial aid and then decide to withdraw from your course, you must inform “Student Funding” no later than five working days after withdrawal in addition to notifying your School Office. The University is required by Federal Law to recalculate your Financial Aid eligibility based on the period of attendance. As a result, you may be required to pay back money to the US Federal Government from the Federal Direct Subsidized and Unsubsidized or Direct PLUS loans you may have received. The institution may also have to repay any funds received for tuition to the US Federal Government. As such, you may be asked to make an additional fee payment to the school to replace these funds.

Pro-rata refund calculations apply for any student who withdraws within 60 per cent of the payment period. If a student withdraws prior to completing 60 per cent of each payment period, the University will calculate the amount of funds to be returned based on your period of attendance for that specific term. The last date of attendance will be the date confirmed by the School Office and the calculations undertaken are those that are set by the Department of Education in the US and cannot be altered. Go to “Return of Title IV Funds Policy” for full information on this.

Financial information for entry clearance

In order to secure entry clearance (a student visa) for the UK, you must provide proof that you are able to pay for tuition fees and living expenses (accommodation, course costs, food etc). For further information please refer to UKCISA’s website.

Resources

1. Direct Loans - Information for university students about the US Department of Education's Direct Loan Program <https://studentaid.gov/understand-aid/types/loans>
2. Repaying Your Loans - Get all the information you need to manage repayment of your federal student loans. <https://studentaid.gov/h/manage-loans>
3. FAFSA on the web - Apply for federal assistance with the Free Application for Federal Student Aid. <https://studentaid.gov/h/apply-for-aid>
4. Help in completing the FAFSA - Useful guide on how to complete the FAFSA from the U.S. Department of Education: <https://studentaid.gov/resources>
5. Completing Entrance and Exit Counselling at <https://studentaid.gov/entrance-counseling/>
6. Complete an MPN at <https://studentaid.gov/mpn/>
7. Selective Service Registration - All males over the age of 18 years are required to register. Register online or check the status of your registration. <https://www.sss.gov/>