



ROYAL
ACADEMY
OF MUSIC

Guide book: USA Student Loans 2019/2020

www.ram.ac.uk/financial-support
<https://studentloans.gov>

Royal Academy of Music : Certified as eligible to process Federal [Title IV] loans to support study on our degree programmes as recognised by the UK Government's Office for Students, Department of Education and the Higher Education Funding Council for England (HEFCE):

<https://www.gov.uk/check-a-university-is-officially-recognised/recognised-bodies>
<http://www.hefce.ac.uk/reg/register/search/Provider/10007835>

US Dept of Education School Code Number: G11764. OPE ID 01176400

We will be pleased to provide a paper copy of this document on request.

Updated: Spring 2019

**Primary contact:
loan enquiries and originations**
[The Registry fulfils the role of a US university's Financial Aid Office]

This guide book tells you about the rules and procedures for Direct Subsidised, Direct Unsubsidised and Direct Plus US Government (Federal) loans. Also see page 11 for information about private loan options.

Visit www.ram.ac.uk/financial-support : **Country specific information** regularly to see if there are any updates or alterations to the processes.

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Julie Kelly
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Tel: +44 20 7873 7367

Email: jkelly@ram.ac.uk [Please note that Julie cannot advise on your loan application or your eligibility for loans.]

Code of Conduct

See page 13 for details.

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INTRODUCTION

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Edward Kemp-Luck
Admissions Manager

Your main contact point for enquiries about the loan application process is the Admissions Manager in the Academy's Registry.

Because the Academy is a **Foreign School**, the loan procedures and the Federal regulations differ somewhat from those for universities within the USA, so we have compiled this information book for you - please read it thoroughly!

Students on degree courses at Foreign Schools [outside the USA] can apply for Direct Subsidised, Direct Unsubsidised and Direct PLUS Federal loans, but they are not eligible for PELL Grants, Teach Grants or Perkins loans.

Private loans may be available for degree or non-degree study from a provider who will lend for Foreign School study [see Page 11 of this book]

TIMETABLE

Federal Direct Loans

For private loans, see page 11

This is an outline of what you need to do, and how long the process is likely to take.

The Academy originates US Federal loans no earlier than 1st July, usually near the end of July. New students must meet the Conditions of Entry specified in their offer: payment of the 25% tuition fee deposit which is requested in the Spring, receipt of your two references (Practical and Academic), proof that you can matriculate onto your degree programme, and a satisfactory English Language test result if that is required. Originated loan funds are disbursed during the academic year as detailed later in this document.

JANUARY onwards

- Complete online **FAFSA** <https://fafsa.ed.gov/deadlines> www.StudentAid.gov/fsaid

This can be done at any time after FAFSA 'goes live' on **1 JANUARY** for study periods commencing after 1 July. You will be asked to create an FSA ID to access the system.

- Check your **SAR**

Your SAR will be sent to you when you have completed the FAFSA: you should read the SAR thoroughly and carefully to make sure your data is correct, and to be certain that there are no problems which may affect your loan eligibility. [See Page 3 of this book.] You do not need to send us the SAR, we will be able to access it online when you've made your loan application (see below).

APRIL/MAY

- Pay the tuition fee **deposit**.

Normally the tuition fee deposit is due in **APRIL or MAY**, you are invoiced by our Finance Department [*Fees supervisor: Julie Kelly*] after you have officially accepted your study place. Payment is due four weeks after the invoice date. This deposit *cannot* be paid with your Federal or private loan funds because these are not available at this point. We suggest using a credit card, or a short-term bank loan, to pay the deposit if you do not have the funds in existing savings.

MAY/JUNE

- **Complete online loan application at <https://studentloans.gov>** at any time **after 1st MAY** (the default 'go live' date for foreign-school loan applications), and preferably **before the end of JUNE**. If you apply earlier, remember that any credit checks you take as part of the loan process will expire after 180 days. The Academy begins loan origination during July. When you have submitted your application, we will be able to see your SSN details and will use those to access your SAR online.
- **Sign electronic MPN** online each year for each type of Federal loan.
- **Take Entrance Counselling**, Entrance Counselling is compulsory for your first Subsidized, Unsubsidized or PLUS loan.

