



Royal Conservatoire
of Scotland

US DIRECT LOAN GUIDE 2018-19



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of Scotland

Information and Guidance on US Direct Loans for 2018/19

This booklet will explain the regulation and process for Direct Subsidized, Direct Unsubsidized and Direct PLUS loans (Parent and Graduate).

The Conservatoire will be reviewing Student Aid Reports and contacting US Direct Loans applicants from May 2017. Loans will be certified from July 2018.

This guide is correct at the time of publication, and in case of any updates or amendments, please visit www.studentloans.gov.

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Glossary

USDE – United States Department of Education
FAFSA – Free Application to Federal Student Aid
SAR – Student Aid Report
MPN – Master Promissory Note
COA – Cost of Attendance
SAP – Satisfactory Academic Progress

Overview of Direct Loans

Direct Loans come under 'Title IV' legislation, and therefore can be referred to as 'Title IV Loans' with the money being referred to as 'Title IV funds'. Students may be eligible for up to 3 types of Direct Loans: Subsidized, Unsubsidized and PLUS.

Subsidized Loans – Available to undergraduate students in financial need. The US government cover the cost of the accruing interest on the loan whilst you are enrolled for at least half time study.

Unsubsidized Loans – Available to undergraduate and postgraduate students who do not qualify for subsidized loans or students whose cost of attendance is greater than the other financial aid received. The US government does not cover the interest that accrues on the loan whilst you are enrolled at the Conservatoire, or during the 6 month grace period following completion of your studies. Student may pay the interest that accrues on their loan on a monthly basis, or choose to defer the payments until they graduate.

Loan Limits

The maximum amounts available to you annually are listed below. You may choose to borrow less than the amount listed, or choose to have all or part of the loan Unsubsidized.

		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	n/a	n/a	\$20,500

Aggregate Loan Limits

Aggregate Limits		
	Subsidized	Subsidized and Unsubsidized Combined
Dependent Undergraduate	\$23,000	\$31,000
Independent Undergraduates	\$23,000	\$57,500
Graduate	n/a	\$138,500

PLUS Loans

GradPLUS and ParentPLUS loans are also direct loans. They can be used to bridge the gap between the cost of attendance and the financial support already received.

A parent of an undergraduate student may apply for a ParentPLUS loan to help support their child financially. The loan is the financial responsibility of the parents and not the student. GradPLUS loans are for independent postgraduate students. Independent undergraduate students are not eligible for PLUS loans. Repayment begins within 60 days after your loan is fully disbursed.

As interest rates are lower on the Unsubsidized loans, graduate students must take out the full unsubsidized allocation before requesting a PLUS loan.

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

Loan Origination

The Conservatoire complies with the US Department of Education guidance regarding the Direct Lending process.

Interest Rates and Loan Fees

The 2017/18 annual interest rates are as follows (correct at the time of publication):

Subsidized and Unsubsidized Loan (Undergraduate Students)	4.45%
Unsubsidized Loan (Graduate Students)	6%
ParentPLUS and GradPLUS Loans	7%

In addition to the interest charges, each payment has the following fees deducted from the dispersed amount:

Subsidized/Unsubsidized Loans

Origination fee 1.066%

ParentPLUS and GradPLUS Loans

Origination fee 4.264%

How much can I borrow?

A student may borrow up to an amount equal to their Cost of Attendance (COA). The Cost of Attendance consists of two elements:

- Tuition Fee costs
- Living costs

Fees can be found on the Conservatoire website - <https://www.rcs.ac.uk/studyhere/feesandfunding/2017-2018-fees/>. If you are enrolling on a programme which lasts more than one year, you should note that fees increase each year and you will need to reapply annually for direct loans.

The maximum cost of attendance paid to students will be as follows:

- Undergraduate School of Drama, Dance, Production and Screen - \$41,336 (paid over 3 disbursements)
- Undergraduate School of Music - \$39,236 (paid over 3 disbursements)
- MMus 2 years - \$39,236 – 44,213 (dependent on programme) (paid over 3 disbursements)
- MA 1 year - \$48,413 – 51,740 (dependent on programme) (paid over 4 disbursements)
- MA Musical Theatre and MA Classical and Contemporary Text - \$50,513 (paid over 4 disbursements)
- Research - \$39,236 – \$39,606 (paid over 3 disbursements)

Please contact Susan Lee Kidd if the cost of attendance is insufficient for your needs.

