# Applications for Federal Loans

Your entitlement to loans is explained in your government website at

<http://studentaid.ed.gov/types/loans/subsidized-unsubsidized>

These are the borrowing limits for subsidized and unsubsidized loans

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| --- | --- | --- |
| Year | Dependent Students (except students whose parents are unable to obtain PLUS Loans) | Independent Students (and dependent undergraduate students whose parents are unable to obtain PLUS Loans) |
| First-Year Undergraduate Annual Loan Limit | $5,500—No more than $3,500 of this amount may be in subsidized loans. | $9,500—No more than $3,500 of this amount may be in subsidized loans. |
| Second-Year Undergraduate Annual Loan Limit | $6,500—No more than $4,500 of this amount may be in subsidized loans. | $10,500—No more than $4,500 of this amount may be in subsidized loans. |
| Third-Year and Beyond  Undergraduate Annual Loan Limit | $7,500—No more than $5,500 of this amount may be in subsidized loans. | $12,500—No more than $5,500 of this amount may be in subsidized loans. |
| Graduate or Professional Students Annual Loan Limit | Not Applicable (all graduate and professional students are considered independent) | $20,500 (unsubsidized only) |
| Subsidized and Unsubsidized Aggregate Loan Limit | $31,000—No more than $23,000 of this amount may be in subsidized loans. | $57,500 for undergraduates—No more than $23,000 of this amount may be in subsidized loans.  $138,500 for graduate or professional students—No more than $65,500 of this amount may be in subsidized loans. The graduate aggregate limit includes all federal loans received for undergraduate study. |

A PLUS loan is also available to cover the difference between these loans and the full cost of attendance.

PLUS loans are only available to parents of dependent undergraduates and to independent graduate students.

## Application Instruction to students

The loan application process is not the same for US and foreign schools and different regulations apply for attendance at foreign schools.

You need to read this carefully before you start and then do everything in the flowchart in the correct order. There are several steps to loan application. They are all easy and quick but the school will not know if you have completed all the processes for all the loans you intend to borrow unless you tell us – which you do by sending us the correct documents as pdf files, and the school does not know how much you wish to borrow until you tell us – using the CoA spreadsheet.

The flowchart in this document will help you through all the required processes in the right order, so that you have a full pack of documents (pdf files) to send to us at the same time. These are that you must

Complete FAFSA and have a pdf of your SAR to send to us

Sign the MPN for Direct (Stafford) Loans and have the pdf file of the MPN

If you need a PLUS loan, Sign, or your parents sign, the MPN for PLUS Loans and have the pdf file of the MPN

Complete Entrance counseling and have the congratulations certificate to send us (as a pdf or jpeg file)

You also need the spreadsheet called CoA.xls and must work through the tabs called Cost of Attendance and Checklist. It will

* tell you how much you can borrow
* let you tell us how much you want to borrow
* provide you with a checklist of the evidence you must include in your email to us.

We want to be sure that you have completed everything you have to do before we start to do our part because if the school starts origination and anything is not completed by you, then all our stages for each loan will fail which will cost you time waiting to be told before you have to start over again.

Take the trouble to read carefully through the flowchart BEFORE you start. There are some stages where we need a screen-shot as evidence and if you run past that stage then you have to start over again to get back to it – this is particularly important at the credit check (for PLUS Loans) because if you miss it, you have to wait at least 24 hours for the email from the USDE and if that email only states that you have done a credit check but does not give the result, then you will have to go through the credit check and screen-shot again. Each application for a credit check is logged on your credit rating. It may affect your credit rating in the future, so you really don’t want to do it more than once.

To speed this up, we will accept those evidences as attachments to an email, but we need all the evidences from you at the same time - all the required attachments must come in the same email; if anything is missing we cannot start the origination processes. Don’t send bits of evidence at a time because each email will be rejected as incomplete. The same applies if you send us everything by post.

Remember taxpayers do not expect students to have a higher standard of living that they do and you are asking to borrow a lot of taxpayer dollars with no collateral and no current job from which to make repayments. So it is not unreasonable that there are strict rules and regulations requiring a lot of checks for you to be fully confirmed as entitled to borrow and ensure you borrow only the money you need.

When you have finished and collected all the evidences, please send them all in ONE email. For priority treatment the subject field must start USL and look like this (if you were George Clooney)

To: [j.ryan@hud.ac.uk](mailto:j.ryan@hud.ac.uk) Subject: USL << Name >>

We are happy to help if you are having problems, but if we are asked how to expedite this quicker, then only answer we can give is “the quickest way is to follow the flowchart in the right order and send us all the evidence together in one email.”

If you have completed FAFSA correctly, then all the other parts of the flowchart should take you only about a couple of hours, but if you missed any bits, then it will take you a few days to either recover the evidences or have to do parts of it over again.

We will advise you as soon as we start work on your email, and when your letter is on its way. Only the original signed letter from the school on school headed paper and signed by an authorised school officer is acceptable to the UK Visas & Immigration. Our letter has been agreed with the Home Office and nothing else will be accepted so please don’t ask for email or fax or scanned images.

Shortly the staff process flowchart will also be published so you can see the checks we have to perform and how the origination processes work.

## Loan Application Flowchart

## Cost of Attendance Spreadsheet

Download the Cost of Attendance spreadsheet and go to the tab called Cost of Attendance.

Start in section 1 and only fill in the yellow boxes. This is the information about you and your information on the SAR which you got from FAFSA and about your course.

Go to section 2. This is the school’s estimates of your weekly costs, if you think yours will be different then change ONLY the yellow boxes.

Go to section 3. This is the school’s estimates of some costs which you will incur once or twice a year, such as flights, IT equipment etc. If you want to change our estimates, use only the yellow boxes. If you have other costs we didn’t expect, then add information in the boxes with blue writing and put the cost in the yellow box. All must be in Pounds Sterling.

Go to section 4 which shows how much you can borrow based on the answers you have already given.

Section 5 will tell you if your costs are likely to be accepted or not.

Go to section 7, here the summary of your costs have been increased to take into account the fee your government will take from each disbursement. If you don’t want that much money, you can adjust the yellow boxes. If you try to increase the values, they will only be rejected.

Go to the tab called Checklist and complete the checklist, it will tell you if you have collected all the right documents.

Save the file when you have finished and send it, along with the other documents to the contact at your university.