

2014/15 US Student loans at The University of Manchester, UK

Federal Loans are available to U.S. students attending Manchester via the Direct Loan Program. This document sets out the processes necessary to ensure that students have their Federal Loans secured prior to commencing their studies. The first step in the process requires students to complete their Free Application for Federal Student Aid (FAFSA) in the usual manner before providing us with details of their Student Aid Report.

Please note all the information contained in this document is based on the latest available information and may be subject to change.

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1. What aid might you be eligible for?

Students studying in Foreign Schools are not eligible for grants from the US Federal government, but may apply for loans. There are three main types of loan:

- Direct subsidised loans (only available to undergraduates, based on your "need" for funding)
- Direct unsubsidised loans (available for both graduates and undergraduates)
- PLUS loans (for graduates and parents of dependent undergraduates - these are subject to credit rating)

In addition some commercial lenders may be willing to offer private loans at commercial rates subject to credit rating and often requiring a co-signor.

Education Loans (Direct, PLUS and any private loans) are to cover the primary costs of education (tuition, student accommodation, books/supplies, commuter travel). Loans are not intended to cover other expenses, not directly related to study. You should plan a budget and make sure you have enough money for your time of study.

a) Direct Federal Loans:

Subsidised Loan - is a federally subsidised loan, which means that there are no interest charges while you are enrolled at least half time, and for six months after you leave school or drop below half time. This six month period is called a grace period.

Unsubsidised Loan - is not based on financial need. You are responsible for payment of interest for the full period of the loan. Whilst studying at least half time, or during deferment or grace periods you have the option of paying the interest or having it capitalised and added to the total value of the loan.

b) Graduate PLUS loan for Professional Students

Students will be subject to a stringent credit check. Title IV rules apply as do audit requirements. Students must have exhausted all their Direct loan options both subsidised and unsubsidised before applying for a PLUS loan

For Graduate PLUS loans first disbursed on or after 1st July 2008, a graduate borrower automatically receives an additional six month deferment after the borrower ceases at least half time enrolment

c) ParentPlus Loan

Parents of dependent **undergraduates** can take out a ParentPlus Loan under their name. Parents can borrow up to their child's cost of attendance, as calculated by the Foreign School. These loans start repayment while the child is in school.

If you're a parent PLUS borrower, you can defer repayment of Direct PLUS Loans first disbursed on or after July 1, 2008, while the student for whom you obtained the loan is enrolled at least half time, and for an additional 6 months after the student graduates or drops below half-time

enrollment (half-time enrollment status is determined by your child's school). You must separately request each deferment period. Interest that accrues during these periods will be capitalized if not paid by the parent during the deferment.

d) Private loans

Very few private lenders remain in the market offering loans to US students attending University overseas. For those that do, students can borrow up to the total cost of attendance less any Direct or PLUS loans already taken out but no more, (subject to credit rating). Borrowers may be required to have a co-signer. You are advised to carefully check the terms and conditions of any private loan offered by a commercial lender prior to taking out the loan.

Interest rates and charges

For full details of the interest rates associated with US Federal loans please refer to www.studentloans.gov.

As an example, for Federal loans first disbursed between 1st July 2013 and 30th June 2014 the interest rates were as follows:

The interest rate on a Plus loan was fixed at **6.4%**.

The interest rate on a Direct subsidised or unsubsidised for undergraduate students was **fixed at 3.86%**. For graduate or professional studies unsubsidised loans the rate was fixed at **5.41%**

In addition there is an origination fee for Direct loans, both subsidised and unsubsidised, first disbursed between **1st July 2013 and 30th June 2014 of 1.051%(net)**, which is deducted at source prior to the disbursement of the loans. The origination fee for Parent PLUS and Graduate PLUS loans first disbursed **between 1st July 2013 and 30th June 2014 is 4.204%(net)**.

Please be aware that private loans will incur a commercial interest rate. Look at interest rates and charges with different lenders. A lender may require someone else with a good credit rating as a guarantor or as a co-borrower.

Borrow what you need, but remember you have to repay it.

2) How much can you borrow?

Certified Loan Amounts

Students are eligible for different amounts of Direct Loan per year depending on their grade level and dependency status. The level of subsidised and unsubsidised loan is decided by your Expected Family Contribution (EFC), shown on your Student Aid Report. The following tables show the level of loans available for 2014/15.

