Financial Aid For American Students

Producedby the University of Worcester Finance department



www.worcester.ac.uk

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What financial aid is available?

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

- 1. FederaDirect Loans
- 2. FederaDirectPLU\$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 theederal Student Aid website.

1. FederalDirectLoans

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Eligibility

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

Formore information about general eligibility criteria, pleas ese ewho is eligible for a federal loan – see Remaining Eligible for Federal Aid

Interest rates for Federal Loans

Underthe BipartisanStudentLoanCertaintyAct of 2013, interest rates are established each year for Federa Loans for which the first disbursements on or after July 1 through to the following June 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 One type 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 Federal 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 a number of costs are decided by the University in accordance with average costs.

Genera Living Allowance

Within your CO An amount will be included as a 'generalliving allowance'

Foodandtoiletries

Transport

Utilities (gas,electric,etc.)

Clothingand leisure

Cellphone

Blooks/photocopying and other study related items

Aspart of your loan application, you will be ableto provide individual control of 20.087 Bill 2635641.642 Introl



Budgetingresources

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

Creatingyour budget

Budgetingtips

FinanciaAwarenessCounsellingTool(FACT)

Eligibilityto FederaAidLoans

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

Generaeligibility

Γο be eligible <mark>for a Federa</mark>lLoan,you must

be aUScitizenor permanentresidentwith avalidsocialsecuritynumber;

hold a high-schooldiploma or equivalent;

not be in default on any prior student loan or owe are fund on any grant;

be registered for Selective Service if 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

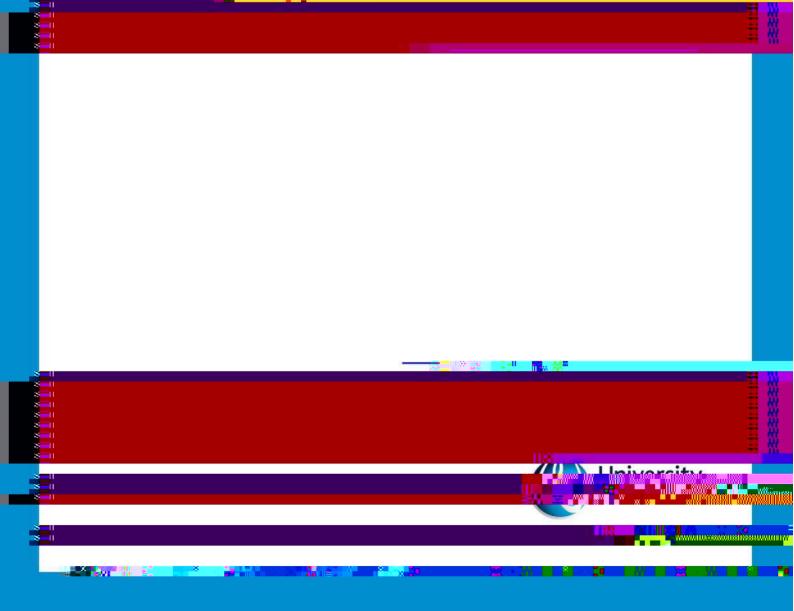
Thefollowing restrictions apply for FederalLoans:

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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 coenthat involves a long placement period, such as Nursing or Mieine,



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

DirectLoanApplicationProcess

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

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

If you are only applytt/ttt2r 35 rei007Lot250.006e tt2r 0.394erm0rt0d 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 based on this information alone, you must complete steps 2 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 a UScitizenor permanentresident;

be registered with Selective Service (malesonly), unless exempt.

Step3. Complete University's Loan RequestForm

Login to your SOLE page and complete takeameric@a@481 0 Ta</MC6Tw ()Tj c 0 Tw 1.6</N



Toviewthe aggregatændannualloanlimits visit the Federa Student Aidwebsite.

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 canprocessany Federa Loan request, you will need to complete a Direct Loan MPN. Students are strongly encouraged o make an electronic application via Student Loans.

