# Financial Aid For American Students

Producedby the University of Worcester Financedepartment



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# What financialaid is available?

There are three types of loans available to American students studying at the University of Worcester

- 1. FederaDirect Loans
- 2. FederaDirectPLUS.oans
- 3. PrivateLoans(viaSallieMae)

#### Whichto choose?

#### Federalvs. Private Loan

Students are advised to take any Federal Loan they are entitled to before considering any other type of loan due to the competitive interest rate and repaymentbenefitsthey offer. Adetailedcomparisonof Federaland Private Loans is published via the detailed student Aid website.

1. FederalDirectLoans

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#### Eligibility

Federal Loans are only available for students who have a physical presenceat the University(DistanceLearningprogramsare ineligible, but you may be considered for a Private Loan).

Formore information about generale ligibility criteria, please see who is eligible for a federal loan - see Remaining Eligible for Federal Aid

#### Interest rates for Federal Loans

Under the BipartisanStudentLoanCertaintyAct of 2013, interest rates are established each year for FederaLoan for which the first disbursements on or after July 1 through to the followingJune 30. The interest rate for a loan, once established applies for the life of the loan. Interest rates are published via the Federa Student Aid website.

3. PrivateLoans

Privateloansmaybe available Onetype of loan currently offered to students attending a foreign university (outside of the USA) is the Smart Option Loan from



an allowance assist withany disability;

coverageof any chargesor premiums associated with a Federa Loan

As part of the loan application process, you will have the opportunity to tell us about the costs that you will faces an individual. When calculating our COA<sup>a</sup> number of costs are decided by the University in accordance with average costs.

#### GeneraLivingAllowance

Within your COA an amount will be included as a 'general living allowance'

Foodandtoiletries

Transport

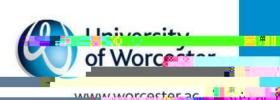
Utilities (gas,electric,etc.)

**Clothingand leisure** 

Cellphone

Boooks/photocopying and other study related items

Aspart of yourloan application, you will be ableto provide individual const to E0.087 Bill 2635641.64.27 m/



#### Budgetingresources

The US Department of Education provides several budgeting resources to help you prepare for the costs you may face whilst at University:

**Creatingyourbudget** 

**Budgetingtips** 

FinanciaAwarenessCounsellingTool(FACT)

# Eligibilityto FederaAidLoans

Most students are eligible to receive Federal Aid from the U.S Department of Education payfor their educationalcosts; however, the amountyou receive may vary depending on your circumstances.

#### Generaleligibility

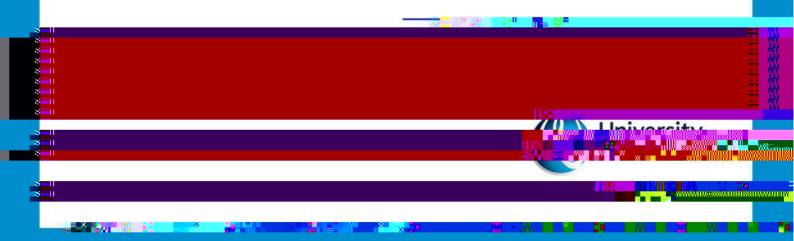
To be eligible for a Federal Loan, you must:	
	- <u>~</u>
hold a high-schooldiplomaor equivalent;	
not be in default on any prior student loan or owe a refund on any grant;	
be registered for SelectiveServices f you are male (or be exempt	
from registering); and	

be accepted onto at least a half-time (part-time) program of study at the University of Worcester and hold a valid student ID number.

#### Restrictionson FederaLoans

Thefollowing restrictions apply for FederalLoans:

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students may take only up to 25% of their program of study at another non-US college or university unless that institution is itself also eligible for Federal Student Aid.

programs including internships are not available to US students. Students who will be studying on a coentstat involves a long placement period, such as Nursing or Mileine,



All graduate/professionastudentsare considered ndependent for the purposes of administering Federal Aid.

## **DirectLoanApplicationProcess**

Youwill needto complete anumberof stepsin order to obtain a Federal Direct Stafford Loan. Please be aware that the University will not automatically offer you a loan, regardless of the information you may have received from Federal Student Aid on completion of your FAFSA.

#### **Before**applying

Ensure that you have familiarised yourself with all the types of loan at the University, including eligibility criteria and any exemptions.

