

US Federal Direct Student Loans

The Glasgow School of Art (GSA) participates in the William D Ford Federal Direct Loan Program.

For full information on your rights and responsibilities in respect of US federal student loan funding, please refer to www.studentloans.gov and <https://studentaid.ed.gov/sa/>

GSA US Loans Contact

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Loan eligibility

A list of all institutions who are Federal Student Aid program participants can be found here:

<https://studentaid.ed.gov/sa/prepare-for-college/choosing-schools/types/international#international-schools>

To be eligible for Federal Direct Loans, students must:

- be a US citizen or eligible non-citizen with a valid Social Security Number
- be a student enrolled or accepted for enrolment in an eligible program at GSA and have a high school diploma.
- be enrolled at least half-time for the period for which the loan is originated
- complete the Free Application for Federal Student Aid (FAFSA) annually
- not be convicted of possessing or selling illegal drugs while receiving financial aid
- if male and aged 18 - 25, be registered for Selective Service
- not be in default on an educational loan and must not owe a repayment on an adjusted federal grant
- comply with the GSA's Satisfactory Academic Progress policy (see below)

Ineligible Programmes

Only students enrolling on a Bachelor or Masters Degree program are eligible for Federal Loans. Students on non-degree awarding programs are not eligible for Federal Loans. Ineligible courses include the following:

- Diploma and Certificate programmes, such as Diploma in Architecture
- The International Foundation Programme

- Portfolio Preparation Programme and Short Courses
- Programmes at GSA of Singapore
- Incoming Study Abroad and Exchange students (students must apply for loans through their home school)
- Part-Time Courses (where you are attending less than 50% of the full-time course schedule)

Students attending non-degree awarding programs may be able to apply for private loans to cover their cost of attendance.

Please note it is not normally possible for students in receipt of US loans to undertake any part of their study or research in the US. If you intend to take part in any exchange outside of the UK please email g.fraser@gsa.ac.uk immediately, as this may affect your eligibility for US loans.

Please contact g.fraser@gsa.ac.uk if you are concerned about course eligibility.

Loan Types

Undergraduate and postgraduate students as well as parents of undergraduate students may borrow money for university education. Full details of the loans available and up-to-date information on interest charges and loan fees can be found here:

<https://studentaid.ed.gov/sa/types/loans>

There are four types of loan options for students studying at GSA:

Federal Direct Subsidized Loan (Stafford)

This loan is awarded to US students based on financial need. The information you supply on your FAFSA is used to calculate your Expected Family Contribution (EFC). Your EFC and the amount of your Estimated Financial Assistance (EFA), i.e. any scholarships, bursaries or awards you will receive, will be deducted from your Cost of Attendance (COA) to determine your financial need. Please note that graduate/professional students are not eligible for the subsidised Federal Direct Loan.

The US government will pay the interest on a subsidised loan while students are enrolled at least half time, provided the borrower hasn't exceeded their maximum eligibility period.

From 1 July 2013 first time undergraduate borrowers may not receive subsidised Stafford loans for more than 150 per cent of the published timeframe of their programme, and the student is responsible for paying the interest when they reach the 150 per cent limit. More information can be found here:

<http://ifap.ed.gov/eannouncements/attachments/051613DirectSubsidizedLoanLimit150PercentAnnounce1Attach.pdf>

Federal Direct Unsubsidized Loan (Stafford)

This loan is not based on financial need. Graduate/professional (postgraduate) students and undergraduate students are eligible to apply for an Unsubsidized loan. Whilst studying at least half time, or during deferment or grace periods, you have the option of paying the interest or

having it capitalised and added to the total value of the loan therefore increasing the amount you need to repay.

Federal Direct ParentPLUS Loan

Parents of dependant undergraduate students can borrow a federal Direct ParentPLUS Loan to help pay for educational expenses. Parents can borrow up to the total cost of attendance minus all other sources of financial aid the student receives. ParentPLUS loans are the financial responsibility of the parents and not the student.

A ParentPLUS loan borrower must meet the same citizenship and residency requirements as the student. The parent must not owe a refund on a federal student financial aid grant or be in default on a federal student loan. A credit check is conducted when the parent begins the loan application process. Undergraduates whose parents do not qualify for a PLUS loan can borrow additional federal Direct Unsubsidized loan funds.

Repayment begins within 60 days after your loan is fully disbursed and lasts ten years.

Federal Direct GraduatePLUS Loan

The Federal Direct Graduate PLUS Loan is a federal loan that graduate students with good credit histories may borrow to help pay their educational expenses. A graduate student may borrow up to the total cost of attendance less all other financial aid received.