A separateMPN will need to be completed for each type of loan you

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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 Awarenes Counselling Tool u(FrASB) to helte

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Pleasenote that the st to makeyour loanpay		
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Formore information visit ourspecificwebpage or Deferment.

Whenwill I enterrepayment?

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



Howyourloanispaid

Withdrawalfrom your programme

If you chooseto withdraw from your programmeyou must inform Student Records at the University as soon as possible.

It is a legal requirement that the University does a Title IV calculation to determine how much needs to be returned the USD epartment of Education including any refunds of tuition or accommodation fees.

Formore information visitchange of ircumstances

Please note that the date of your withdrawal is at date that you become responsible for repaying your loan.



Remainingeligiblefor Federa Aid

All stude ntsapplying for or in receipt of a Federa Loan (Subsidised Jnsubsidised and PLUS) must make satisfactory academic progress towards the completion of a chosen programme in order to remaineligible to receive their loans.

Howdo I ensurel retain eligibility for my loans?

Satisfactoryprogression to retain Federal Aid is entirely separate from the academic requirements of the programme.

In orderto retain eligibility, you:

Shouldnot exceed 150% the published time frame for the course and should remain enrolled on at least paintne (halftime) status.

Shoulcpass 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 discrepancie sccur, you will be contacted by Financian the first instance.

Glossaryof Terms

SeeUSFederalStudentAid-SatisfactoryAcademidProgres(SAP)

A measure of your continuing eligibility for a Federa Loan, based on

US

In-SchooDeferment

		allowsyouto temporarilysuspenфaymentson anyprevious Consolidation)whilst you are studying.It will alsoensurethat
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Arethere anyother types of deferment?

You mayalso be eligible or deferment under the following conditions:

Study in an approved graduate fellowship program or an approvedrehabilitationtrainingprogramfor the disabled.

Seekindput unableto find full time employment.

Economidardship.

Military service.

It is recommended that you contact your loan service to discussary other deferment options. For more information visit the website https://studentaid.ed.gov/sa/repa/oans/defermentforbearance

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 make your student loan payment seven if you:

do not completeyour education;

 $are \, not \, employed upon \, completion of \, your \, studies; \,$

do not find employmentin your field of study;

feel that the educationyou receiveddid not meet your expectations;

youdo not receiveabill.

Youmust makeyour loan 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;



causegarnishmentof your wages;

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

causea civil lawsuit, including court costs alegal expenses;

causedossof defermentandforbearan@entitlementsandflexible repaymentoptions;

causeossof eligibilityfor further financialaid;

suspendyour professionalicence.

Repaymentoptions

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

Standardrepaymentplan

Graduatedrepaymentplan

Extendedrepaymentplan

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

<u>Incomesensitiverepaymentplan</u>

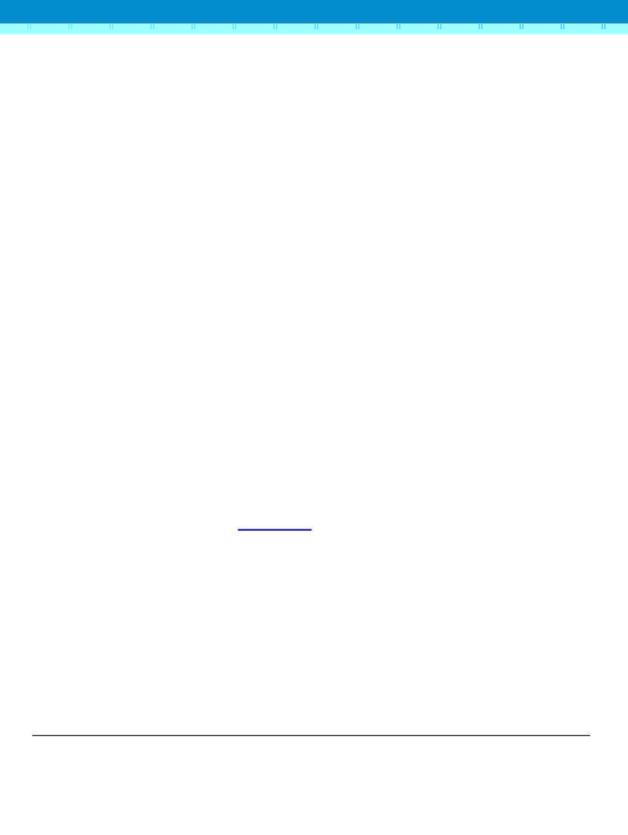
Whatis a 'graceperiod'?

