

US FINANCIAL AID

Types of Financial Aid Available

Federal Programs

There are several federal programs available for U.S. citizens or eligible non-citizens who are enrolled at least half-time in a degree program, making satisfactory academic progress, and not in default or owing a return repayment on a grant or loan.

What types of Federal Loans can you access?

The following programs are available to eligible University of Adelaide students:

Federal Subsidized Stafford Loan -- This loan is based on financial need as determined by the Department of Education. The loan is “subsidized” because the government pays the interest while you are in University at least half time. It also pays the interest during any authorized period of deferment and for the six-month grace period after you leave University or drop below half-time enrolment. The interest rate for loans made on or after 1 July 2006 is fixed at 6.8%.

Federal Unsubsidized Stafford Loan -- This loan is not based on financial need. Because it is “unsubsidized,” you are responsible for paying the interest from the time the money is disbursed. The interest may be paid as it comes due, or it may be postponed and allowed to accumulate while you are in University, during any authorized period of deferment, and for the six-month grace period after you leave University or drop below half-time enrolment. If payments are postponed, the interest accrues and is capitalized (added to your principal loan balance). If you choose this billing option, you won’t make any payments while you are in University. However, this option adds to the amount you will have to repay on your loan when you leave University. It may

also increase the amount of your monthly payment. The interest rate for loans made on or after 1 July 2006 is fixed at 6.8%.

Students who are borrowing through the Federal Stafford Loan (subsidized and/or unsubsidized) must complete a [Federal Master Promissory Note](#) (MPN) annually in order to receive their Federal Stafford Loan funds.

Section 12 of the MPN asks if you wish to pay interest while you are in University, please consider this carefully as the unsubsidized portion of your loan will continue to accrue interest for the life of your loan.

Federal PLUS -- This loan is not based on financial need.

The following groups may be eligible for this loan type:

- Parents are eligible for this loan if their child is a dependent undergraduate student as defined by the US Department of Education, if they meet certain credit guidelines and if the University certifies the loan.
- Graduate students are eligible for this loan if they meet certain credit guidelines and if the University certifies the loan.

Payments are due within 60 days after the loan is fully disbursed, although deferment of payment may be available through select lenders. Parents may use this loan to pay the entire Cost of Attendance – minus any other financial aid received for their dependent student. The interest rate for loans made on or after 1 July 2006 is fixed at 8.5%.

A credit check will be completed before approval of the loan has been made. Parents who are borrowing on behalf of their dependant students through the Federal Stafford Loan PLUS program are also required to complete a [Federal Master Promissory note and Application form](#).

Rules and regulations differ slightly when you are enrolled in a University outside the US. The MPN you sign whilst valid for 10 years in the US will need to be completed annually with each new application for aid.

Pell Grants and Perkins loans cannot be used outside the US; repayment of these loans however may be deferred whilst you are in school in a foreign country.

Participants in the Federal Student Aid Programs

Who's who in the Stafford Loan Program?

The US Federal Government plays a key role in education lending throughout the [Federal Family Education Loan Program \(FFELP\)](#). These loans are made by lenders. The US federal government guarantees the loan in case of default. See also Guarantee Agency.

The Student is the person who borrows the money under the [FFEL program](#) guidelines.

The Student Finance Office at the University of Adelaide works with you and your parents to determine eligibility for FFEL and private loans based on federal guidelines for different types of financial aid. The Student Finance Office also certifies or approves your federal loan application and the amount you can borrow.

A Guarantee Agency verifies your eligibility for a particular federal loan program and provides the insurance for those loans. If you do not repay your loan, the guarantee agency will pay the lender with funds received from the federal government and collect the balance directly from you. If you require advice or details on which Guarantee Agency to use, the Student Finance Office can assist you.

A Lender actually provides the funds. The lender may be a bank or other financial institution. The lender sends the money either directly to you or to the University. If the money is sent to the University we will apply this first to any balance due on your student account. Any excess funds are given to you. The lender may sell your loan to another party. When this happens the lender and the new loan holder will notify you.

How to Apply for Financial Aid

To be considered for financial aid, you must complete a Free Application for Federal Student Aid (FAFSA). You can apply online at www.fafsa.ed.gov. You will need to make sure that your web browser is compatible.

Applying online is the best method because your results are processed quicker and there are checks to ensure your information is submitted correctly. If you wish to apply via paper, you will need to contact FAFSA directly.

