

US Student Loan Guide

Below is an outline of how to access US Federal and private loan programs in the United Kingdom. The aid process is similar to applying for aid at a US based institution; however there are some key differences that do make applying for aid outside the US different.

The Royal Conservatoire of Scotland is eligible to certify applications for Federal Direct Loans. Direct Loans are low interest loans for students and parents to help pay for the cost of a student's education after High School. The lender is the US Government of Education rather than a bank or other financial institution.

It is imperative that you read and understand the information set out below. This information is coherent to the US Federal Government regulations. By being proactive and following the steps outlined below, you should be able to access your aid in a timely matter.

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 Direct Loans. The Direct Loan Programme offers the following types of loans:

- **Subsidized** – for students with demonstrated financial need, as determined by federal regulations. No interest is charged while a student is in school at least half-time, during the grace periods and during deferment periods.
- **Unsubsidized** – not based on financial need. The student is responsible for the interest that accrues whilst in school, during the grace and deferment periods.
- **PLUS loan** – unsubsidized loans for the parents of dependent student and for postgraduate students. PLUS loans help pay for education expenses up to the cost of attendance minus all other financial assistance. Interest is charged during all periods.

*** Note: PLUS loan borrows cannot have an adverse credit history (a credit check will be done)**

Information about Direct Loans

	Subsidized	Unsubsidized	Plus Loans
Interest Rate	3.4% for loans disbursed after the 1 st of July 2011 for undergraduate students. 6.8% for graduate students.	6.8% for loans disbursed after the 1 st of July 2009	7.9% for loans disbursed after the 1 st of July 2009
Periods of Interest Accrual	No interest in charged while a student is in school at least half-time, during the grace periods and during deferment periods.	Borrower is responsible for all interest that accrues on the loan	Borrower is responsible for all interest that accrues on the loan

What aid you may be entitled to:

The maximum amount you can borrow each year in Direct Subsidized and Unsubsidized depends on your grade level and on whether you are a dependent or independent student:

		Dependent Student	Independent Student
Academic Year	Subsidized Loan Limit	Direct Loan Limit (combines subsidized and unsubsidized)	Direct Loan Limit (combines subsidized and unsubsidized)
First Year	\$3,500	\$5,500	\$9,500
Second Year	\$4,500	\$6,500	\$10,500
Third Year and above	\$5,500	\$7,500	\$12,500
Graduate	\$8,500	n/a	\$20,500

Direct Loans are explicitly 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.**

Cost of Attendance

It is difficult to say exactly how much your study period at the Royal Conservatoire will cost. However, below is a rough breakdown of the

approximate cost per month for a single student living in either private rented self catering or at Liberty House Living –

Rent/Accommodation	£400
Bills (Electricity/Gas/Telephone/Broadband)	£80
Food	£100
Clothing/Toiletries	£50
Daily Travel	£50
Social/Entertainment	£60
Insurance	£10

Students in the last year of their course or on Masters programmes may require a higher amount for course related materials which we will take into consideration when calculating their cost of attendance.

Repayment Information

Please see the following website regarding repayment –

<http://www2.ed.gov/offices/OSFAP/DirectLoans/RepyCalc/dlindex2.html>.

Repayment normally starts 6 months after completion of the course, withdrawing or dropping below 50% attendance.

The Student Loan Application Process

Stage 1:

Applying for Aid

To apply for Direct Loans, you must establish your eligibility by filling out the Free Application for Federal Student Aid (FAFSA). You must do this online at: www.fafsa.ed.gov. Applications open from the 1st of January. Our Federal School Code is **G30887**, Royal Conservatoire of Scotland. The information on your FAFSA will be transmitted to the schools that you list on your application. The information on your FAFSA is used then to assess your financial need for student aid.

Any applications being received within a month of the course start date cannot be guaranteed to be processed in time for the start of the course or to provide the required documentation for any VISA.

Stage 2:

Accepting a loan

The Royal Conservatoire will notify you by email of the loan amounts that you are eligible for. Please evaluate this carefully, keeping in mind that whatever you borrow must be paid back with interest.