It is difficult to say exactly how much your study period at the Conservatoire will cost, as students budget differently. However, below is a breakdown of the approximate costs per month for a single student living in either private rented accommodation or halls of residence self-catering accommodation:

	Liberty House	Private Rented Accommodation
Rent/Accommodation	A minimum of £568 per month.	£360 - £400
Bills (Electricity/Gas/Internet Access)	£0 – included in the rent	£80
Mobile Phone	£20 - £30	£20 - £30
Food	£150	£150
Clothing/Toiletries/Laundry/Stationery	£50	£50
Monthly Travel	£0	£50
Social/Entertainment	£60	£60

Contents Insurance	£0 – included in the rent	£10
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In general, we would recommend allowing between approximately £9,000 and £12,000 for living costs per year of your course. You should also be prepared to budget for unforeseen or one-off costs where applicable – for example, an accommodation deposit, airfares home and for any travel you are planning to do while you are in the UK.

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.

An exchange rate of 1.40 will be used to calculate 2018/19 cost of attendance amounts. At each disbursement of loans, when exchanging funds from dollars to sterling, we will use the rate applicable on the day we received the funds from the USDE.

Loan Application Procedure

As the Royal Conservatoire of Scotland is a Foreign School, the loan procedures and regulations may differ to those for universities in the US, so please read this guide carefully.

Stage 1:

Applying for Aid

Firstly, you need to complete a FAFSA (Free Application for Federal Student Aid). This can be done online at www.fafsa.ed.gov. You will require a FSA ID. Create your FSA ID online - <https://fsaid.ed.gov/npas/index.htm>. 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.

Continuing students need to complete a renewal FAFSA every year, using the same FSA IS from previous years. If you have forgotten your FSA ID, you can obtain this at <https://fafsa.ed.gov/help/FSAIDfaq12.htm>.

Once you complete your FAFSA you must notify Susan Lee Kidd by sending an e-mail to s.leekidd@rcs.ac.uk.

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:

Complete Documentation

The 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 –

<https://studentloans.gov/myDirectLoan/whatYouNeed.action?page=repayEst>.

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

Parent Plus and Graduate Plus Loans Applications

Parents of dependent students and Postgraduate students are eligible for Plus loans. For Parent Plus loans, the parent completes the Master Promissory Note and application under their own FSA ID. Parent/Graduate Plus loan applications are made at 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 and the credit check decision must be 'accepted'. 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. The Conservatoire cannot certify a Plus Loan for someone who has a credit check decision of 'declined'.

Completing a Master Promissory Note

To take out a Direct Loan, 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 FSA ID. A MPN must be completed for Subsidized and/or Unsubsidised Loans and Graduate/Parent Plus Loans.

As the Conservatoire is a foreign school, you will need a new MPN each year for each type of loan you require.

Stage 4:

Entrance Counselling

All new students must complete entrance counselling before the Conservatoire is able to disburse your loan. This helps you understand your responsibilities regarding the loan. This can be completed at www.studentloans.gov and can be done at the same time as completing the MPN.

Continuing students must complete financial awareness counselling before the Conservatoire is able to disburse your loan. This can be complete at www.studentloans.gov.

Stage 5:

Receiving Loan Funds:

Loan disbursements are made at the beginning of each term. Unless otherwise stated, The Conservatoire will allocate your loan to your tuition fees with any remaining balance being disbursed to you by cheque. Please note

that the amount will vary each term depending on the exchange rate at the time of the transfer. We try our best to process this quickly, but it can sometimes take some time, so we ask that you please take note of this process and ensure that you have adequate funds to begin each term.

Please ensure you have sufficient money of your own to see you through the first 3-4 weeks. This will allow you time to open a UK bank account, your loan funds to be disbursed and the initial cheque to clear in your account. Cheques paid into a UK bank account will take a minimum of 3-5 working days to clear.

The disbursement dates provided are estimated. Please allow sufficient time for your loan to be disbursed. For 2nd, 3rd and 4th disbursements, we require confirmation of your Satisfactory Academic Progress before we will request your funds.

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 Conservatoire must determine the amount of Title IV program assistance (Stafford Loans) that students earn if they withdraw from the 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 Conservatoire, the 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 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 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 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.nslds.ed.gov) and complete exit counselling before you graduate. You will need your FSA ID.

Repayment Information

Please see the following website regarding repayment – <https://studentaid.ed.gov/sa/repay-loans>. Repayment normally starts 6 months after completion of the course, withdrawing or dropping below 50% attendance.