After you initially submit a FAFSA, each year thereafter undergraduates who completed a paper FAFSA will receive a renewal FAFSA and graduate students or students who completed the FAFSA on the web will receive a Personal Identification Number (PIN) mailer. For those who have applied for Financial Aid previously, the renewal FAFSA has most of your information pre-printed, and typically only your income information needs to be updated (and your parents', if you are a dependent student).

Students are reminded to obtain the necessary PIN (parent(s) and students must each have a PIN) to validate the signature before electronically sending the application to be processed. PIN's can be obtained from going online at US Department of Education PIN Registration

University / School codes

One of the final steps in completing the FAFSA is supplying the University of Adelaide's US Dept of Education federal University / school code.

The University of Adelaide's University's school code is 031000.

On the FAFSA you will need to replace the first 0 with a 'G' – it will therefore be G31000

What Happens Next?

After completing the FAFSA, you will receive a Student Aid Report (**SAR**).

This document lists the information you and your family have provided and tells you what your Expected Family Contribution (**EFC**) is for the year you are applying.

You may be advised that the Financial Aid Office receives this information in an electronic format. This is not the case for foreign universities. Each student will receive a SAR or similar electronic document called an ISIR, which details eligibility and calculates EFC. The University of Adelaide requires you to send your SAR and/or SAR Print summary directly to the University of Adelaide before your application can progress any further. Please fax this to our office (+61883036445) as it will enable the University to track and process your application more efficiently.

Entrance Counselling (pre-loan)

The University of Adelaide requires all students to complete loan counselling at the appropriate grade level (undergraduate or graduate) prior to the initial certification of any US Federal loan funds. You can do this by going through our on-line provider, Mapping Your Future at www.mapping-your-future.org/student/. The University of Adelaide will automatically be advised once you have successfully completed the counselling session.

How is eligibility determined?

The FAFSA is an organized method of gathering information about you and your family's financial situation. This information is then analysed according to US federal guidelines together with University guidelines. This ensures that all applications are treated fairly and equitably.

The results of this need analysis indicate the difference between what can be expected from the family and the cost of education. It shows the ability, not the willingness, of the student and/or their family to pay for their education.

This is used to determine whether the student has a financial need.

You also need to advise the Student Finance Office of any other grant / aid or scholarship that you are in receipt of, or are in the process of applying for when you submit your application for aid.

Dependant vs. Independent Student

A student's **dependency status** is determined from information provided on the FAFSA. It affects the Expected Family Contribution (EFC) and types of aid that you may be eligible to receive.

For the purposes of Title IV aid, a student is considered **independent** if he or she meets one or more of the following criteria:

- The student is at least 24 years old by December 31 of the award year.
- The student is an orphan or ward/dependent of the court, or was a ward/dependent of the court until he or she reached age 18.
- The student is a veteran of the U.S. Armed Forces
- The student is working on a master's or doctorate program at the beginning of the award year for which the FAFSA is completed.
- The student is married as of the date the FAFSA is completed.
- The student has at least one child who receives more than half of his or her support from the student.
- The student has a dependent, other than a spouse or a child, who lives with the student and receives more than half of his or her support from the student at the time the FAFSA is completed and through June 30 of the award year.

The student is considered dependent if he or she does not meet any of the preceding criteria for an independent student unless the financial aid administrator determines that the student is independent on the basis of special circumstances and performs a dependency override.

Amounts for Federal Stafford Loans

Below are the maximum annual limits of Federal Stafford Loans effective from 1 July 2007.

Dependent Undergraduate Students	Subsidized (U.S. government pays interest while student is in University and six months after graduation/withdrawal)	Subsidized & Unsubsidized Combined
1st Year	\$3,500	\$3,500
2nd Year	\$4,500	\$4,500
3rd Year & Up	\$5,500	\$5,500

Aggregate limit for Dependent students: **\$23,000**

Independent Undergraduate Students	Subsidized (U.S. government pays interest while student is in University and six months after graduation/withdrawal)	Subsidized & Unsubsidized Combined
1st Year	\$3,500	\$7,500
2nd Year	\$4,500	\$8,500
3rd Year & Up	\$5,500	\$10,500

Aggregate limit for Independent students: **\$46,000**

Graduate Students	Subsidized (U.S. government pays interest while student is in University and six months after graduation/withdrawal)	Subsidized & Unsubsidized Combined
	\$8,500	\$20,500

Aggregate limit for Graduate students: **\$138,500**

NOTE: *These amounts may be lower, depending on the eligibility determined by the financial aid office. Students who receive unsubsidized loans may pay the interest while they are in University with principal deferred until after they cease to be enrolled at least half time or they can choose to have both the interest and principal deferred until after they cease to be enrolled at least half time.*

You will be advised via email as to the determination of your eligibility for subsidized aid and unsubsidized aid. You will be required to confirm your intent to take this amount, or any other lesser amount prior to certification taking place.

