

AMERICAN UNIVERSITY OF ANTIGUA  
COLLEGE OF MEDICINE

APPROVED TO PARTICIPATE IN  
WILLIAM D FORD DIRECT LOAN  
PROGRAM

APPROVAL DATE : 10/15/15

# Disclaimer

2

- **This presentation highlights the basics of Title IV related issues and is not meant to be an exhaustive list of relevant regulations**
- **More details can be found on department of education related websites. We will also have additional information available on AUA's website shortly**

# Who is eligible?

3

- U.S. citizen or an eligible noncitizen
- Have a valid Social Security number
- Be registered with Selective Service if you're a male
  - ▣ You must register between the ages of 18 and 25
- Be in good academic standing and maintain satisfactory academic progress
- Not be in default on federal student loans

# What Is Available?

4

- Unsubsidized Direct Loans
- Grad Plus Loan
- Total borrowing is limited to Cost of Attendance less other aid received

## How much can you borrow?

- Unsubsidized Direct Loans
  - ▣ \$20,500 per year
  - ▣ Total in aggregate with all previous Direct loans (for the year) included
  - ▣ Lifetime aggregate cap for FFEL / direct loans across undergraduate and graduate loans is \$138,500 (does not include Grad Plus loan)
- Grad Plus Loans
  - ▣ No annual or lifetime limit

# Grad Plus Loans

5

□ Illustrative Grad Plus borrowing:

Illustrative COA	\$60,000 (2 semesters of basic sciences)
Less Scholarship	(\$1,500)
Less Unsub Loan	(\$20,500)
Remaining need	\$38,000

Maximum Grad Plus loan is \$38,000 for the year

# How to Apply

6

- A FSA ID is required
  - ▣ Website: [fsaid.ed.gov](https://fsaid.ed.gov)
  - ▣ You will use your FSA ID to sign in to FAFSA and apply for Direct Loans.
- Complete FAFSA website [www.fafsa.gov](https://www.fafsa.gov)
- Select “foreign” from the State drop-down list
- Enter the school name: American University of Antigua College of Medicine
- Enter the AUA School Code 04240100
- Complete the Direct Loan MPN’s online at [www.studentloans.gov](https://www.studentloans.gov)
- Save a copy of your MPN(s) after you complete the form electronically.
- You do not need to provide us with a copy as we will receive electronic notification once you have completed the MPN.
- If you are applying for a GRAD PLUS loan, a separate Master Promissory Note (MPN) must be completed at the same website.

# Apply for a Grad PLUS loan

7

- Students who need to borrow more than the \$20,500 that the Unsubsidized Direct loan program offers, should apply for the GRAD PLUS loan
- Requires a credit check.
- Remain on [www.studentloans.gov](http://www.studentloans.gov) and click on Request a Direct PLUS Loan.
- Read the description of the process on that page.
- Select the Grad Plus Loan
- Complete the application. The last part of the application will be a credit check application
- You will receive a response to the credit decision almost immediately. If your credit is denied, you will have options: Appealing the decision or adding an endorser to the loan.
- If denied, the Department of Education will send you an email offering you the option of adding an endorser. Your endorser will need the Endorser Code given on the email.
- The endorser will sign in and click on Add an Endorser. The Endorser must have their own FSA ID and the code from the denial email.

# Entrance Counseling

8

- On [www.studentloans.gov](http://www.studentloans.gov), complete the entrance counseling for Direct Unsub loans
- Complete the Grad Plus entrance counseling (at [www.studentloans.gov](http://www.studentloans.gov) as well) if you are applying for a Grad Plus loan



# Complete AUA Financial Aid Form

9

- Complete the VFAO Interview online (approximately 20 minutes to complete).
- The VFAO Interview can be found at <https://auamed.vfao.com/>
- Register and Log In to the site and then click on the top tab marked “interviews”.
- Click “Start an Interview” answering the required questions for the academic year which is two semesters in length.
- The VFAO will communicate notices to you via email. You will use the VFAO to request loan amounts, view your approved loans and accept or change your loan amounts

# Interest Rates and Origination Fees

10

- Federal Direct Unsubsidized Loan Program
  - Interest rate: 5.84% for loans disbursed from July 1, 2015, through June 30, 2016
  - Origination Fees: 1.068% origination fee for loans disbursed from October 1, 2015, through September 30, 2016
- The Federal Direct Graduate Plus Loan Program:
  - Interest rate: 6.84% for loans disbursed from July 1, 2015, through June 30, 2016
  - Origination fees: 4.272% for loans disbursed from October 1, 2015, through September 30, 2016
- Origination Fees will be deducted from the loan amounts disbursed
- Interest accrues while in school

# Repayment

11

- Repayment typically begins six months after you graduate or withdraw
  - ▣ This 6 month time period is known as the grace period
- Repayment is covered in detail during your Entrance and Exit Counseling
- The standard repayment period is ten years
  - ▣ Other repayment period options may be available

