



# Federal Loans Handbook

## 2024 - 25

Norwich University of the Arts is certified to process and administer U.S. Federal Loans (Title IV).

**School Code: 042445**

**Federal Aid Queries**  
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## Introduction

If you are a citizen or permanent resident of the United States and have decided to study at Norwich University of the Arts, you are entitled to apply for financial support through the Federal Student Aid programme provided by the U.S. Department of Education. You should read this document and the documentation it refers to carefully, even if you are familiar with the programme. Norwich University of the Arts has accepted responsibility to administer the scheme and it is our duty to ensure you have access to the information and advice you need.

Universities in the UK are considered foreign schools by the U.S. Department of Education and the rules, regulations and loan amounts are different to those that apply for students studying in the US. There are also different factors that affect the costs associated with studying in the UK.

**Part One:** How to apply for and receive loans.

**Part Two:** Loan types and amounts that may be available to you.

**Part Three:** Conditions of the loan while you are studying.

**Part Four:** Repayment of the loan and the interest you will pay.

## Useful links

- [Free Application for Federal Student Aid \(FAFSA\) online portal.](#)
- [Video explaining the FAFSA application process.](#)
- [Federal Student Aid website](#) – For information, advice and application portal
- A useful [glossary of terms.](#)
- [A guide to Federal Aid available for students studying at international schools.](#)

## Part 1 – Submitting your FAFSA Online

The first step in securing your loan funding is to complete the Free Application for Federal Student Aid (FAFSA). This can be [accessed online](#). You can make a FAFSA application from January 1<sup>st</sup> each year. This is also the portal to update and amend your details. You must enter all data accurately, as the information you submit provides the basis for your loan calculation.

You will need to enter the institutional code **042445** to ensure your FAFSA results are received by Norwich University of the Arts.

It is very important that the information we use to calculate your loan is accurate to avoid delays in processing your application.

Once you have completed the FAFSA, a Student Aid Report (SAR), will be sent to the University, you can also view a copy on the FAFSA site.

Your SAR will include your:

- Student Aid Index (SAI), a calculation generated when you submit your FAFSA;
- Other Financial Aid (OFA), which accounts for financial aid you may be receiving, such as scholarships, bursaries and/or awards;
- Details of any student loans you have already received. Check this information is included and up-to-date. You can respond to any problems detailed in the comments section of the SAR.

If changes to the data are required, you need to update your FAFSA to generate a new SAR.

If you have been made a formal offer of a place at Norwich, we will send you a Funding Notification Letter which outlines the maximum amount you can borrow.

## Part 2 – Understanding Your Funding Notification Letter

Once your SAR is processed by our Federal Aid Office, you will receive a Funding Notification Letter via email, which includes your Cost of Attendance (COA), maximum amounts available for you to borrow and loan types available.

### 2.1 Cost of Attendance (COA)

The University is responsible for determining the cost of your education during your instruction time. This figure is called the Cost of Attendance (COA) and includes the annual tuition fees, course costs, food, housing, travel, and other expenses. It is revised each year and you must re-apply for loans for each year of study.

It is important to note that the COA are average estimated outgoing costs you are likely to incur during your instruction time to live and study in Norwich. Whilst we estimate the costs of art and educational materials, your actual outgoings in this category will be subject to the nature of your discipline.

Please note, we will inform you of the **maximum** amount you can borrow in your Funding Notification Letter. However, students/parents **do not have to** borrow the full amount. You must only borrow how much you need.

The general COA for UG and PG students is made available on [the University's website](#). It is important to note that the COA is used in conjunction with information from your FAFSA to establish the maximum amount you can borrow. This is dependent on your year of intake, the type of borrower you are, your enrolment status, your level of study, and any other financial aid you may receive such as scholarships, bursaries, etc.