It is strongly recommended that you plan on having sufficient funds available for accommodation, books, supplies, and any other personal expenses during the first six to eight weeks of classes in the event that there is some delay in your financial aid arriving from the US.

Disbursement Information

In accordance with US Federal policy funds, the following rules apply to the disbursement of US Federal Loans:

Loans will be disbursed in instalments based on the semester or trimester enrolment periods.

If you are a first year undergraduate students who is a first time borrower of US Federal funds your first disbursement cannot be made until the first day of study at the University of Adelaide University, Australia

All other students, including first year undergraduate student's subsequent disbursements, disbursements cannot be made until thirty days before the commencement of classes. Typically, the disbursement date is the date your cheque is posted - not the same day that funds are actually available. You should not expect to receive funds prior to arriving in Australia.

Disbursement of Federal loans will be on two (2) separate dates coinciding with the orientation if you are undertaking a semester based or Doctoral program. This is to allow the academic monitoring requirements mandated by the US Department of Education in the second semester.

If you are undertaking a Trimester based program, your funds will be disbursed on three (3) separate dates coinciding with trimester based orientation programs. This disbursement schedule allows for the mandatory academic monitoring stipulated by the US Department of Education.

Your loan funds will be sent directly to the University, you will be notified via email when the cheques have arrived. The cheques will be converted from US dollars into Australian dollars, and credited towards your tuition account and the remainder will be paid to you by cheque in Australian dollars to cover living expenses.

Exit Counselling

It is a loan requirement and a requirement of The University of Adelaide that all students complete exit loan counselling at the appropriate grade level (undergraduate or graduate) prior completion of their studies. You can do this by going through our on-line provider, Mapping Your Future at www.mapping-your-future.org/student/. During this session you will be counselled on your obligations, rights and options under the terms of your loan. This session will also cover repayment options, deferments and other important information you may need during your repayment term.

The University of Adelaide will automatically be advised once you have successfully completed the exit counselling session.

Satisfactory Academic Progress for Financial Aid Recipients

The University of Adelaide is required by US Federal law (34CFR 668.16) to define and enforce standards of Satisfactory Academic Progress (SAP). The guidelines have been established to encourage students to successfully complete academic programs for which aid is received.

Students receiving financial aid will be evaluated at the end of each semester. This evaluation process will consider the students progress under the following categories:

1. Academic Standing
2. Maximum Timeframe

In order to receive US Federal funds, students must meet minimum standards for both the abovementioned components, whilst simultaneously adhering to Australian Immigration / visa legislation.

At the end of each semester, students receiving financial aid will be evaluated to determine whether satisfactory academic progress has been made. Failure to progress satisfactorily could result in the suspension of your financial aid.

1. Academic Standing

All students receiving US Federal Aid must satisfy the University's academic progress rules to be eligible for funding.

2. Maximum Timeframe

An undergraduate student is entitled to receive aid for 150% of the allocated course time frame

- (i) 3 year degree – eligibility for aid 4.5 years
- (ii) 4 year degree – eligibility for aid 6 years
- (iii) 5 year degree – eligibility for aid 7.5 years

- (iv) 6 year degree – eligibility for aid 9 years

Students should be advised that whilst federal eligibility may allow them to continue – individual academic progress rules and student visa restrictions may impact on the students' ability to continue within the program.

Notification

Satisfactory Academic Progress (SAP) will be assessed for each student at the end of each academic term period to determine your eligibility for continued aid. You will be notified in writing if your Financial Aid is suspended. An appeal procedure for verifiable extenuating or unforeseen circumstances is available. The University of Adelaide cannot waive the Satisfactory Academic Progress (SAP) requirement for any student to receive financial aid.

Financial Aid Probation and Suspension

The policy for Financial Aid Probation and/or Suspension is as follows:

1. Students who fail to meet the academic progress requirements will be placed on Financial Aid probation for six months.
2. Students who have been placed on probation and subsequently meet the academic progress requirements in the next semester will be placed back into good Financial Aid (SAP) standing.
3. Student who have been placed on probation and do not meet the academic progress requirements will be suspended from receiving Financial Aid and ineligible to receive aid until such time as they achieve the required satisfactory academic progress.
4. Students may appeal their suspension of aid via written appeal to the Director, Student Administrative Services. Student appeals will be considered and students will be advised by the Director, Student Administrative Services' decision, which is final.

