

US Federal Student Loans

The Arts University College at Bournemouth participates in the US Department of Education's Direct Loans programme. Eligible US students are able to access federally-subsidised Stafford and PLUS loans to help finance their studies with us. This page details how you apply for this financial support whilst at AUCB and other important aspects of the US Federal Student Aid system.

Eligibility

To be eligible to take out US Direct Loans you need to:

1. Be a US citizen or an eligible non-citizen.
2. Have a valid US social security number.
3. Be accepted on to a programme of full-time or at least part-time study with us (distance learning courses are not eligible programmes).
4. If an existing student at The Arts University College at Bournemouth, have been assessed to have made satisfactory academic progress to continue your studies with us.
5. Be living in the UK during the course of your studies at Bournemouth (students on part-time programmes who continue to live in the USA during their studies are not eligible).
6. Have not borrowed over your federal loan limits or defaulted on repaying previous loans.
7. If you are a male under the age of 26, have signed up for selective service or have been officially exempted from selective service.
8. Not have any outstanding convictions for drug-related offences.

The Application Process

Step 1. Complete a Free Application for Federal Student Aid (FAFSA) at

<http://fafsa.ed.gov>. Once completed you will receive a Student Aid Report (SAR) and need to send the blue original copy to the 'Income Accountant' at AUCB.

Your FAFSA determines whether you meet many of the conditions for taking out Federal Student Loans and calculates your Expected Family Contribution (EFC), which is used to assess how much you can borrow. A new FAFSA needs to be completed each academic year.

When completing your FAFSA please be sure to list The Arts University College at Bournemouth (**School code G35894**) as one your selected schools, otherwise we will not receive your details.

Step 2. Complete a Master Promissory Note (MPN) at www.studentloans.gov for the loans you wish to take out and list AUCB as your chosen school.

You need to complete a MPN for each Stafford and PLUS Loan you wish to borrow each academic year. By completing a Master Promissory Note you formally agree to the terms and conditions of the loan. If you wish to take out a Parent or Graduate PLUS Loan, when filling out your MPN either you or your parents will need to be credit-checked by the US Department of Education. You will be prompted to authorise this during the application process.

Step 3. Complete entrance counseling at www.studentloans.gov

All students must complete entrance counselling sessions for each separate loan e.g. Stafford and PLUS Loans. This only needs to be done once and not each academic year you apply.

We receive the information that you provide to the US Department of Education. We then use this to calculate your cost of attendance, which determines how much you can borrow, and will then contact you to confirm the amount you wish to borrow.

Visa Letter

You can use your Direct Loans to support your application for a UK student visa. AUCB will write to you to confirm completion of the loan application and provides you with a visa letter (Notification of Student Loan for Academic Year 2011/12).

Direct Loans

The Use of Direct Loan Funds

The use of Direct Loan funds is specifically to cover the cost of education. The amount you can borrow through Direct Loans is determined by your estimated cost of attendance and the borrowing limits set by the US Department of Education.

Types of Stafford Loans

There are 2 different types of Stafford loans: Subsidised and Unsubsidised. The Student Aid Report will determine which type you are eligible for.

Subsidised loans are available to students who demonstrate a financial need.

Subsidised means that you are not responsible for interest that accrues on the loan while you are enrolled at least half-time at university.

Unsubsidised loans are available to students who do not qualify for other financial aid or to students who qualify for partial financial aid but require additional funds. With an unsubsidised loan you are responsible for all the interest that accrues on the loan

while you are enrolled at university. The interest on this loan can be paid monthly while you are at university or deferred until after you graduate or stop attending at least half-time.

Borrowing limits for Stafford Loans (combined Subsidised and Unsubsidised)

	Undergraduate Dependent Students (except students whose parents are unable to obtain PLUS Loans)	Undergraduate Independent Students (and dependent students whose parents are unable to obtain PLUS Loan.
1st year	\$5,500 per year maximum (\$3,500 may be subsidised)	\$9,500 per year maximum of which \$3,500 per year is subsidised
2nd year	\$6,500 per year maximum (\$4,500 may be subsidised)	\$10,500 per year maximum of which \$4,500 per year is subsidised
3rd year	\$7,500 per year maximum (\$5,500 may be subsidised)	\$12,500 per year maximum of which \$5,500 per year is subsidised
Aggregate maximum:	\$31,000	\$57,000

Graduate Students

Annual Maximum	\$20,500 per year
Subsidised Maximum	\$8,500
Unsubsidised	\$12,000
Aggregate maximum:	\$138,500 including undergraduate loans

For further information on Direct Loans, please visit

<http://www2.ed.gov/offices/OSFAP/DirectLoan/student.html>

Interest Rates

Loan Type	Grade Level	Interest
Subsidised Loans	Undergraduate	4.50
	Graduate	6.80
Unsubsidised Loans	Undergraduate	6.80
	Graduate	6.80
PLUS Loans	Parent and Graduate Student	7.90 for Direct Loans and 8.50 for FFEL

Direct PLUS Loans for Parents

Parents of dependent students may apply for a Direct PLUS Loan to help pay their child's education expenses as long as certain eligibility requirements are met. Graduate and professional students may apply for PLUS Loans for their own expenses.

For a Direct PLUS Loan, the parent must complete a Direct PLUS Loan Application and Master Promissory Note (MPN).

The annual limit on a PLUS Loan is equal to the student's cost of attendance minus any other financial aid the student receives.

Dept. of Ed. will send the loan funds to the student's university. In most cases, the loan will be disbursed in at least two installments. The school will use the loan money first to pay the student's tuition fees, room and board, and other school charges. If any loan funds remain, the parent will receive the amount as a cheque or other means, unless he or she authorizes the amount to be released to the student or transferred into the student's account at the university. Any remaining loan funds must be used for the student's education expenses.

The parent will pay a fee of 4% of the loan amount, deducted proportionately each time a loan disbursement is made.

For more information on Parent's PLUS loan visit
<http://www2.ed.gov/offices/OSFAP/DirectLoan/parent.html>

Satisfactory Academic Progress

To maintain satisfactory progress, students receiving Title IV must have achieved 120 credits at the appropriate level of study within the academic year and be in attendance at all points of contact as defined the University College Policy on attendance.

Satisfactory progress is defined as follows:

Maintaining a minimum average of 40% in all units undertaken; and

Undertaking and passing sufficient units to achieve 120 credits within the academic year of study at an appropriate level of study as defined under the Framework for

Higher Education Qualifications within the Academic Infrastructure

<http://www.qaa.ac.uk/academicinfrastructure/>; and

Being in attendance (or with approved leave of absence) at all points of contact as defined by the course of study in accordance with the University College Student Attendance Policy

Repaying your Loan

Please note that AUCB accepts no responsibility whatsoever for the repayment of your loan. It is your responsibility to repay your loan.

There is a 6-month grace period on Direct Stafford Loans from the date you graduate or leave university, or drop below half-time status. Repayment begins at the end of the grace period.

Please check with your loan servicer for full details on repayment.

For more information on repayments, payment plans and deferral of payments, please visit <http://www2.ed.gov/offices/OSFAP/DirectLoan/inrepayment.html>