The maximum of COA calculations for 2024 - 25 is below -

Student	Cost of Attendance Limit	Period of Instruction
UG - New Students (Year 0)	\$ 55,485	34 weeks
UG - New Students (Year 1)	\$ 54,362	
UG - Returning Students (2 <sup>nd</sup> year)	\$ 48,040	
UG - Returning Students (3 <sup>rd</sup> year)	\$ 47,536	
UG - Returning Students (4 <sup>th</sup> year)	\$ 45,537	
PG - New Students	\$ 55,728	45 weeks

## 2. 1. 1 Professional Judgment

US Federal Law permits Financial Aid Administrators (FAAs) to use professional judgment to adjust an individual's COA based on special and usual circumstances which may affect your loan entitlement, including, but not limited to:

- Allowance for dependent care or spouse, or their parent or guardian
- Allowance to assist with a disability
- Excluding from family income or assets any proceeds or losses from a sale of farm or business assets of a family resulting from a foreclosure, forfeiture, bankruptcy, or liquidation
- Costs associated with additional family members enrolled in college
- Dependency Overrides

The University will consider all requests made by the students and use professional judgment on a case-by-case. The institutions may require the student additional information to complete the verification process, document a determination of independence, or exercise professional judgment.

If you need to adjust your borrowing based on special or unusual circumstances, please contact the FedAid Office at [fedaid@norwichuni.ac.uk](mailto:fedaid@norwichuni.ac.uk) with an explanation and supporting documentation for your request. Unless there is a legitimate and demonstrable special circumstance, the University is not authorized to approve loans above the established COA.

## 2.2 Your loan status

### 2.2.1 Undergraduate - BA (Hons)/BSc (Hons)

The amount you can borrow in each loan category is dependent on your loan status. The two classifications are **Dependent Undergraduate Student** and **Independent Undergraduate Student**. Your status is determined by the information you provide when you complete the FAFSA. You will be classified as a Dependent Undergraduate student unless you meet at least one of the following criteria:

- You are 24 years of age or older by December 31<sup>st</sup> of the award year.
- You have legal dependents other than a spouse.
- You are an orphan or ward of court.
- You are serving in or are a veteran of the US armed forces.

If you meet any of these criteria, you will be classified as Independent.

### 2.2.2 Graduate - MA

If you are enrolling on a graduate programme, what is referred to as a postgraduate course in the UK, you are classified as a **Graduate and Professional Student**, regardless of any other conditions or circumstances.

## 2.3 Loan Types

### 2.3.1 Direct Loans:

You can receive a federal student loan from the William D. Ford Federal Direct Loan (Direct Loan) Program. These are the types of loans available:

- **Direct Subsidized Loan (DLS)** – The interest on this part of the loan is paid by the U.S. Government until you graduate from university. This loan is only available for undergraduate programmes.
- **Direct Unsubsidized Loan (DLU)** – The interest on this part of the loan will start to accrue once you have received the money. This is available for undergraduate and postgraduate students. See Part 4 for further information.
- **PLUS Loans (DLP)** - There are two categories of PLUS Loan:
  - **ParentPLUS Loans** (for Undergraduate Students only) – available to parents of dependent students.
  - **GradPLUS loans** – available to graduate students only.

### PLUS Loans

The ParentPLUS/GradPLUS programme allows parents and graduate students to borrow funds up to the total COA, after reductions have been made based upon any other financial aid received.

Unlike Unsubsidized and Subsidized Loans, the ParentPLUS/ GradPLUS loans are not guaranteed. An online credit check must be completed. You will only receive this loan upon receipt of a successful credit check and signature on the relevant Master Promissory Note.

Dependent students whose parents are not eligible for a PLUS Loan have access to increased limits within the Unsubsidized Loan (see table overleaf).

## Annual Subsidized and Unsubsidized Loan Limits

The table below sets out the annual limits of Direct Unsubsidized and Subsidized Loans you can borrow depending on your classification, level of study and year of attendance. All undergraduate loan amounts are subject to pro-ration.

Year of Course	Subsidized Loan Limit	Unsubsidized Loan Limit	Total Limit (Sub +Unsub)
<b>Dependent Undergraduate</b>			
1 <sup>st</sup> Year	\$3,500	\$2,000	\$5,500
2 <sup>nd</sup> Year	\$4,500	\$2,000	\$6,500
3 <sup>rd</sup> Year+	\$5,500	\$2,000	\$7,500
<b>Independent Undergraduate</b>			
1 <sup>st</sup> Year	\$3,500	\$6,000	\$9,500
2 <sup>nd</sup> Year	\$4,500	\$6,000	\$10,500
3 <sup>rd</sup> Year+	\$5,500	\$7,000	\$12,500
<b>Graduate / Professional</b>			
1 <sup>st</sup> Year+	NA	£20,500	£20,500

### Subsidized and Unsubsidized Direct loan aggregate limits

There are [limits to the total amount you can borrow](#) in Direct Loans during your university education, irrespective of the annual limits above:

#### Dependent Undergraduate Student aggregate loan limit:

\$31,000, of which no more than \$23,000 can be in Subsidized loans

#### Independent Undergraduate Student aggregate loan limit:

\$57,500, of which no more than \$23,000 can be in Subsidized loans.