Appeals

Students who have their eligibility for US Federal Aid suspended may appeal the suspension if one or more of the following circumstances exist:

- a. Death of a family member (parent, spouse, sibling, dependant child etc)
- b. The extended illness of the student – extended illness as defined as a documented chronic or recurring medical or emotional illness that causes the student to be absent from class at least 15 days or more
- c. The extended illness of a family member that places hardship on the student. Immediate family member includes parent, spouse, sibling, dependant
- d. Other mitigating circumstances as determined by the Director, Student Administrative Services.

All appeals must be received within ten working days of receipt of the Notice of Suspension.

Students should submit an appeal to:

Director, Student Administrative Services

The University of Adelaide

South Australia 5005

Students must indicate in writing the reason (s) for failure to meet the necessary Financial Aid SAP requirements and why financial aid should not be suspended. All documentation to support the appeal is required at time of appeal submission.

Financial Aid and the University of Adelaide Refund Policy

The University of Adelaide has a clear refund policy for international students attending this institution. The following is an addendum for students who are utilising US Federal student aid funds.

If a student who receives financial aid withdraws from the University and is due a refund of fees paid for that period of enrolment, a determination must be made as to whether any of the refund money must be returned to the US Federal aid program. If it is determined that refund money must be returned to the aid program, the distribution of Stafford money will be as follows

1. Federal Stafford Unsubsidized
2. Federal Stafford Subsidized
3. Federal PLUS

Pro rata refund calculations apply for any US Federal Aid recipient who withdraws within the first 60% of the payment period. If you withdraw from the University whilst in receipt of aid, you may also be required to pay back money to the US Federal government.

Note: Withdrawals prior to census dates may not result in a full reduction and refund of tuition. Students should seek advice from the Student Finance Office prior to withdrawal to determine the impact on their loans and their obligations.

Lenders and Guarantors

The University of Adelaide does not have a preferred Lender or Guarantor, however, you may wish to contact the following lender or Guarantor for assistance:

American Student Assistance: <http://www.amsa.com>

Educaid: <http://www.educaid.com/>

Applying for your Federal Stafford Loan through a Guarantor usually results in a quicker turn around time than applying directly to a lender.

You and Your Lender

Whether you're starting University or starting your career, it's your responsibility to know the facts, about not only the degree that you are undertaking, but the funding methods and what and when you are going to be required to pay the money back. You are making a big decision and a big commitment to paying the loan funds back. It is important to know exactly what that commitment is all about.

1. What Your Lender expects from you

Repay your loan. Your obligation to repay becomes legally binding when you sign the Master Promissory Note (MPN) and authorize the electronic transfer of funds to your student account.

Your requirement to repay does not go away because you:

- Don't complete your educational program
- Cannot find employment
- Were not satisfied with the education or other services you received from the University
- Were notified that your loan was sold to another party by your lender

Pay on Time. You must make your payments on time unless you have made special arrangements with the lender or servicer. Many lenders offer repayment incentives to reward you for paying on time.

Make a Minimum Payment. A minimum monthly loan payment is required. This minimum amount varies depending on the amount you borrow and your repayment plan.

2. What you should expect from your Lender

Master Promissory Note -- When you decide to enter into an agreement with a particular lender for your student loan, you sign an electronic Master Promissory Note (MPN). This document explains the terms and conditions of your loan in full detail. It also serves as the legal document requiring you to repay the loan with interest. Read through the entire promissory note before you sign it and make sure you understand your rights and responsibilities. The MPN (either paper or electronic) is only valid for a maximum of one year if you are attending a University outside the US.

Notice of Guarantee and Disclosure Statement -- Your lender provides you with a disclosure statement before or at the time your loan is disbursed. This document states the amount of your loan (principal), and any fees deducted from the principal. It also discloses the interest rate, the annual percentage rate, and an estimate of the total amount you will have to repay (including the total amount of interest based on a Standard Repayment plan). Be sure you receive this from your lender and keep it in your files.

Repayment Schedule -- During your grace period, your lender or servicer will send you a detailed Repayment Schedule. This document states the number and amount of monthly payments and the date when the first payment is due. At the same time, you will receive information about other repayment options,

such as the Graduated and Income-Sensitive plans, (link to Leaving University repayment plans) extended and consolidation plans.

Notification of Loan Transfer -- If your lender sells or transfers your loan to another lender or servicer and it changes where your loan payments are sent, you will receive a Notification of Loan Transfer. This document contains addresses, phone numbers, and other information needed to make payments and keep in touch with the new lender or servicer of the loan. The terms of your loan will not change if your loan is sold or transferred.