If your are only applytt/TT2r 35 rei007L0F250.006e T2r 0.394erm0# 0d 3d [(tFcTc al)A0.3 6UtY.2

Pleaseensure that you enter the school code G41286 for the University of Worcester so that we will automatically receive a copy of your SAR.

Pleasenote, we do not sendour financial aid offers basedon this information alone, you must complete steps Z below.

Step2 Checkyour StudentAid Report(SAR)

The University will use the information in your SAR to confirm eligibility for a loan; therefore you must check that the information is correct.

Youshould:

havean ExpectedFamilyContribution(EFC)jigure;

be aUScitizenor permanentresident;

be registered with SelectiveService(malesonly), unlessexempt.

Step3. Complete the University's\_oanRequestForm

Login to your SOLE page and complete take and co



Toview the aggregat annual loan limits visit the Federa Student Aidvebsite.

Pleasenote, the total amount of moneythat you requests hould not exceed the amount calculated on your Cost of Attendance (COA).

Step5. Completea Master PromissoryNote (MPN)

Beforewe canprocessanyFederaLoanrequest, you will need to complete aDirect LoanMPN.Studentsare stronglyencouragedo makean electronicapplication via Student Loans.

A separateMPNwill needto be completed for each type of loan you bottened to Abo4r48w,1ipsc4u[(A)(20 f;e.8 fcb))-10-286 f56)24.05.9) & (0i}s-948 (0) f-229(A)(2( fcban) Tj 0 Tc -0.008 Tct c (n= 0u07 T6.0m -5c 0.21102 Tc -w 0.2an[(S)-0.9 (tu)-40.008)]TJ 0 Tc 0 Tw 1d () Tj 178 Tc2 c 0.001 Tw b

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Due to the serious nature of borrowing, the University of Worcester recommends that continuing students under taken trance counselling or an annual basis to help make informed borrowing decisions however, this is not a legal requirement.

In addition to entrance counselling, the US Department of Education provides an online resource known as Financia Awareness Counselling ool u(IFASE) to helte

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Pleasenote that the stated disbursement date on the letter is the date we intend to makeyour loan payment (after the deduction of any University fees).



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Howdo	lobtain	aprivate	loan?
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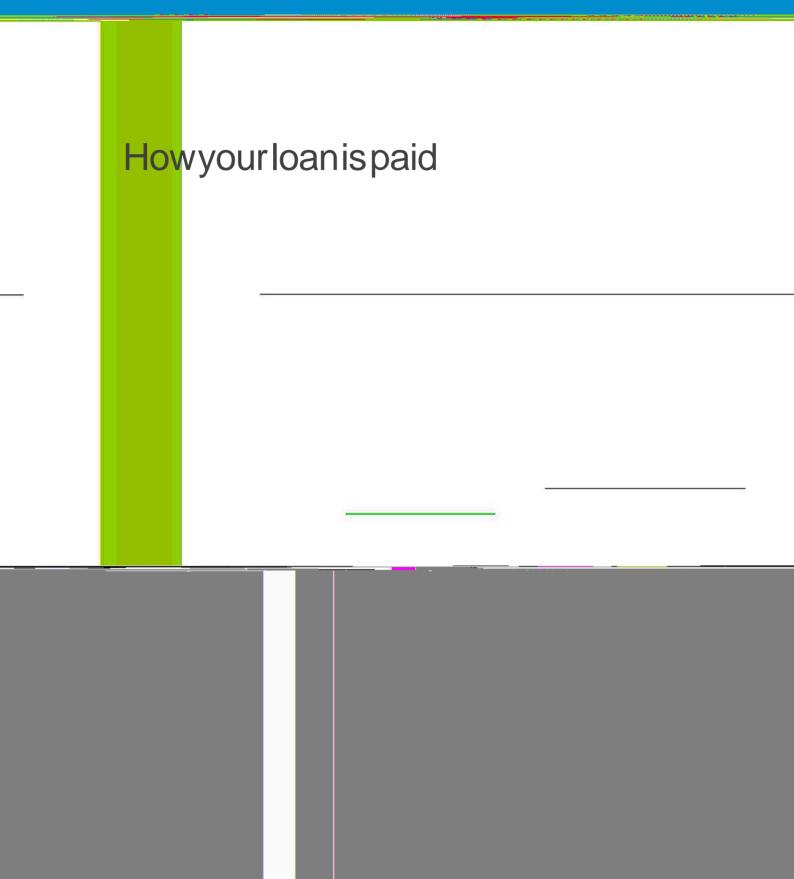
To receive the loan

CAN WARANSE

Formore information visit ourspecificwebpage or Deferment.