JULY/AUGUST

In **JULY**, after the US loan online processing tools used by Foreign Schools have been updated with the coming academic year's data, and **after you have completed your online loan application in studentloans.gov**, the Admissions Manager calculates your COA and Educational Need [see Page 4 of this book] and asks you to confirm the loan amounts. We need a 'wet signature' so you will have to send us a paper confirmation signed with ink. After receipt of the confirmation, the Admissions Manager requests confirmation from our Finance Department that we have received your **tuition fee deposit** (this can take up to two weeks from the date your payment is made), and also verifies that new students have provided **the required references, a copy of their matriculation documentation** and [if required] a suitable **English Language score**. After this, the Admissions Manager originates the loan/s and notifies you of the disbursement schedule.

- UK Tier 4 student visa. The Academy will courier a loan letter to you after your loan amount has been agreed, the letter is in the correct format for you to use if you need it for your UK Student Visa application. [See Page 13 of this book.] Students already enrolled at the Academy will receive the letter by email.

- Tuition fee balance: You do not have to pay the remaining tuition fee balance in August if we have originated a loan to cover the amount. The remaining tuition will be deducted proportionally from your loan payment disbursements. [See Page 3 of this book.]

SEPTEMBER

- **Academy's Enrolment Week:** arrive at Academy and enrol. After you have enrolled in person in **SEPTEMBER**, Federal loan funds are drawn down from the US Government ('disbursed'), and the balance is paid to you for your living costs after deduction of the instalment of your tuition fee.

OCTOBER

- **Loan disbursements:** Your loan/s will be drawn down in three equal instalments, one disbursement per term (trimester). The first disbursement usually happens in the first two weeks of **OCTOBER**. [See Page 8 of this book.] You should arrange to have access to sufficient funds to cover the first month of your living costs when you arrive.

BEFORE YOU COME

1) Register with FAFSA www.fafsa.ed.gov

Eligibility

Please see page 12 for information about losing eligibility because of drug related offences under the US Higher Education Act.

The first thing you need to do is to confirm your eligibility by completing the FAFSA (Free Application for Federal Student Aid) online from 1 January at www.fafsa.ed.gov.

You have to do this **every year** if your studies here last longer than one year.

Please note that you must have gained a secondary school completion credential or its equivalent to be eligible for a Federal loan. You are not eligible for Title IV loan funds if you do not have a high school diploma, or an equivalent such as a GED, or if you do not have a certificate proving that you completed secondary school in a homeschool setting.

Students who auditioned at one of our East Asia centres or students who are not on a degree programme are, we regret, not eligible for Title IV Federal Loans; these are only available to students on our Bachelor, Masters or Research (MPhil/PhD) degree programmes.

Outgoing exchanges are not available to US students taking Title IV loans, unless the host institution is authorised to provide Federal Student Aid and is not in the USA.

It is not permitted to undertake any study in the USA as part of your course.

You must not be in default on any previous student loans.

Male students also have to be registered for Selective Service.

2) Check SAR & EFC

When you have completed that online registration, FAFSA will generate your Student Aid Report (**SAR**) which will be sent to you.

Read it thoroughly to ensure that it includes an Expected Family Contribution (**EFC**) amount, and details of all previous student loans you have received. Also you must look at the 'Comments about your information' at the end of the SAR document, to see if there are any problems which you need to fix, for example if there is a "C" flag next to your EFC amount. Any problems will be listed in the section '*What you must do now*'.

3) Apply for the loan: <https://studentloans.gov>

Federal loans are provided directly by the US Department of Education. You will need to apply **after 1 May** through their loan website <https://studentloans.gov> and you will have to sign an electronic **MPN** (Master Promissory Note) for each loan type. This is all done online and you do not need to send the Academy a copy of the MPN.