Important Financial Aid Terminology

Cost of Attendance (COA)

These expenses include tuition, room and board, books and supplies, fees and the student's living costs while attending University. The COA is determined by the University using federal guidelines.

Default

The status of a borrower failing to make instalment payments when due or to meet other terms of the promissory note or other written agreement(s) with the lender under circumstances where the US Department of Education or the guarantor of the loan reasonably conclude that the borrower no longer intends to honour the borrowers obligation to repay a loan. Provided that this failure persists for the most recent consecutive 270 day period or the most recent 330 day period, the borrower's status is set to default.

Deferment

A period during which repaying loan principal is suspended as a result of the borrower meeting one or more of a number of situations or categories established by law. The borrower does not pay interest on subsidized loans during deferment; interest continues to accumulate during deferment of an

unsubsidized loan. For further information on deferment please contact your lender.

Delinquency

The status of a loan when payment is late. Delinquency may be reported to a credit bureau after 30 days.

Disbursement

The lender's payment of loan funds. Payment is made by cheque. Disbursement is usually made in two or more instalments during the year

Expected Financial Assistance (EFA)

The Expected Financial Assistance is the amount of all other awards, scholarships, sponsorships etc that a student (or the parents on behalf of the student) may be in receipt of. This amount is included in the Cost of Attendance (COA) calculations.

Expected Family Contribution (EFC)

The Expected Family Contribution is the amount that a student and family (if required) are expected to contribute toward the Cost of Attendance (COA). This amount is based on the students or the family's income and assets.

Federal Family Education Loan Program (FFELP)

Federal Family Education Loan Program is made up of Federal Stafford Loans (Subsidized and Unsubsidized), Federal PLUS loans and Federal consolidated Loans. All of these are long-term loans insured by state or non-profit guaranty agencies that are reimbursed by the US government for all or any part of insurance claims paid by lenders.

Federal PLUS Loan (PLUS)

Graduate students, or parents on behalf of their undergraduate, dependent children, may borrow this FFELP loan. Lenders such as banks, credit unions, or savings and loan associations make loans. Graduate students or parents must not have an adverse credit history.

Federal Stafford Loan (Subsidized)

A FFELP loan that provides federally subsidized, low interest loans to students in undergraduate, graduate or professional programs. Subsidized loans are awarded on the basis of financial need.

Federal Stafford Loan (Unsubsidized)

A FFELP loan that provides low interest loans to students in undergraduate, graduate or professional programs. Unsubsidized loans are not awarded on the basis of financial need.

Financial Need

The difference between the students Cost of Attendance (COA) and the Expected Family Contribution (EFC), plus the students estimated financial assistance.

Forbearance

The process by which a repayment schedule can be restructured under certain conditions. The amount of the monthly payment may be temporarily reduced or suspended, or months may be added to the repayment term. You must contact your lender directly to receive forbearance.

Free Application for Federal Student Aid (FAFSA)

This is the application that a student must file to apply for financial aid. The FAFSA is printed and distributed free of charge by the U.S. Department of Education. It is also available online at www.fafsa.ed.gov.

Guarantee Fee

This is an optional fee charged by some guarantee agencies and deducted from loan proceeds prior to disbursement. This fee helps offset the administrative costs, and equates to up to 1% of your student aid.

Grace Period

A feature of Federal Stafford loans that gives you six months after you leave University or drop below half-time status before you must start making monthly payments on your loan.

Interest

The fee that is charged by the lender in exchange for lending the money. The interest rate, usually expressed as a percentage of the loan amount, may stay the same for the term of the loan (fixed rate) or it may change periodically (variable rate).

Loan Consolidation

By the time you finish University, you may have a number of loans. These loans may be with more than one lender and may have different terms. Repayment can become fairly complicated if you have to make different payments at different times of the month. Consolidation is a way to make repayment of multiple loans less complicated.

You can consolidate all your federal student loans into one loan with a fixed rate and a single, lower monthly payment. Further information on Loan Consolidation is available from your lender.

Master Promissory Note (MPN)

A legally binding document between the borrower and the lender that obligates him or her to repay the loan according to its terms.

Origination Fee

A fee charged by the federal government and deducted from the loan funds prior to disbursement. The fee is used to offset administrative costs. The maximum that this fee can be is 2% for Stafford and 3% for Stafford PLUS of the loan amount.

Student Aid Report (SAR)

The report sent directly to a student from the US Department of Education's Central Processing System (CPS) that summarises information submitted on the students FAFSA. It also provides financial-need calculations, including the students EFC based on submitted figures.