

## **2008/09 US Student loans at The University of Manchester, UK**

The system for administering Stafford Loans in the UK is different to that in the US in that you are required to provide certain documentation that in the US would be dealt with directly by your School.

What aid you may 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 four types of loans:

- Stafford subsidised (based on your "need" for funding)
- Stafford unsubsidised (for graduates and independent undergraduates)
- PLUS (for graduates and parents of dependent undergraduates - these are subject to credit rating)
- Private (subject to credit rating and often requiring a co-signor - these are usually at commercial rates)

Education Loans (Stafford, PLUS and any private loan) 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. Borrow what you need, but remember **you have to repay it**.

### **Distance Learning Courses**

Please note that any students undertaking distance learning courses are not eligible to receive US Government funded.

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

### **Certified Loan Amounts**

Stafford Loans are fixed to a maximum of \$20,500 for graduates (of which \$8,500 can be subsidised) and for undergraduates the subsidised loans are \$3500 (yr1); \$4500 (yr2); \$5,500 (yr3). The level of subsidised and unsubsidised loan is decided by your Expected Family Contribution (EFC), shown on your Student Aid Report.

Students are eligible for different amounts of Stafford Loan per year depending on their grade level and dependency status:

<b>Dependent Undergraduates</b>	<b>Initial Subsidized</b>	<b>Additional Unsubsidized</b>	<b>Combined (maximum) Levels</b>
1 <sup>st</sup> Year	\$3500	\$2000	\$5500
2 <sup>nd</sup> Year	\$4500	\$2000	\$6500
3 <sup>rd</sup> Year and Up	\$5500	\$2000	\$7500
<b>Independent Undergraduates</b>			
1 <sup>st</sup> Year	\$3500	\$6000	\$9500
2 <sup>nd</sup> Year	\$4500	\$6000	\$10500

3 <sup>rd</sup> Year and Up	\$5500	\$7000	\$12500
<b>Graduate/Professional Students</b>	\$8500	\$12000	\$20500

Stafford subsidized loans have a fixed interest rate of 6.0%.

### **Cost of Attendance/tuition**

You can borrow up to your Cost of Attendance and tuition fee costs in total. Part of this may be a government subsidised Stafford Loan 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 funding team within the Student Services Centre. Your money has to last the whole educational year.

[www.campus.manchester.ac.uk/ssc/guideshandbooks/pdfdocuments/thecostofacourse20052006/thefile,17850,en.pdf](http://www.campus.manchester.ac.uk/ssc/guideshandbooks/pdfdocuments/thecostofacourse20052006/thefile,17850,en.pdf)

### **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.

**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.

<b>Estimated living costs 2008/09</b>	<b>UG 38 weeks (£)</b>	<b>PG 51 weeks (£)</b>
<a href="#">Accommodation</a> (an average cost for self-catering halls)	3,572	4,800
<a href="#">Meals</a> (based on groceries and some meals on campus)	2,049	2,750
<a href="#">Books and stationery</a>	325	420
<a href="#">Clothes</a> (including provision of warm clothing and footwear)	325	420
<a href="#">Local transport</a>	380	510
Other general living expenses	1,260	1,640

(eg. photocopying & printing, laundry, phone calls, consumables, entertainment, sports, cooking equipment etc)

Flight Allowance	£1000	£1000
<b>Total</b>	<b>£8911</b>	<b>£11540</b>

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

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.

### **Further Loans**

Further loans can be taken out to top-up the rest of the cost of attendance. Private loan applications start with the lender but you must get all the papers from your lender and send to The University of Manchester for the attention of Patrick Ryan, Student Funding and Financial Support Team Leader, The Student Services Centre, The University of Manchester, Burlington Street, Manchester, M13 9PL . Please remember that some lenders forget that foreign schools cannot certify electronically.

