

US Financial Aid loan planning 2020-21

Undergraduate students

It is very important that you plan your finances carefully to make sure you have enough money to support yourself during your course. It is worth spending some extra time now planning your finances, so that you do not have any money worries whilst studying.

Paying for your education is a significant expense and you need to consider how you will cover your tuition fees and living costs. Loans are designed to cover your educational expenses and essential living costs only, so you will need to ensure that you have personal savings available for other outgoings such as sightseeing, weekend trips to Europe, clothing and socialising.

The US Financial Aid Loan consists of the following loan types:

- Subsidised Loan - DLS
- Unsubsidised Loan - DLU
- PLUS Loan – DLP

More details are available at <https://studentaid.ed.gov/sa/sites/default/files/direct-loan-basics-students.pdf>

If you are an undergraduate student, you can borrow up to the following amounts:

Dependent students:

- 1st year: \$5,500
 - Subsidised Limit of \$3,500
 - Unsubsidised Limit of \$2,000
- 2nd year: \$6,500
 - Subsidised Limit of \$4,500
 - Unsubsidised Limit of \$2,000
- 3rd year: \$7,500
 - Subsidised Limit of \$5,500
 - Unsubsidised Limit of \$2,000

Independent students:

- 1st year: \$9,500
 - Subsidised Limit of \$3,500
 - Unsubsidised Limit of \$6,000
- 2nd year: \$10,500
 - Subsidised Limit of \$4,500
 - Unsubsidised Limit of \$6,000
- 3rd year: \$12,500
 - Subsidised Limit of \$5,500
 - Unsubsidised Limit of \$7,000

If you are an undergraduate and **under 24 years by 31 December of the award year, you will be categorized as a “**Dependent**” student, otherwise you will be categorized as an “**Independent**” student*

In cases where the loans does not fully cover your tuition and living expenses, you might need to take out further loans or have significant savings to cover your costs during your course.

Fortunately, other options exist:

1. Your parent can take out a **parent PLUS loan** (if you are a dependent student) - subject to your parent's eligibility and credit rating.
or
2. You can borrow a private loan (if you are an independent student) to cover up to the full cost of attendance (minus any other aid) - subject to your and/or your parent's eligibility and credit rating.

The cost of attendance (COA)

Your COA is calculated using a spreadsheet ([Cost of Attendance 2020-21](#)) on our website and is a final figure which covers your tuition costs, room, board, travel, personal living costs plus any associated costs such as flights and the purchase of any equipment needed for your studies.

You (or your parents) then borrow the difference between your direct loan entitlements and your full COA in PLUS or private loans (like [Sallie Mae Loans](#))

When you complete your cost of attendance, you will enter the price of the accommodation you have chosen (or intend to secure). You are required to insert a figure for weekly costs such as board, expenses, commuter travel etc. The COA spreadsheet gives a maximum allowable figure for each expenditure item. If you believe your costs to be lower than this, please reduce the figure.

Any requests for figures over the maximum for each item must be justified and may be declined.

Note that a period of 37 weeks is used for all costs where applicable.

Immigration and financial requirements

When you are applying for a UK student visa, you will be required to demonstrate that you have sufficient funds to cover the cost of tuition and living in the UK for the duration of your course. The UK immigration/visa authorities will require evidence in the form of your loan award letter or bank statements (or a combination of the two). We will supply the loan award letter once we have processed your loan.

You will note that immigration regulations stipulate that for living costs a minimum of £1,265 per calendar month, up to a minimum of £11,385, is required for a period of nine months. This figure is the minimum requirement for obtaining a visa so you will need to ensure that you have evidence of a loan (or bank statements or a combination of the two) for a total equal to or greater than your tuition amount plus £11,385.

Please note:

- Check the exchange rate frequently and immediately before you submit your visa application as the (total tuition + the minimum amount of £11,385 – living costs) is required in GBP but your documents will show USD amounts.
- It is advisable not to make an accommodation deposit payment before you submit your visa application as you cannot deduct this from your available funds.

Loan Disbursements

Federal regulations dictate that your loans will be disbursed in **two equal instalments** in line with your term dates; half in **mid- October** when you arrive and the other half in the **first week of February** at the beginning of the second semester.

Please note the following:

- Your tuition fees will also be divided into two equal instalments in line with the receipt of loan money.
- You will need to ensure that you have access to money before you receive the first instalment of your loan, as initial travel, food and living costs will all might need to be paid before you receive any loan money.
 - You will need funds to cover your flight to the UK, visa application fees, any applicable accommodation deposit payment and living costs for your first couple of weeks in London.
- You will therefore need to open a UK bank account as soon as you enrol at the University.
- When your loan money arrives at the university, it will first be credited to your tuition fee account to pay part of your tuition balance.
 - You will receive notification before and after the funds has been credited to your university tuition fee account, informing you of your rights to cancel and when to sign a receipt to release the funds.
 - Any credit remaining for living costs will then be transferred to your UK bank account.

There is a lot of [information on our website](#). Please ensure that you have read everything carefully before submitting your application and that you fully understand the conditions of your loan and your repayment obligations.