Students must have applied for their annual loan maximum eligibility under the Federal Unsubsidized Direct Loan Program before applying for a Graduate PLUS loan.

Repayment begins on the date of the last disbursement of the loan and the first payment is due within 60 days after the date the loan is fully disbursed. Graduate PLUS borrowers may receive a deferment while he or she is enrolled on at least a half-time basis at an eligible school.

Private Loan

A private loan is a non-federal education loan, through a private lender, typically it is in the student's name and requires a cosigner. Approval and interest rates are based on the credit-worthiness of the borrower and cosigner. Each alternative lender has different eligibility requirements, loan rates, terms, conditions and repayment rules.

Students who are eligible for federal student aid are recommended to complete the FAFSA and exhaust all federal loans and scholarship opportunities, before applying for an alternative private loan.

Loan Repayment Regulations

When taking out US Federal Loans it is important to consider the repayment regulations. Understanding how to repay your loans can save you a lot of time and money. Further information on repayment can be found here: <https://studentaid.ed.gov/sa/repay-loans>

Examples of repayment plans can be found here: <https://studentaid.ed.gov/sa/repay-loans/understand/plans>

Loan Limits

The maximum Federal Direct Loans that you are permitted to borrow annually and over your whole academic career are set by the US government:

Year of Study	Annual Subsidized	Annual Total Combined Loans	Aggregate Subsidized	Aggregate Combined Loans
Undergraduate Dependent Students				
Year 1	\$3500	\$5500	\$23000	\$31000
Year 2	\$4500	\$6500	\$23000	\$31000
Year 3+	\$5500	\$7500	\$23000	\$31000
Undergraduate Independent Students				
Year 1	\$3500	\$9500	\$23000	\$57000
Year 2	\$4500	\$10500	\$23000	\$57000
Year 3+	\$5500	\$12500	\$23000	\$57000
Graduates & Professional Students				
All Years	\$0	\$20500	\$0	\$138500

How To Apply

Step 1 – Submit a Free Application for Federal Student Aid (FAFSA)

Once you have received an unconditional offer of a place of study at the GSA, you should complete a FAFSA online at www.fafsa.ed.gov

- You will require a FSA ID: <https://fsaid.ed.gov/npas/index.htm>

- GSA's school code is G25457
- You will be issued a Student Aid Report (SAR). Please review your SAR and ensure any errors are corrected.
- Please email Graeme Fraser (g.fraser@gsa.ac.uk) to confirm that your SAR is complete.
- Continuing students are required to complete a FAFSA for each academic year.

Step 2 – Complete a Master Promissory Note (MPN)

The MPN is the legal document through which you promise to repay your Direct Loans and any accrued interest and fees to the US Department of Education. It also explains the terms and conditions of your loans. Although you may have previously signed an MPN to receive Direct Loans at another institution, these MPNs cannot be used to apply for Direct Loans at the Glasgow School of Art. Please note that outside the US, a Master Promissory Note is required annually.

If you are applying for both a Stafford and a Plus Loan you need to complete both types of MPNs.

- To complete the MPN please visit www.studentloans.gov
- You require your FSA ID: <https://fsaid.ed.gov/npas/index.htm>
- Complete an MPN for each type of loan you are borrowing (Stafford/ Plus)
- GSA's school code is G25457
- You can print the MPN document and keep it for your records

Step 3 – Complete Entrance Counselling

All students applying for Federal Direct Loans to attend the GSA for the first time are required to complete Entrance Counselling at www.studentloans.gov

Step 4 – Applying for a GradPLUS or ParentPLUS Loan

If you are an eligible graduate/professional student and you intend to borrow a Grad PLUS loan or if you are a dependant undergraduate student and your parent intends to borrow a ParentPLUS loan, please complete the appropriate application form:

www.studentloans.gov

A credit check is required and should be requested via your application form.