**Graduate PLUS loan for Professional Students.** Fixed interest rate for disbursements on or after 1<sup>st</sup> July 2006 of 8.5%. Students will be subject to a stringent credit check. Title IV rules apply as do audit requirements. Students must have exhausted all their Stafford options both subsidised and unsubsidised. This loan will be in multiple disbursements.

### **ParentPlus Loan**

Parents of **undergraduates** can take out a ParentPlus Loan under their name. They again cannot borrow more than the rest of the cost of attendance (subject to credit rating.) These loans start repayment while you are still in school.

### **Private loans**

**Students** can take out a private loan. You can borrow up to the rest of the cost of attendance but no more, (subject to credit rating). Borrowers may be required to have a co-signer. Interest is charged but repayment is deferred while in school.

Please be aware that private loans have a commercial 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.

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

### **Application Process**

All students in the first instance must familiarise themselves with:

[Student Financial Aid Handbook.](#)

[Mapping your Future](#)

The above resources will give you a very clear outline of what your responsibilities are in regards to loans that you take

Please also visit [www.manchester.ac.uk](http://www.manchester.ac.uk) where you will find all sorts of information that you may find useful about the University including all the Universities Policies, Staff, Courses, and what the University has to offer. It is a very useful resource for you.

**Step 1:** Complete the Free Application for Federal Student Aid (FAFSA) to establish your eligibility by going to:

FAFSA website: [www.fafsa.ed.gov](http://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](http://studentaid.ed.gov/students/publications/completing_fafsa/index.html)

Student Guide to FAFSA:  
[http://studentaid.ed.gov/students/publications/student\\_guide/index.html](http://studentaid.ed.gov/students/publications/student_guide/index.html)

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

Once completed this will produce a SAR (Student Aid Report). This report can be emailed to [northamericanloans@manchester.ac.uk](mailto:northamericanloans@manchester.ac.uk).

Once the University is in receipt of this SAR they are able to access your full SAR from the Dept of Education.

This will enable the University to check your eligibility and to calculate the amount of loan you are eligible for.

**Step 2:** Choose a lender

The University of Manchester cannot recommend a lender, you must choose one yourself. Stafford Loan charges and interest rates are set by Congress. Previous students at the University have found the following lenders to have a thorough understanding of foreign school application processes, and the University has found that these lenders are responsive to student needs and able to resolve issues in a timely manner

[www.iefc.com](http://www.iefc.com) (International Education Finance Corporation)

Chase (lender code 803000-55) [www.iefc.com](http://www.iefc.com) (International Education Finance Corporation)

You may also visit [www.iefc.com](http://www.iefc.com) to view updated charts listing each lender's terms and conditions.

<http://www.salliemae.com/international/> (lender code 833471)

You may also visit <http://www.salliemae.com/international/> to view updated charts listing each lender's terms and conditions.

The lenders above are just a few of many lenders available and you are fully encouraged to research the different lenders available to you and their terms and conditions. Please do note however that not all American lenders are aware of the differences in processes required by foreign schools.

For the above lenders you can apply for your Master Promissory Note (MPN) on-line with an electronic signature.

If not applying on-line and using a different lender than those mentioned above, the lender should be happy to send you the Federal Stafford Application forms. You should emphasize that you are intending to study at an overseas institution.

The University of Manchester's code for completing the Application is: 012136

**Step 3:** Complete Master Promissory Note (MPN) either manually or on-line with specialist lenders (see above).

**Step 4:** If you have not applied on-line through the above lenders send hardcopy of Master Promissory Note (MPN), School Certification (SC) and full details of Lender F.A.O Patrick Ryan, Student Funding and Financial Support Team Leader, Student Services Centre, The University of Manchester, Burlington Street, M13 9PL

**Please ensure you provide full contact details of your Lender including full postal address, telephone and fax numbers (if available).**

### **Entrance Counseling**

We require all students to complete online entrance counselling for both Stafford and Grad PLUS loans, the University will not process loan applications without an Entrance Counselling Receipt for either of these loans. In order to complete Entrance Counselling you must go to *Mapping Your Future*.