Dependent Undergraduates	Initial Subsidized	Additional Unsubsidized	Combined (maximum) Levels
1 st Year	\$3500	\$2000	\$5500
2 nd Year	\$4500	\$2000	\$6500
3 rd Year and Up	\$5500	\$2000	\$7500
Independent Undergraduates			
1 st Year	\$3500	\$6000	\$9500
2 nd Year	\$4500	\$6000	\$10500
3 rd Year and Up	\$5500	\$7000	\$12500
Graduate/Professional Students	\$0	\$20500	\$20500

In addition to the annual limit on Direct Loans, the following lifetime limits apply:

Lifetime limits	
Undergraduate dependent lifetime limit	\$31,000 (no more than \$23,000 may be subsidised)
Undergraduate independent lifetime limit	\$57,500 (between subsidized and unsubsidised, no more than \$23,000 may be subsidised.)
Graduate or professional lifetime limit	\$138,500 (no more than \$65,000 may be subsidised)

Cost of Attendance/tuition

You can borrow up to your cost of attendance and tuition fee costs in total. Usually your borrowings will be made up of government funded Direct Loans topped up by further loans.

Although being in a new city is fun, and should be enjoyed, remember that your loan(s) are for education. Each student is different, but your costs should still be broadly in line with our published Cost of Attendance (see below). If your Cost of Attendance needs to be higher, then you must prove and justify this to the Financial Support Team within the Student Services Centre. Your money has to last the whole academic year.

Cost of living in the UK

It is important to budget sensibly while you are a student to ensure that you have enough money to live on and to complete your studies.

N.B. You will not have immediate access to your loan funds when you arrive in the UK you will need to prepare for this by bringing sufficient money with you to cover your first 4-5 weeks' expenses.

Estimated costs

The table below is a breakdown of the essential living costs of an average Manchester student for one academic year.

The estimates are based on average annual expenditure of an undergraduate or postgraduate single student on a full-time course.

Estimated living costs 2014/15	UG 40 weeks (£)	PG 52 weeks (£)
Accommodation (an average cost for self-catering halls)	5,135	6,500
Meals (based on a budget of £60 per week)	2,400	3,120
Books and stationery	415	505
Clothes (including provision of warm clothing and footwear)	415	505
Local transport	540	685
Other general living expenses (e.g. photocopying & printing, laundry, phone calls, consumables, entertainment, sports, cooking equipment etc)	1,540	1,930
Flight Allowance	1,000	1,000
Total	11,445	14,245

We can also authorize a one off payment of up to £500 towards PC/equipment in your first year of study (please note some MBS courses include use of a laptop therefore this cost would not be applicable).

Correct as at 01 April 2014

If you require a visa to come to the UK, you are granted it on condition that you can pay your tuition fees and living expenses (for you and your family) without having to depend on finding work in the UK. See later for details on visa requirements.

Calculation of Loan Entitlement

All allowable costs in respect of US loan entitlement for 2014/15 will be calculated using the exchange rate of GBP1 to US\$1.7057

Distance Learning Courses

Please note that any students undertaking distance learning courses are **NOT** eligible to receive US Government funded. This includes courses where there is only a partial element delivered online, such as our Global MBA programme.

Students undertaking distance learning courses provided by the University of Manchester can apply for Private loans to help cover costs of tuition and workshops.

Once you have decided what is best for you in terms of loans available to you please refer to the following step by step process to complete your application.

3) Application Process

All students must familiarise themselves with: The US Department of Education [Student Financial Aid Handbook](#).

Please also visit <http://www.studentnet.manchester.ac.uk/crucial-guide/> where you will find all sorts of information that you may find useful about the University including all the Universities Regulations.

The following is a step by step guide to how the process works, and there is a flowchart on page 10 that will hopefully guide you through the entire process.