Step 4 - Provide GSA with your information

When you have submitted your FAFSA, please email Graeme Fraser (g.fraser@gsa.ac.uk) with the following information:

- Your full name
- Your address
- Your email address
- Your date of birth
- Your gender

- Your programme and year of study (as per your GSA offer letter)
- Have you been awarded any scholarships for you time at GSA? If so, please state the amount
- Do you want to take out the maximum Direct Loan available to you?
- Do you wish to top up your Direct Loan with a PLUS or private loan? (Please state which loan you want - PLUS or private - and for how much). Please note students cannot borrow more than their total cost of attendance

Cost of Attendance (COA)

Providing the above information will enable GSA to calculate your annual Cost of Attendance (COA). Eligible students may borrow up to an amount equal to their COA. The COA includes your full tuition fee and your estimated cost of living for the length of the academic year. The cost of living is shown in the following table:

COA = Full Tuition Fee (<http://www.gsa.ac.uk/life/fees,-funding-finance/programme-fees/>) **plus**

Living cost:	Per Week:
RENT/MORTGAGE	£115.00
HOUSKEEPING	£75.00
GAS	£15.00
ELECTRICITY	£15.00
TELEPHONE	£10.00
INSURANCE	£10.00
TRAVEL	£10.00

Course lengths for CoA calculations:
Undergraduate = 40 weeks
BEng Product Design Engineering = 37 weeks
Postgraduate 12 months = 52 weeks
Postgraduate 24 months = 40 weeks (MFA and MDes Com Des 2 yr prog)

Living cost:	One off cost for 1 full year
RETURN FLIGHTS TO USA	£1,700.00
DEPARTMENTAL FEES	£100.00
MATERIALS	£1,000.00

For the academic year 2019/120, the CoA will be calculated at an exchange rate of 1.45 for all students.

The exchange rate used for the CoA is an estimate taken at the time when the CoA was calculated. The effect of the ongoing Brexit talks on the exchange rate will be closely monitored. If there are any significant changes we may re-evaluate the exchange rate used.

At each disbursement of loans, when exchanging funds from dollars to sterling, we will use the rate applicable on the day we receive the funds from the US Dept. of Education.

In the summer you will be sent a copy of your personal cost of attendance and asked to confirm the loan funds you wish to borrow for the academic year. Your loans will then be certified and you will be sent full confirmation from the Glasgow School of Art by email.

Receiving Loan Funds (Loan Disbursement)

The funds are drawn down by the Glasgow School of Art from the US Department of Education and disbursed equally over the academic year (this is generally in 3 disbursements with the exception of Master of Fine Art and MDes Communication Design, who receive 2 loan disbursements each year). GSA will deduct pro-rata either 1/3 or 1/2 of your tuition fees from each disbursement and pay the remaining funds into your UK bank account.

The first disbursement takes place in September and will only be requested from the US Department of Education once you have arrived in the UK and enrolled at GSA. Please ensure you have sufficient funds to cover your cost of living for the first 3 or 4 weeks, to allow time for your loan funds to be requested and for you to set-up a UK bank account. Loan funds will be disbursed via bank transfer.

The US Department of Education charge a loan fee which is deducted proportionately from each loan disbursement you receive. This means the money you receive will be less than the amount you actually borrow. Full details and fee rates can be found here:

<https://studentaid.ed.gov/sa/types/loans/interest-rates#are-there-any-other-fees-for-federal-student-aid>

Loan funds come in dollars direct to GSA. GSA will convert the amount received to pounds sterling at that day's exchange rate. The funds will then be used to pay a portion of your tuition fees with the remainder transferred to your UK bank account.

For guidance on the disbursement of Private Loan funds please contact g.fraser@gsa.ac.uk

Right to Cancel

You will be sent notification of your disbursement amounts and dates once your loans are certified. You will also be sent a Disbursement Notification prior to each disbursement. You have the right to cancel or amend your disbursement within 14 days of receiving your disbursement notice. After this 14 day period has expired students will be responsible for returning any unwanted funds either to the US Department of Education or to their Loan Servicer.

Satisfactory Academic Progress (SAP) Requirements

Students attending the Glasgow School of Art, who are in receipt of Federal Aid, are required to make satisfactory progress in their degree program. Our SAP Policy is used to measure if a student is progressing adequately towards completion of his/her program of study.

GSA's Satisfactory Academic Progress policy can be viewed here:

<http://www.gsa.ac.uk/media/1400262/us-loans-sap-policy.pdf>

Return to Title IV Regulations

US Department of Education regulations specify how the Glasgow School of Art must determine the amount of Title IV program assistance (US Federal Loans) that students earn if they withdraw from their studies.

GSA Return to Title IV Guidance can be viewed here:

<http://www.gsa.ac.uk/media/1218343/us-loans-r2t4.pdf>

Exit Counselling

The US Department of Education regulations require all students to complete Exit Counselling when they finish their studies. This could be when you complete your course or withdraw or transfer to a part-time (below 50%) course. Exit Counselling advises students of the methods of repayment, deferment and the consequences of defaulting.

Please visit www.studentloans.gov at least 3 months before you graduate.