New application each year

Because we are a Foreign School you will need a new MPN **each year**, for each type of loan (Subsidised, Unsubsidised, PLUS) so you will need to complete a new FAFSA and studentloans.gov application. You must complete the new MPN for each loan before the Academy will originate the loan, and the same eligibility criteria will apply.

Entrance Counselling <https://studentloans.gov>

If this is your first Federal loan, or your first GradPLUS loan, we must have proof that you have taken **Entrance Counselling** for Subsidized/Unsubsidized loans *and* (if applicable) for GradPLUS loans before the Academy will originate your loan (see page 9, 'Responsibilities'). We see this online if you take the counselling through studentloans.gov.

Credit Check

The application process for PLUS loans includes a credit check which is valid only for 180 days. Make sure you complete this online through studentloans.gov.

For accounting and audit reasons, the Academy originates US loans **after 1 July**, usually near the end of July, and only after you've met all the Conditions of Entry specified in your Offer Letter. We must have received payment of the 25% tuition fee **deposit** which is requested in the Spring, plus the required **references** (usually Practical and Academic) and a satisfactory **English Language test** result if required.

Remember to notify registry@ram.ac.uk with your up-to-date USA address details. Part of the Federal loan process requires the Academy to confirm your address, and there will be delays if your FAFSA profile details do not match the Academy's database.

4) Tuition Fee Deposit

Julie Kelly, Finance Office

All fee-paying students must pay an advance **deposit** of 25% of the full tuition fee. The Academy's Finance Department will invoice you with payment details and dates after you accept the offer of a study place. If you have an entrance scholarship, the scholarship money will be deducted from the balance of the tuition fees, not from the fee deposit (unless you have an Academy scholarship which is greater than 75% of the fee).

PLEASE NOTE: You must pay the deposit money separately, for example with savings, a credit card or bank loan; the loan disbursements do not commence until early October, after you have arrived and enrolled.

The Academy will originate your loan **after** receipt of the deposit, and after your loan application is complete including any required credit check and receipt of your signed confirmation as detailed above (page 2).

If your loan originations are in place by the balance deadline in August, the remaining tuition amount will be deducted proportionally from your loan disbursements during the academic year, ~~so you do not have to pay the tuition balance yourself in August.~~

GLOSSARY

FAFSA	Free Application for Federal Student Aid
SAR	Student Aid Report - generated after you have completed the FAFSA
MPN	Master Promissory Note - completed online every year for each Federal loan
COA	Cost of Attendance
EFA	Estimated Financial Assistance
EFC	Expected Family Contribution
SAP	Satisfactory Academic Progress

HOW MUCH LOAN?

COA minus scholarships

The COA is basically your **full tuition and living costs**, plus any other allowable costs. We deduct any scholarships or other financial aid to find the loan amount you can borrow. Please see the examples below.

Your Tuition Fee for 2019/20

Fees are quoted in UK Pounds Sterling
www.ram.ac.uk/fees

The maximum total amount you are allowed to borrow annually is based on the **COA** (Cost of Attendance) for each academic year. This is calculated by adding up the tuition fees and your estimated living costs, plus any other allowable costs. The maximum loan amount depends on your study programme (undergraduate or postgraduate) and status (dependent or independent).

Your total overall loan figure is calculated by taking the **COA** and subtracting any scholarships or other loans (for example, private loans) which you are receiving, to give your maximum loan amount. We will go through this stage by stage for you on the next page.

US citizens normally pay the standard international tuition fees, see www.ram.ac.uk/fees.

Guidance about UK, EU and international fee status is available through that page. Information for EU & EEA citizens and international students can also be found at www.ukcisa.org.uk. Please consult the information on those websites if you feel you may be eligible for the subsidised UK/EU tuition fee rate; however possession of a UK or European passport may not be sufficient because there are additional requirements such as residency.

The fee levels stated are for **one academic year**, and are subject to annual increase.

Students coming on the Year-In study abroad programme are not eligible for Federal Loans originated by the Academy but they may be able to get them through their home institution if there is a Consortium Agreement - your Study Abroad office should be able to advise.