<http://www.mapping-your-future.org/>

Please note that your loan will not be processed until:

- a) The University is in receipt of your SAR to be sent to [Northamericanloans@manchester.ac.uk](mailto:Northamericanloans@manchester.ac.uk)
- b) You have completed on-line entrance counselling through Mapping your Future for Stafford and Grad PLUS loans.
- c) You have confirmed course details and period of study
- d) You have confirmed with your Manchester Department, that you will be attending Manchester and have satisfied the terms of your offer.

### **Tracking the Progress of your loan**

Once the loan application has been authorised here at the School we may not hear anything until your first disbursement cheques arrive in September

You are able to track the progress of your loan on-line or by contacting your loan company.

**It is important for YOU to stay in contact with your lender to ensure the process is going smoothly.**

**Please remember your responsibilities are:**

1. Use your loan for educational purposes;
2. Inform your Department and Student Services Centre if you withdraw or interrupt your studies;
3. Tell your lender of address changes;
4. Tell your lender about course changes;
5. Tell your lender about any changes in your circumstances;
6. Open and read your student loan mail;

Students should review their responsibilities with regard to the administration of their Stafford loan by reading and understanding the presentation

<http://www.mapping-your-future.org/>

### **Disbursement of cheques**

As in Schools in the US all Stafford disbursements must be in multiple equal disbursements based on the number of terms.

For an undergraduate student you will receive your loan funds in two instalments, one at the start of term i.e. September and once mid point through the year i.e. end February.

If you are a postgraduate PHD student you would receive your first disbursement in September and your second disbursement end February.

As a Masters student you receive your disbursements in three equal payments, September, January and April.

Loan cheques will normally be sent to the University for disbursement 28 days before start of your course. The cheques cannot be released earlier than 10 days prior to the start of class

All Stafford and GRAD plus cheques are co-payable to the University/student in US dollars. Under the University administration arrangements all students in receipt of Stafford loan cheques must endorse the cheques over to the University and cheques will then be paid into the University bank account to cover the cost of tuition. Once a sterling balance appears on your University account the money will be posted against your tuition fees. Any credit will be refunded to you or alternatively if you request in writing can be applied to further tuition fee costs.

It is up to you to determine how you wish to use any further loans you have applied for however please remember that in accordance with the terms and conditions of your loan the money must be used to fund your education.

You will need to come to the Student Services Centre no earlier than 10 days prior to the start of class to endorse the Stafford cheques and collect any others.

The University has a responsibility to report to the lender/guarantor agencies that you are in attendance at the University and you are making satisfactory academic progress (SAP). This has to be completed prior to future disbursement of funds. Prior to your second disbursement we will be contacting your Schools/Supervisors for progress reports to ensure that you have progressed to meet criteria set out in University Policy in relation to satisfactory attendance and progress. Please see below for further information.

### **Satisfactory Academic Progress (SAP) Policy for the Purposes of Assessing Continuing Eligibility for USA Financial Aid for Students**

US Federal regulations (34CFR 668.16) require that a student must be making satisfactory academic progress (SAP) in order to be eligible to receive federal aid from the US Department of Education (Ed).

Our definition of SAP is different from the other University policies and is not intended to contradict anything in the University academic regulations; this policy may impose a more onerous definition of SAP than the University regulations.

Programs governed by these regulations are:

- Federal Stafford Subsidized Loan
- Federal Stafford Unsubsidized
- Federal PLUS Loans

To be considered as making Satisfactory Academic Progress you must be enrolled in an eligible programme.