# Deferment

12

- You may qualify for a deferment if you are (amongst other things):
  - Enrolled at least half time at an eligible postsecondary school or
  - In a full-time course of study in a graduate fellowship program or
  - Unemployed or unable to find full-time employment (for a maximum of three years);
- How do I request a deferment?
  - Deferment MAY NOT be automatic for Grad PLUS and you will need to contact your loan servicer to get deferment
- **Note: interest will continue to be charged during deferment on your Direct Unsubsidized and PLUS Loans**

# Forbearance

13

- A forbearance is another method of temporarily postponing or reducing loan payments
- Requirements for getting a forbearance (amongst other potential pathways):
  - ▣ You are unable to make your scheduled loan payments for reasons including, but not limited to, financial hardship and illness
  - ▣ You are in a residency program
- **Note: Interest will continue to be charged during a forbearance on all types of loans. If you do not pay this interest, it will be capitalized at the end of the forbearance**

# Satisfactory Academic Progress (SAP)

14

- You must be making SAP in order to receive federal loans
- To make SAP, you should qualify on both the Qualitative and Quantitative criteria
- The first time you fail either criteria, you will need to return a Financial Aid Warning letter to allow you to receive loans for one more semester
- If you have already received a Financial Aid Warning letter and fail either criteria, you will need to submit an acceptable approved Academic Plan
  - ▣ The Academic Plan will need to be approved by an academic dean

## **Evaluation Based on Qualitative and Quantitative Criteria**

- Qualitative relates to GPA – you need to have an acceptable GPA
- Quantitative refers to pace, you must complete the program within a 150% time frame
  - ▣ Time frame is measured by credits attempted divided by credits cleared
- Please note that the above relate to SAP for financial aid purposes

# Refunds

15

- Refunds for living expenses will be refunded within 14 days of the day that you have a credit balance
- Please arrange with Bursar's office to have the refund sent electronically

# Private Loans

16

- If you have a private loan for the fall semester, you will still be able to borrow the remaining “need” for the semester
- We will include the private loan as part as aid received
- You can borrow up to the cost of attendance – so, there is still remaining need for the fall semester
- You may have an opportunity to cancel your Bank of Lake Mills / Richland private loans for the current semester (see next slide)



# Private Loans (continued)

17

## Canceling private loans for current semester

- ❑ Private loans (BLM / Richland) received for the current semester
- ❑ All or nothing – loans cannot be partially canceled
- ❑ Fill out loan cancelation request form (can be requested from financial aid)
- ❑ After the loan is canceled, Title IV loans can be applied to pay for the tuition and fees owed to AUA
- ❑ The loans will be canceled when eligibility for the Title IV loans for the tuition component has been established
- ❑ You will need to pay back the living expense portion of the loans (if any) with other funds
  - ❑ You will have 60 days from the day of the cancelation of the loan to pay these funds
- ❑ Origination fees will be canceled as well – you will be responsible for any tax consequences
- ❑ Any payments made on the canceled loan will be:
  - ❑ Used to offset the living expense portion of the private loan (if any)
  - ❑ Refunded to the student at his/her request if the did not borrow money for living expenses

# Illustrative Calculation –Private Loan Cancellation

18

Illustrative COA (Basic Sciences 1 and 2)	\$60,350
Less Indirect (living) expenses received under private loan	(\$6,000)
<b>Remaining need (for the full year)</b>	<b>\$54,350</b>

- The remaining need will likely be disbursed in two installments
- So, the first disbursement will be \$27,175 for the fall semester
  - ▣ \$17,500 will be withheld by AUA for tuition for the Fall '15 semester
  - ▣ A refund of \$9,675 will be refunded to the student
- The second disbursement will be \$27,175 for the spring semester
  - ▣ The excess above the tuition due will be refunded to the student

# Private Loans (continued)

## Excerpt from loan cancelation request letter

The principal amount of the private student loan is \_\_\_\_\_ of which, I recognize and agree, \_\_\_\_\_ was paid directly to AUACOM by my lender in order to pay for the tuition, fees and other institutional charges that were due AUA for the 2015 Fall semester. \_\_\_\_\_ was the origination fee for my loan and the balance of \_\_\_\_\_ was given to me to be used to help me pay my living expenses during the semester.

# Private Loans (continued)

## **Excerpt from loan cancelation request letter**

Within 60 from the date that AUACOM effects the cancellation of the private student loans that I have described above, I will fully reimburse AUA for the sum that it advanced on my behalf over and the amount of tuition, fees and other institutional charges that it returned in order to effectuate the cancellation of my private student loan. That amount is \_\_\_\_\_. I understand and expressly agree that I will owe AUA this sum regardless of whether, or how much I receive in, federal financial aid. My obligation to reimburse AUACOM this sum is not in any means or manner tied, directly or indirectly, to my receipt of any amount of federal financial aid.



**Questions?**