#### Graduate and Professional Degree Student aggregate loan limit:

\$138,500, of which no more than \$65,500 can be in Subsidized loans. This limit includes all federal loans received for undergraduate study.

## 2.4 Private Loans

At the time of writing, the University is aware of only one US private loan company offering loans for those studying abroad. However, it is in your interests to seek advice on all options available.

[Sallie Mae](#) offers a private loan designed to provide top-up support for students. This option is available to all students, although some may require a co-signer. Loans are based upon credit history and interest rates will vary. Please ensure you read about their loan interest rates and the terms and conditions.

You can make an application via their website. When the application is complete, please send a copy of the e-signed Promissory Note to our FedAid Office by emailing [fedaid@norwichuni.ac.uk](mailto:fedaid@norwichuni.ac.uk).



We will then certify the amount you have borrowed does not exceed the COA. Sallie Mae sends funds to us and after deductions for fees and if relevant, accommodation costs, the balance is released to you in three instalments.

**It is important to compare interest rates, terms, and fees across different loan types to make sure you get the best possible terms for your borrowing.**

### Part 3 – Signing your Funding Notification Letter

Once we receive your FAFSA and process your SAR, we will email you a Funding Notification Letter to inform you of the FedAid Package available to you for the academic year. This letter is individualized to you based on the information you have provided in your FAFSA and our estimated Cost of Attendance for students in your course, at your level of study, and for a similar borrowing power.

It is important for you to review the Cost of Attendance and maximum loan amounts available to you.

**IMPORTANT:** You can borrow **any amount up to the maximum** indicated on your letter. We advise students to only borrow what they think they need.

You will be asked to indicate how much of the maximum loan you would like to accept by completing the indicated fields on the letter. You must then sign this letter before returning it to us. It is important that a handwritten signature is added (either digitally or scanned), as **we cannot accept typed signatures**.

Once you have signed this letter, we ask you to email it back to our FedAid Office at [fedaid@norwichuni.ac.uk](mailto:fedaid@norwichuni.ac.uk).

We must receive a signed copy of this letter before we can process your loan.

Please note, the Funding Notification Letter is different to the Visa Letter, which is only sent to you once your loan has been approved.

## Part 4 – Completing your Online Tasks

It is important that you complete the below required documentation to the U.S. Department of Education to ensure your loan is successfully processed.

### 4.1 Complete Entrance Counseling Online

Link: <https://studentaid.gov/entrance-counseling/>

Entrance counseling is required if you have not previously received a Direct Loan. It is designed to ensure you understand your responsibilities as a loan recipient and must be undertaken before we approve your loan.

Once completed, either take a screenshot or attach the completion certificate as a pdf and send it to [fedaid@norwichuni.ac.uk](mailto:fedaid@norwichuni.ac.uk).

### 4.2 Complete Master Promissory Notes (MPN) Online

MPN for Sub/Unsub: <https://studentaid.gov/mpn/subunsub/landing>

MPN for ParentPLUS: <https://studentaid.gov/mpn/parentplus/landing>

MPN for GradPLUS: <https://studentaid.gov/mpn/grad/landing>

The MPN is a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the U.S. Department of Education. It also explains the terms and conditions of your loan. You are required to complete a new MPN for each academic year of your study.

If applying for a Sub/Unsub loan and a ParentPLUS loan, you and your parent/guardian who is borrowing must complete an MPN each.

Once you complete the required MPN(s) online, you must email the PDF(s) to [fedaid@norwichuni.ac.uk](mailto:fedaid@norwichuni.ac.uk) or simply let us know you have completed it and we can access your record online.