### **Satisfactory Academic Progression and Continued Eligibility**

A student must progress satisfactorily on their chosen degree course to ensure they remain eligible for their funding. The following policies and guidelines have been established to encourage students to complete successfully academic programs for which aid is received

- SAP policies consist of two main components...
  - Qualitative (e.g., grades)
  - Quantitative (e.g., completion timeframe)
    - No more than 150% of published length
    - Divided into increments
    - Minimum work requirements
    - Effect of incompletes or course withdrawal
- ...and the following elements
  - Policy is same as or more stringent than policy for students not receiving Title IV aid.
  - Policy is consistently applied.
  - SAP is measured at the end of each increment.
  - Provides for student appeals.
  - Outlines procedures for re-establishing SAP.

The University policies for all students can be found:

<http://www.campus.manchester.ac.uk/medialibrary/researchoffice/graduateeducation/p-progressreview.pdf>

<http://www.campus.manchester.ac.uk/researchoffice/graduate/ordinancesandregulations/>

<http://www.campus.manchester.ac.uk/medialibrary/policies/workattendancestudents.pdf>

<http://www.campus.manchester.ac.uk/medialibrary/tlao/annual-monitoring-guidelines-Jan07.doc>

<http://www.campus.manchester.ac.uk/medialibrary/tlao/MAP/pgt-regs-final-aug06.doc>

<http://www.campus.manchester.ac.uk/medialibrary/policies/ugregulations.pdf>

Additional requirements for Students in receipt of Federal Aid:

- Not exceed 150% of the published time frame for their course
- Should pass the courses at Grade C or above to confirm satisfactory progression. Students not fulfilling this requirement will be given one term on probation in order to satisfy this requirement. If after this probation period they do not meet the requirement, the student will lose their entitlement to Financial Aid. (*The University of Manchester translates Grade C as 40% or a GPA of 2.0. The marking convention is described in Appendix 3 of the Federal Student Financial Aid Programs Guidelines and Policies document.*)

Satisfactory progress will be checked prior to disbursement of second or third cheque releases in any one academic year. In the case of continuing students SAP will be checked prior to certification of further loans for the new academic year and then prior to further disbursements.

The Student Services Centre requests written attendance and progress reports for each individual student from their school. These reports are filed in the student file and logged on the spreadsheet. Cheques cannot be endorsed or released until the SSC are in receipt of this paperwork.

### **Maximum Timeframe**

A student is entitled to receive aid for 150% of the allocated course time frame, as long as they are studying full time or at least half time (+50%)

Therefore

- 1 year degree- eligible for aid 1.5 years
- 2 year degree – eligible for aid for 3 years
- 3 year degree - eligible for aid for 4.5 years

Staff should be aware that granting extensions to students that extends their timeframe beyond the above may result in students no longer being eligible for financial aid.

### **Financial Aid Probation and/or suspension**

If a student does not meet the procedures in relation to SAP, the University of Manchester would place the student on probation for the following term/semester

and review their progress and marks to ensure they are obtaining an acceptable standard. The student should receive a face to face interview with their financial aid officer and then be informed in writing of the outcome of the meeting and the probation period.

- Probation
  - Student may fail to meet SAP in one increment and receive aid during the next increment.
  - If student fails to meet SAP for two consecutive increments, student is ineligible for aid during the third increment.

If the students academic standing improves to an acceptable level and they are on track to complete in the maximum time frame, there probation period will cease and will be placed back into good SAP. The student remains entitled to financial aid during the initial probation period.

If a student academic standing fails to improve during this period, they will lose their entitlement to receive US FFEL program support until such a point that the required academic standard is achieved. The student should be informed in writing of the suspension of financial aid.

### **Personal Mitigating Circumstances and Appeals**

Students have the right of appeal in relation to any suspension of financial aid and must submit their appeal in writing. Students who have **already** submitted an application for personal mitigating circumstances to their School to be considered by an examination board may have a decision to withhold financial aid based on the SAP guidelines reviewed by writing a letter requesting this to the Student Services Centre. The following circumstances would be considered;

- Death of a family member
- Extended illness of the student
- Extended illness of a family member that places hardship on the student
- Other mitigating circumstances, with the provision of documentary evidence.