Step 1: Complete the Free Application for Federal Student Aid (FAFSA) to establish your eligibility by going to: FAFSA website: www.fafsa.ed.gov

Details of how to complete the FAFSA can be found at: http://studentaid.ed.gov/students/publications/completing_fafsa/index.html

The University of Manchester's School code for completing the FAFSA is: **G12136**

PLEASE NOTE YOU WILL BE REQUIRED TO COMPLETE A NEW FAFSA FOR EACH YEAR OF STUDY WHILST AT MANCHESTER

Once completed this will produce a SAR (Student Aid Report). **PLEASE NOTE Foreign Schools do not always receive an automatic copy of your SAR, therefore, it is advisable to send a copy of your report to the University via northamericanloans@manchester.ac.uk as soon as it is available.**

Alternatively, if you forward details of your full name, social security number, date of birth, and data release number (DRN) if quoted to northamericanloans@manchester.ac.uk the University will then be able to access your full SAR online from the US Dept of Education.

This will enable the University to check your eligibility and to calculate the amount of loan you are entitled to. The University will notify you of your entitlement as soon as it is known.

Students commencing in the fall of 2014, who have provided their Student Aid Report, should note that the earliest they can expect notification of their loan entitlement for the academic year 2014/15 is 19th May 2014.

Step 2: Processing your loan

Once we have calculated your loan entitlement we will enter the full amount on the Department of Education's Common Origination and Disbursement (COD) system. Should you not wish to take out your full loan entitlement then please inform us immediately of the amount you wish to take out in respect of each loan type, and we can then make the necessary adjustments online.

If you have not done so already we urge you gain access to the following website www.studentloans.gov. From here you can manage your Direct Loans, including carrying out a number of key tasks such as completing entrance counselling, signing your Master Promissory Note (MPN) and completing your Plus loan

request. Please note that you must complete entrance counselling, and have signed your MPN before we can request disbursement of your loans.

Step 3: Email to the University

Once you have visited www.studentloans.gov you should forward an email to northamericanloans@manchester.ac.uk providing confirmation of having undertaken entrance counselling, signed copies of Master Promissory Notes and if applicable acceptance of credit checks.

Step 4: Visa Requirements

Following discussions between the UK Borders Agency, US Department of Education and representatives from other interested parties it has been agreed that Foreign Schools can issue a 'visa certificate' to students, detailing their loan entitlement, which will suffice for proof of funding as part of your visa application.

For further information about applying for your visa please visit: www.studentnet.manchester.ac.uk/crucial-guide/academic-life/immigration/applying-overseas/

Step 5: Disbursement of your loan

For students registering in September, loans will be disbursed* in equal instalments on or around the following dates. If you plan to commence your study at another point in the calendar year the dates of disbursement will differ and you should contact northamericanloans@manchester.ac.uk for further details as to when you can expect your loans to be disbursed.

	Graduate	Undergraduate	MBA year 1	MBA year 2
1	8 th Sept 2014 *	8 th Sept 2014 *	18 th Aug 2014 *	8 th Sept 2014 *
2	5 th Jan 2015	8 th Dec 2014	5 th Jan 2015	5 th Jan 2015
3	6 th April 2015	2 nd Mar 2015	6 th April 2015	Not applicable
4	Not applicable	Not applicable	15 th June 2015	Not applicable

* Please note if you are a new student the initial instalment of your loans will only be disbursed once you have arrived in the UK and fully completed registration. For returning students the first instalment of your loan in subsequent years of study will only be disbursed once you have fully completed registration.

The majority of registration can be completed online prior to you arriving in the UK. The final step, relating to financial registration, should be completed by visiting the Student Services Centre upon arrival.

The dates shown above are dates of disbursement from the U.S. NOT the date you will receive funds. Under normal circumstances the funds will