### 4.3 Credit Check/Endorser (PLUS loans)

A credit check is performed as part of the application process for a PLUS Loan – for either ParentPLUS or GradPLUS. If your application is by yourself or your endorser (which may be your parent) and is declined, you will not be eligible for a PLUS Loan.

## Part 5 - Loan Origination and Disbursement

When all the formal requirements have been met, the University will originate (process) your loan with the U.S. Department of Education. Please be aware that it may not be possible to process loan applications received less than one month before the start of the academic year in time for the start of classes.

The U.S. Government deducts a loan fee from each loan disbursement. Fees for disbursements on or after October 1, 2020 are as follows:

- 1.057% for Subsidized and Unsubsidized Loans
- 4.228% for PLUS Loans (Parent and Graduate student)

The COA calculates the cost of the origination fees payable on your loan and deducts it from the total loan amount to help you make a sound loan request.

The University will write to you before the start of each term confirming your upcoming disbursement and giving you the option to cancel or amend your disbursement or loan amount.

## **Part 6 - Proof of Funding for Visa purposes**

If you are a new student applying to join the University and require a Student Visa to study in the UK, you will need to demonstrate that you have sufficient funds for the period you are here.

We will provide you a visa letter to support your visa application as evidence of funds, once your loan is fully approved. You will need to submit additional documentation if the value of your loans is less than the amount required by the Home Office. This is the annual tuition fee and the Home Office 'maintenance allowance', minus anything already paid to the University. Further information will be provided to you by the International Office or can be found on the [Home Office website](#).

If you have secured a certified Sallie Mae loan, they will send you a letter of confirmation as evidence that you are in receipt of a private loan for the purposes of education and the loan amount. This may be required as supporting evidence for your visa application.

## Part 7 - Receiving your Loan

### 7.1 Disbursement Dates

In line with U.S. Government regulations, Direct Loans are disbursed in three equal instalments each year. The funds, minus any fees owed to the University will be transferred to the students directly. You must be fully enrolled and submitted UK bank details before you receive the instalments.

Disbursement dates for 2024-25 are as below (DD/MM/YY):

Student Type	Term Start Date	Disbursement Date
<b>First Term Disbursement</b>		
UG - Not received loans prior	23/09/24	23/10/24
UG - Has received loans prior	23/09/24	03/10/24
Postgraduate (all)	23/09/24	03/10/24
<b>Second Term Disbursement</b>		
Undergraduate - All	06/01/25	16/01/25
Postgraduate (except Architecture MA)	27/01/25	06/02/25
Postgraduate (Architecture MA only)	06/01/25	16/01/25
<b>Third Term Disbursement</b>		
Undergraduate - All	28/04/25	08/05/25
Postgraduate (except Architecture MA)	02/06/25	12/06/25
Postgraduate (Architecture MA only)	28/04/25	08/05/25

The published disbursement dates are when Norwich receives the funds from the U.S. Department of Education. We then deduct the due amount for tuition fees and transfer the remaining funds to you within 14 working days.

## **7.2 Students receiving government loans for the first time**

Student receiving funds for the first time will have funds disbursed 30 days after enrolment according to U.S. Department of Education rules. It is therefore advised that you come to the UK with enough funds to support yourself for at least 1-1.5 months from the start of your course whilst awaiting the first disbursement.

All disbursements are subject to the following conditions:

- You are making satisfactory academic progress
- You are enrolled at least half time<sup>1</sup>
- You are not in the USA<sup>2</sup>
- You have not violated any federal compliance regulations (such as repayment default, fraud, drug offences)

You have the right to cancel further installments of the loan at any point.

## **7.3 Convera**

The University uses Convera (formerly known as Western Union Business Solutions) to transfer loan funds. You will be prompted to set up an account and upload your bank details to receive your loan funds. If you do not provide bank details to Convera, your funds will be provided as a cheque in GBP and will be available for you to collect from the University. We strongly advise setting up a UK bank account as soon as possible once you arrive in the UK.