#### Whenwill I enter repayment?

Once you have graduated or yostatus dropsbelow halftime (part-time) you



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0 0 0 0 0 0 0	Withdrawalfrom your programme	
	If you chooseto withdraw from your programmeyou must inform Student Records at the University as soon as possible.	1000 1000 1000 1000
0 0 0 0 0 0 0 0	It is a legal requirement that the University does a Title IV calculation to determinehow muchneedsto be returned the USDepartmentof Education including any refunds of tuition or accommodation fees.	57 57 57 57 57 57 57 57
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0 0 0 0	Please note that the date of your withdrawal is allse date that you become responsible for <b>repaying your loan</b> .	000 000 000
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# Remainingeligiblefor FederaAid

All studentsapplyingfor or in receiptof a FederaLoan(Subsidised, Jnsubsidised and PLUS) must make satisfactory academic progress towards the completion of a choser programme in order to remaineligible to receive their loans.

#### Howdo I ensurel retain eligibility for my loans?

Satisfactoryprogressionto retain FederalAid is entirely separatefrom the academic requirements of the programme.

In order to retain eligibility, you:

Shouldnot exceed150% the published time frame for the courseand should remain enrolled on at least patine (half-time) status.

Shouldpass anyaught modules with aninimumof 40%

Shouldmeet any relevant contact points each term as required- if any contact point is missed, you may lose entitlement to financial aid or be required to provide evidence of extenuating circumstances.

#### Howdoesthe Universitycheckmy academicprogress?

Prior to an anticipated loan disbursement the University will review your central record which is maintained by Student Records If any discrepancies ccur, you will be contacted by Finance in the first instance.

#### **Glossaryof Terms**

SeeUSFederaStudentAid-SatisfactoryAcademidProgress(SAP)

A measureof your continuing eligibility for a FederaLoan, based on US

# In-SchooDeferment

In-schooldefermentallowsyouto temporarilysuspendpaymentson any previous loans(Direct, PLUS)r Consolidation)whilst you are studying. It will also ensure that you are not charged ntereston your curren

#### Are there any other types of deferment?

You mayalso be eligible or deferment under the following conditions:

Study in an approved graduate fellowship program or an approved rehabilitation training program for the disabled.

Seekingout unableto find full time employment.

Economichardship.

Military service.

It is recommended hat you contact your loan service to discussary other deferment options. For more information visit the website <a href="https://studentaid.ed.gov/sa/repa/oans/defermentforbearance">https://studentaid.ed.gov/sa/repa/oans/defermentforbearance</a>

### Repayment Federa Loans

Repayment of Federa Loans's avery serious obligation. There are a number of repayment options available to help borrowers to meet their obligations.

#### Theimportanceof repayment

Rememberyou are required to makeyour student loan payments even if you:

do not completeyour education;

are not employed upon completion of your studies;

do not find employmentin yourfield of study;

feel that the educationyou receiveddid not meet your expectations;

youdo not receiveabill.

Youmustmakeyourloan repayments on time or it may have serious consequences. Delay or nor repayment may:

damageyour credit rating, which could impact your ability to borrow;

be referred to a collection agency;

incurcollection costs;

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causegarnishmentof your wages;

causewithholdingof your state or Federaltreasurypayments (including federal tax refunds, Social Security benefits, etc.);

causea civil lawsuit, including court costs aledal expenses;

causedossof defermentandforbearane entitlementsandflexible repaymentoptions;

causedossof eligibility for further financialaid;

suspendyour professionalicence.

#### **Repay**menoptions

There are a number of repaymeplans available. You should discuss them with your lender to determine which will be the best for you:

<u>Standardrepaymentplan</u>

**G**raduatedrepaymentplan

Extendedrepaymentplan

Incomedriven repaymentplans (including Income based income contingent and pay as you earn)

Incomesensitiverepaymentplan

#### What is a 'graceperiod'?

Aperiod of time after you graduate, leaves chool, or drop below half-time (parttime) enrolment before you enter loan repayment. Both Direct Loans (Subsidised and Unsubsidised) jualify for a six-month grace period before any repayments are due.

There is no graceperiod for a GradPLUS r Parenta PLUS an and they will enter repayment once they havefully disbursed. You may be eligible for a deferment and should contact your loan service for information.