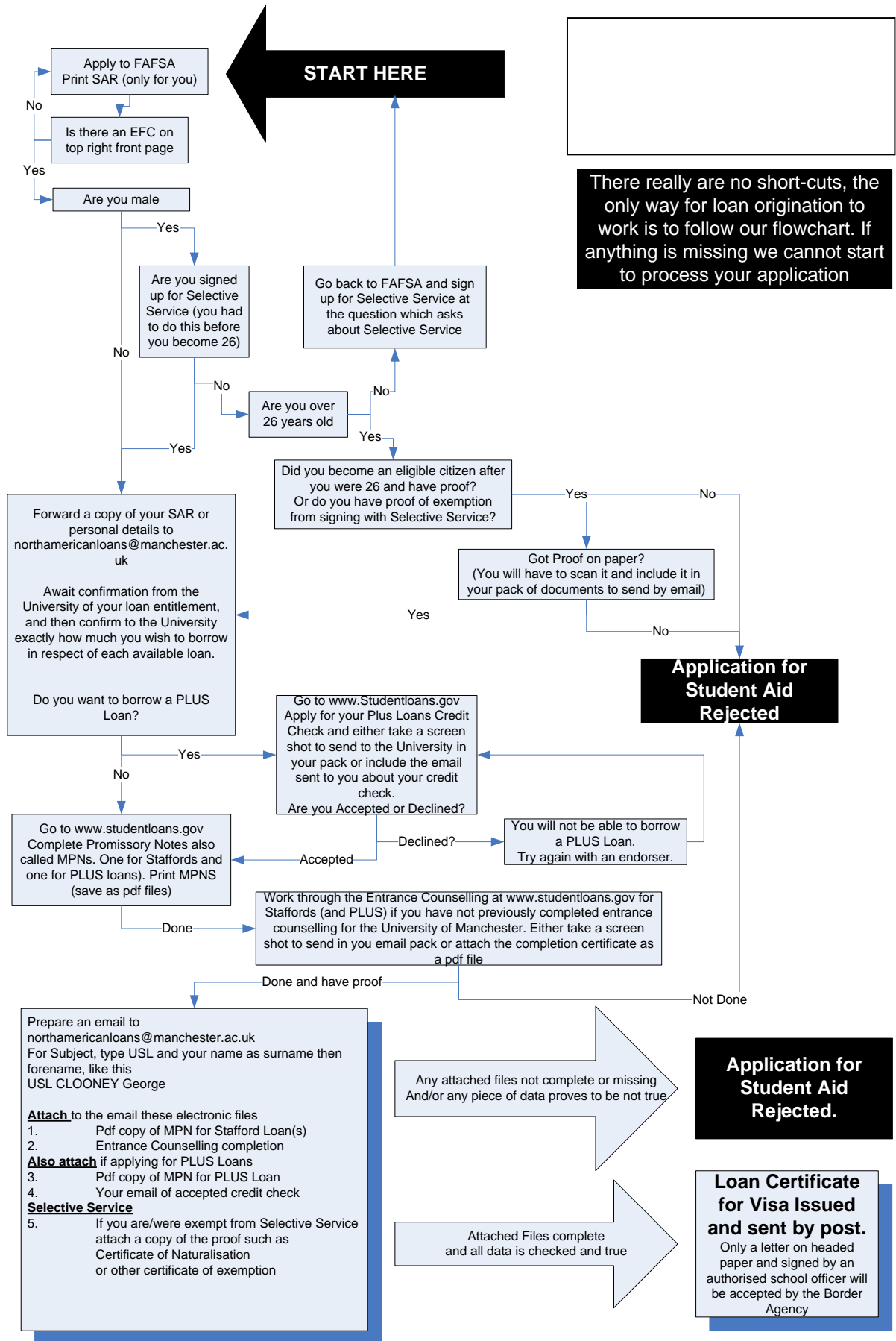
be physically transferred to the University's bank account in the first instance. From there the funds will be converted into sterling using a firm called Western Union and your tuition fee instalment deducted. Any remaining credit is then refunded to you automatically, or alternatively, you can request in writing that it be applied to cover further costs such as University accommodation.

Once the University receives the initial transfer of funds the balance will be paid to the student's UK bank account, or a cheque made available, within three working days.

You will also need to provide evidence of Satisfactory Academic Progress throughout the course of the academic year before subsequent instalments of your loan are released.

Entrance Counseling

All students are required to complete online entrance counselling for both Direct and Grad PLUS loans, the University can not process your loans without an Entrance Counselling having been completed. In order to complete Entrance Counselling you must go to: www.studentloans.gov



5) Useful Resources:

US Department of Education

www.studentloans.gov

National Student loan data System

www.nslds.ed.gov

Provides information on your Federal loans on a central database

Federal Student Aid ombudsman

www.ombudsman.ed.gov or 1-877-557-2525

A neutral, independent viewpoint to assist resolving student loan disputes.

University of Manchester contact:

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Student Services Centre,
The University of Manchester,
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