## **7.4 Satisfactory Academic Progress (SAP)**

Norwich University of the Arts must ensure that students in receipt of Direct Loan funds are fulfilling the requirements of Satisfactory Academic Progress (SAP). SAP procedures are separate from the normal University assessment and progression regulations, and to receive Federal Aid, students must comply with SAP regulations. These regulations stipulate that borrowers:

- Must be studying at least half-time in order to be eligible for federal loans.
- Should maintain a 'Pass' grade or Pass mark of 40% and above for each academic year and in all coursework.
- Should not exceed 150% of the published timeframe for the degree course. Visa holders must complete their degree within the timeframe permitted by the UKVI and Home Office regulations.

SAP will be checked and verified at the end of each loan disbursement payment period and prior to the subsequent disbursement for students on programmes lasting one year or less, and annually for courses of study lasting more than a year.

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<sup>1</sup> This only applies to U.S. students who do not require a Student Visa for study in the UK and who may therefore elect to study a course at Norwich that is offered part-time. Student Visa holders are required to study on a full-time basis.

<sup>2</sup> Those in receipt of a Direct Loan to study at a foreign school are not allowed to take any part of their course in the U.S. This includes field trips and study tours.

If you fail to meet the requirements, you will be placed on FedAid Loan Denied Status. You can appeal the academic decision, if the appeal is upheld, the University will re-evaluate your financial aid status and you will be put on Student Loan probation. If the probationary period does not end with a resumption of satisfactory progress, you may lose your entitlement to U.S. FedAid.

The University's SAP Policy is supplied to all loan applicants and is available to download from the [website](#).

### **7.5 In-School Deferment**

You have the right to defer payment of any existing loans while you are a student at Norwich, although private lenders may impose different terms. GradPLUS loans offer an additional six-month deferment after you have ceased to be enrolled at least half time. A parent may request to defer payments of a ParentPLUS loan while the student is still a registered and/or for an additional six months after graduation or withdrawal.

### **7.6 Exit Counseling**

Exit Counseling is a requirement of the U.S. Department of Education. The counseling session takes 20 minutes to complete and ensures you are aware of anticipated loan repayment amounts and the different repayment plans. It provides debt-management advice and issues relating to credit awareness.

All student borrowers who are graduating, leaving school, or dropping below half-time enrollment are required to complete exit counseling. This can be done via the FedAid portal: [Exit Counseling | Federal Student Aid](#)



## Part 8 - Interest and Repayment

### 8.1 Interest Rates

You will pay interest on the amount you borrow over the course of your education. Various parts of the Direct Loan have different interest rates and arrangements.

With reference to the Federal Student Aid website, the interest rates for funds disbursed on or after on or after July 1, 2024 and before July 1, 2025 are as follows:

Loan type	Fixed Interest Rate
Direct Subsidized and Unsubsidized for Undergraduate Students	6.53%
Direct Unsubsidized for Graduate/Professional Students	8.08%
Direct PLUS Loans for Parents and Graduate/Professional Students	9.08%

### 8.2 Direct Subsidized Loan

The interest that accrues during your time of study is paid by the U.S. Government. You will be responsible for repaying any interest which accrues after you have graduated. Repayment of the loan and interest begins six months after graduation or if you withdraw from at least half-time enrolment.

### 8.3 Direct Unsubsidized Loan

Interest starts accruing as soon as the loan is accessed. Repayment of the interest and the loan can be deferred until six months after graduation or withdrawal from at least half-time enrolment.

### 8.4 ParentPLUS and GradPLUS Loan

Interest starts accruing immediately after the first instalment is disbursed. Repayment begins sixty days after the loan is fully disbursed during the final year of study. Interest and loan repayment can be deferred until six months after graduation or withdrawal from at least half-time enrolment.

You should also note that:

- You have the right to repay your loan early without penalty
- You will be notified if your loan is sold

For detailed information regarding repayment, deferments, forbearance, forgiveness programs and other frequently asked questions, visit the [Federal Student Aid website](#).

## Federal Loan Application Checklist

All the following steps must be completed before your Federal Loans can be set up (originated) by Norwich University of the Arts:

1. Complete your FAFSA application [online](#);
2. Sign and return the Funding Notification Letter 2024-25 emailed to you;
3. Complete Entrance counseling [online](#) (for new students only);
4. Complete MPN/s for each loan type:
  - MPN for Sub/Unsub loans – [complete here](#)
  - MPN for ParentPLUS (for parent/guardian) – [complete here](#)
  - MPN for GradPLUS (only for MA students) – [complete here](#)