### **Appeals**

Appeals must be received within 10 days of the original suspension letter. Students must indicate in writing the reason for failure to meet the SAP requirements and why there should be no suspension of aid. All supporting documentation should be provided with this letter.

Grounds for the appeal may be:

- The University did not follow the Satisfactory Academic Progress (SAP) Policy for the Purposes of Assessing Continuing Eligibility for USA Financial Aid for Students.
- The evidence submitted to challenge the decision to withhold financial aid was not considered by the financial aid administrator

The Appeal will be considered by the Head of the Student Services Centre, the Student Finance Division Manager and a member of academic staff from an independent School or Faculty (*not the School or Faculty of the appellant*). The outcome of the appeal decision is final.

### **What to do with other loan cheques other than Stafford**

If you are in receipt of further loan cheques other than Stafford cheques you may find the information below useful in relation to how you cash these cheques

Your cheque has to be converted into £ sterling. The following options may be helpful, however it is up to you to decide the best course of action:

- Send the cheque back to a nominated person in the USA to pay into their US or your US bank account and then make arrangements for the wiring of money to a UK bank account or payment of tuition fees etc.

### ***Please Note: International Transportation of Loan funds:***

*If you intend to hand carry or mail (first class or private courier service) one or more fully endorsed loan cheques (Stafford or PLUS) into the U.S. and the individual cheque or cheques are worth over \$10,000 you are required to notify U.S Customs and Border Protection. You should file a "Report of International Transportation of Currency or Monetary Instruments" form (FinCEN form 105).*

- Pay the cheque into a UK bank account, it will take 6-8 weeks for that money to become available. There are many banks available in Manchester and many will be present at orientation and fresher fairs during the first couple of weeks of term.

Please note the above is for information purposes only and in no way gives recommendations on any mentioned banks or what you should do. You need to research your options and choose the best method for you.

### **Registration**

Please be aware that to be able to fully register and obtain your student identification card you need to be able to cover at least your first payment of tuition fees. If you are in receipt of a Stafford loan cheque your payment options are to pay in two instalments (PhD and Undergraduate Students) three instalment for PG Master's students.

### **Deferments**

You have the right to defer your previous loans while still in school. Obtain a deferment form from your lender and bring to the Student Services Centre for the attention of Debby Clark who will complete on your behalf.

## **Withdrawals, Interruptions, Refunds**

**Students who withdraw from their programme of study are required to inform the University in writing.** Failure to attend after enrolment is deemed to be a withdrawal. Any "unearned" loan funds disbursed to you must be returned.

**FFELP students who withdraw from the course of study are not eligible for the refund of tuition fees.**

If you interrupt your studies you must provide documentary evidence from your School that this has been agreed. You will not be entitled to further FFELP funding until you resume studies. Any interruption over 180 days is classed as a withdrawal so therefore the above would occur.

## **Federal Student Financial Aid Programs, Withdrawal and Return of Title IV Funds Policy**

### **University Refund Policy compared with the Return of Title IV Funds**

The amount of Title IV funds (Stafford and PLUS loans) the student may have to return as "unearned" financial aid a result of withdrawal from the University is different and independently calculated from a refund of fees charged by the University following a student's withdrawal from a programme. The amount of University fee refund will be calculated in accordance with the University refund policy found at:

<http://www.campus.manchester.ac.uk/ssc/tuitionfees/refunds/>

### **Summary of key conditions of the University refund policy**

#### **Responsibility for Payment of Fees**

Students are responsible for the prompt and full payment of their fees. We aim to treat students fairly and to provide a high standard of service.

#### **Refund – Withdrawal from programme**

In accordance with the University's policy on tuition fee refunds, the amount of any tuition fee refunded is dependent on the date of withdrawal from the programme of study.

Tuition fees are charged on a daily basis up to and including the last date of attendance on the programme.

Refunds are not made unless the School/ Faculty have issued an official last date of attendance.