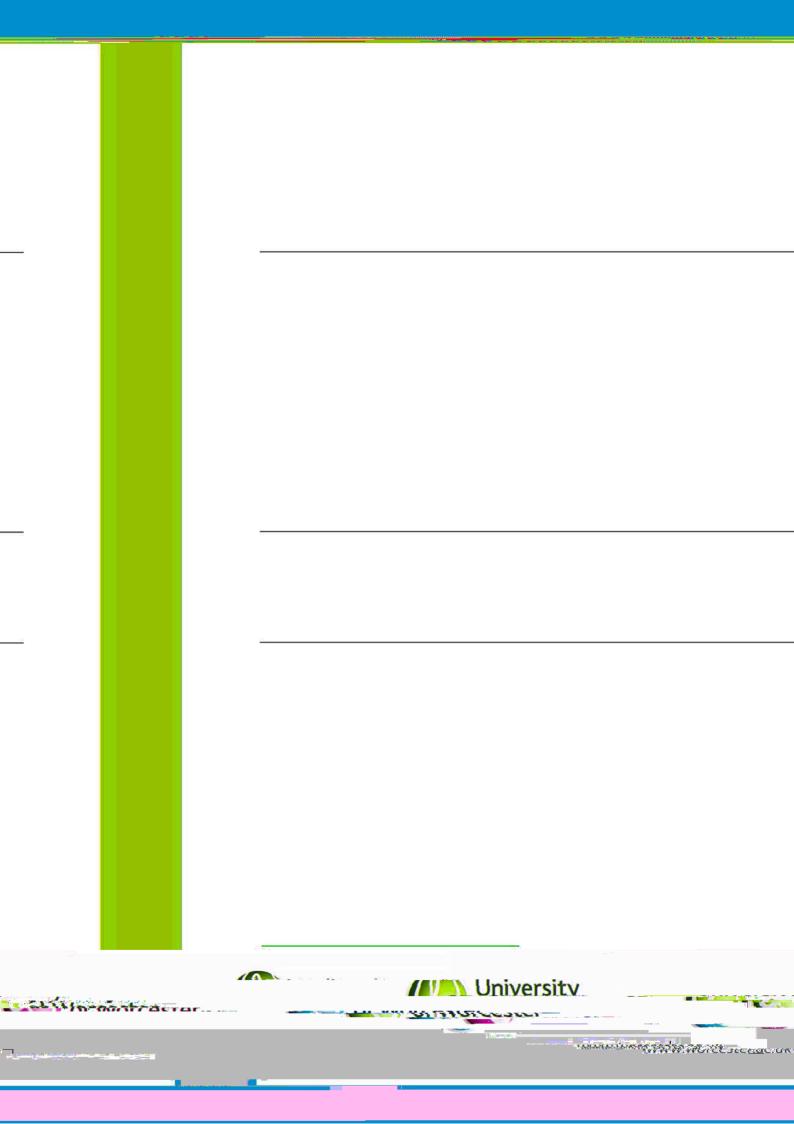
I amhaving difficulty repaying my loans, what should I do?

Youmustspeakto yourservicer.Youcandiscusshe following

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# TaxBenefits

The Internal Revenue System (IRS) provides tax benefits for education, reducing the amount of tax or interest you pay.

#### Studentloan interest deduction

If youtook out astudentloan, you maybe ableto deductup to \$2,500 in interestpaidyearly. Toqualify, you should have used proceeds from the loan towards qualified higher education expenses including tuition fees, room, board, supplies and other related expenses by you, your spouse or dependent. Toclaim this deduction, taxpayers must file the Form 1040.

The student loan interest deduction is taken as an adjustment to income. This means you can claim this deduction even if you do not itemized eductions on Schedule A (Form 1040).

#### Tuitionandfeesdeduction

You may be able to deduct qualified higher education expenses paid during the year for yourself, your spouse or your dependent.

Thetuition and fees deduction can reduce the amount of your incomesubject to tax by up to \$4,000. To claim this deduction, tax payers must file the Form 8917

This tuition and fees deduction is taken as an adjustment to income. This means you can claim this deduction even if you do not itemize deductionscheduleA (Form 1040).

Generally, you can claim the tuition and fees deduction if all three of the following requirements are met:

youpayqualifiededucationexpenses of highereducation;

you pay the education expenses for an eligible student;

the eligible student is yourself, your spouse, or your dependent for whom you claim an exemption on your tax return.

Youcannot claimthe tuition and fees deductioif anyof the following apply:

your filing statusis 'married filing separately';



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