To get an idea of your monthly loan payments after you graduate, please use the following website –

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

To get an idea of your expenses, please use the following website -

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

You will then need to notify the Royal Conservatoire by email if you wish to accept the loans, decline the loans or request a lower amount.

PLUS Loans

Parents of dependent students and Postgraduate students are eligible for PLUS loans. To apply for a PLUS Loan, you will need to apply for a PIN (www.pin.ed.gov) and then log onto Manage My Direct Loan on the following website – www.studentloans.gov. When applying for a Direct PLUS Loan, the Department will check your credit history. To be eligible for a PLUS loan, you must not have an adverse credit history. If you are determined to have an adverse credit history, you may still receive a PLUS loan if you obtain an endorser who does not have an adverse credit history. An endorser is someone who agrees to repay the Direct PLUS Loan if you do not repay the loan.

Stage 3:

Completing a Master Promissory Note

To take out a Direct Loan for the first time, you must complete a Master Promissory Note (MPN). The MPN is a legal document which you promise to repay your loan(s) and any accrued interest and fees to the Department. It also explains the terms and conditions of your loan(s). This can be completed online at www.studentloans.gov. You will be required to use your PIN. A parent borrower must also request a PIN number from the PIN website to use when completing a PLUS MPN.

Your Stafford or PLUS Loan cannot be processed without a signed and dated original Master Promissory Note (MPN). The MPN is usually obtained from the Lender or Guarantee Agency such as those shown above.

Stage 4:

Entrance Counselling

Except for parent Direct Loans borrowers, you must complete entrance counselling before the Royal Conservatoire is able to disburse your loan. This helps you understand your responsibilities regarding the loan. This can be completed at www.studentloans.gov.

Stage 6:

Receiving Loan Funds:

Disbursements are made equally at the start of each term. The Royal Conservatoire will disburse your loan money by crediting it to the school account to pay tuition fees (and accommodation if applicable). If there is a remaining balance, this will be given to you by cheque. This process does take some time so we ask that you take note of this process and ensure that you have adequate funds when you start each term.

Additional Loan Information

Satisfactory Academic Progress

All students receiving US Federal Aid (Subsidized, Unsubsidized and PLUS) must progress satisfactorily towards completion of their chosen academic programme in order to remain eligible to receive US Loan support. Terms of progress is listed in your programme handbook. Satisfactory Academic Progress will be checked before any loan funds are disbursed.

Tuition Refund Policy – Return to Title IV (R2T4)

US Regulations specifies how the Royal Conservatoire must determine the amount of Title IV program assistance (Stafford Loans) that students earn if they withdraw from the Royal Conservatoire. Please see the current rules and regulations for specific information on the withdrawal process.

If a student who receives financial aid withdraws from the institution, the Royal Conservatoire will recalculate your Financial Aid eligibility based on the period that you attended. As a result you may be required to pay back money to the US federal Government from the Federal Stafford subsidized and unsubsidized or PLUS loans you may have received. It may also be possible that the Royal Conservatoire has to repay funds to the US Federal Government, with regards to any sums received for tuition. As such you may be requested to make an additional fee payment to the Royal Conservatoire to replace these funds.

Pro-rate refund calculations apply for any student who withdraws within 60% off the payment period. If a student withdraws prior to completing 60% of each payment period, the Royal Conservatoire will calculate the amount of funds to be returned based on your period of attendance for that specific term. The last date of attendance will be the date confirmed by the School and the calculations undertaken are those that are set by the Department of Education in the US and cannot be altered.

Funds returned to the lender must be returned within 45 days of the last date of attendance. If you do wish to withdraw from your course of study, please contact Academic Administration and Support.

Exit Counselling

It is a legal requirement that you completed exit counselling before you graduate. Exit counselling will advise you of the methods of repayment, deferment and the consequences of defaulting. Please visit the following website (www.nslsds.ed.gov) and complete exit counselling before you graduate.