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

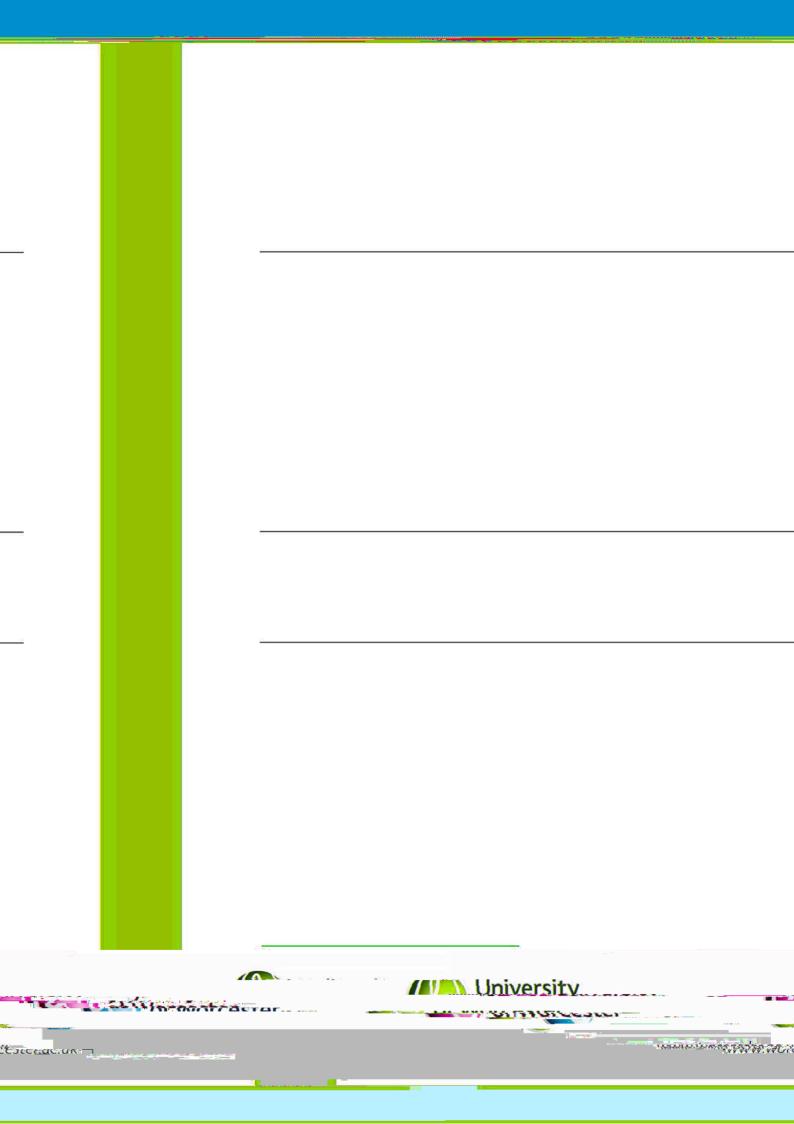
Thereis no graceperiod for a GradPLU Sor Parenta PLU So an and they will enter repayment to nce they have fully disbursed. You may be eligible for a deferment and should contact your loan service for information.

I am having difficulty repaying my loans, what should I do?

Youmustspeakto yourservicer. Youcandiscust he following







TaxBenefits

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

Studentloaninterest deduction

If you took out a student loan, you may be able to deduct up to \$2,500 in interest paidy early. To qualify, 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 dependant. To claim 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 itemize deduction so n Schedule A (Form 1040).

Tuition and fees deduction

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 incomes ubject 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