Please note if a student has a university debt, they will be contacted by Credit Control before any refunds are agreed.

#### **Students who have an SLC (Student Loans Company) Tuition Fee Loan**

Students that withdraw prior to the 1<sup>st</sup> December will be charged tuition fees up to and including the last date of attendance which they are liable to pay themselves.

Students that withdraw after 1<sup>st</sup> December will be charged tuition fees up to and including the last date of attendance. The University will inform the SLC of the amended tuition fee due. No tuition fee refund will be issued for any student that withdraws after this date. The student will need to liaise with the SLC over any tuition fee loan debt they have accrued.

#### Refunds to self financing students

##### **Undergraduate Students**

Tuition fees are calculated on a daily basis up to and including the last date of attendance, as long as withdrawal is before the end of April (September starters).

##### **Postgraduate Students**

Tuition fee refunds (on account of withdrawal from the programme) are calculated according to the number of days in attendance on a programme of study. The maximum number of days will be a 45 week period (in line with the prescribed teaching period in postgraduate programme regulations).

Refunds are not permitted for early completion

#### **Return of Title IV Funds Policy**

##### **Loan Disbursements**

The University is required to disburse Federal funds in multiple instalments as follows:

Undergraduate students *	Two instalments each year (approx September and February)
Taught Masters students *	Three instalments each year (approx September, January and May)
Research Masters and PhD students *	Two instalments at the beginning and mid point of the period of enrolment (normally a calendar year) (two payment periods)
MBA students *	Year 1: Two instalments each year (approx September and February) Year 2: Two instalments each year (approx September and January)

##### **Students who withdraw from programmes early**

Federal law specifies how the University of Manchester must calculate the amount of Federal Stafford Funding that you earn up to the point that you withdraw from the University.

If a student withdraws or fails to attend their programme, they are required to inform their School and The Funding Team in the Student Services Centre and their Guaranty Agency/Lender in writing no later than five working days after withdrawal. Any 'unspent' part of their loan has to be repaid. Failure to attend after enrolment is

deemed to be a withdrawal. Any "unearned" loan funds disbursed to the student must be returned.

The SSC will recalculate the student's financial aid package based on the period of the year attended and using Treatment of Title IV funds when a student withdraws form. Money not earned must be returned to the appropriate lender via BACS transfer within 45days of the student withdrawing.

Calculation determines how much has been earned → how much school retains → how much school returns.

- Once student completes more than 60%, he or she has earned 100%.
- R2T4 calculation must be performed for each student that withdraws.
- Any refunds must be returned to the lender within 45 days of determining the student withdrew.
- When counting days, include weekends but exclude LOA days and breaks of 5 consecutive days or more (and in those cases exclude weekends).

FFELP students who withdraw from the course of study are not eligible for the refund of tuition.

<http://www.campus.manchester.ac.uk/ssc/tuitionfees/refunds>

<http://www.studentnet.manchester.ac.uk/medialibrary/student-services-centre/Tuition%20Fees%20Policy%20Book%202007.pdf>

## **Calculating Withdrawal Dates for the Purposes of Calculating the Return of Title IV Funds (only)**

### **Official Withdrawal**

The withdrawal date is the date the student begins the formal University withdrawal process, usually the date recorded on the student system or the date of a letter of withdrawal.

### **Unofficial Withdrawal**

*Withdrawal beyond the student's control*

The withdrawal date is the date the University determines is related to the circumstances beyond the student's control

\* This policy reflects the dates of disbursements for September registrations. Disbursement dates will differ for students who register at other times of the year and further information is available from the Student Services Centre

**Useful Resources:**

**National Student loan data System**

[www.nslds.ed.gov](http://www.nslds.ed.gov)

Provides information on your Federal loans on a central database

**Federal Student Aid ombudsman**

[www.ombudsman.ed.gov](http://www.ombudsman.ed.gov) or 1-877-557-2525

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