If you are enrolling for a programme which lasts for more than one year, you should remember that fees increase each year.

You will need to **reapply each year** through FAFSA and studentloans.gov for loan funds, and submit new MPNs.

Your MPNs do not roll forward for subsequent years' study, because we are a Foreign School.

Other Allowable Costs

Academy Estates Office
www.ram.ac.uk/accommodation
estates@ram.ac.uk
020 7873 7386

Room and board; Books, supplies, transportation, personal, miscellaneous

There is no exact figure for the actual cost of living in London (exclusive of tuition fees) because accommodation charges vary according to locality, and personal requirements differ. However, we estimate that for living in Intercollegiate Halls a single student's average costs are around £1,200 each month which means £12,000 per academic year. This amount aligns with the UK Student Finance maintenance allowance for students in inner London and the UKVI maintenance requirement for visa applications.

This figure includes rent, heating, electricity, telephone, food, daily travel fares, and also the purchase of books and materials. It is automatically included as the "Living costs" element of the COA calculation.

If you stay in London for a full calendar year the total will increase to around £14,400, though the summer vacation cannot be included in the COA.

All enquiries about accommodation are dealt with by the Estates Office in room LG86.

Flights and visas

The Academy includes the cost of two return flights when calculating the COA. We also include the cost of a visa application and the UKVI Immigration Health Charge if those are required for you to join your study programme.

Dependent care

This is (for example) for reasonable childcare costs for your dependent child or children during periods of class time and travel to the Academy.

Disability expenses

This is an allowance for reasonable expenses related to a student's disability

Loan fees

The Academy includes the Federal loan fees which have to be paid for you to receive the loans (see page 7) when calculating the amount you can borrow.

Study-abroad expenses

This is for reasonable costs associated with an approved study abroad program.

Employment expenses for co-op study are allowed in the Title 4 rules, however the Academy does not have co-op study.

Please contact the Admissions Manager if you have any questions about allowable costs and documentary evidence for those, or questions about the calculation of your COA.

COA and Educational Need EXAMPLES

Currency conversion website:

www.oanda.com/currency/converter

This is the website used as a reference by the UK Home Office. We will normally use the average exchange rate from the four weeks preceding the date in July when we commence loan processing.

If you are, for example, a USA student on Year 2 of the BMus programme, the Cost of Attendance will be calculated as follows:

Tuition fee 2019/20:	£23,000	
Living costs:	+ £12,000	(see page 4)
Flights:	+ £1,800	
Total COA :	<u>£38,800</u>	= US\$ 54,320 (assuming a rate of £1 = \$1.4)
Total overall loan amount:	US\$ 54,320	This amount can be a mix of Federal subsidised, unsubsidised and PLUS loans, see p.7, and/or private loans, see p.11.

The COA is a **maximum** amount; you may not need to borrow the full amount.

A Dependent BMus Year 2 student can borrow \$6,500 in **Subsidized/Unsubsidized loans** and so their parent may borrow up to \$47,820 with a **ParentPLUS loan**.
Total: \$54,320

Alternatively, some or all of the \$54,320 can be borrowed as a private loan.

The effect of the EFC

The Expected Family Contribution (**EFC**) may limit the subsidised & unsubsidised loan allowance. The EFC amount given on your SAR is deducted from the COA figure to give the 'Educational Need', in other words the maximum amount you can take out in Direct Subsidised and Unsubsidised loans to pay for your education.

This reduction can be made up with a PLUS or private loan. For example, if the EFC is \$45,125:

COA:	\$54,320	Maximum loan amount overall
EFC:	- \$50,000	
Educational Need:	<u>\$4,320</u>	\$4,320 is the maximum which can be borrowed with Subsidized/Unsubsidized loans . The EFC amount can be covered by a PLUS loan, see p.7, or a private loan, see p.11, so the total permitted loan amount for the year is still \$54,320 .

For the Year 2 student in the example above, the maximum loan amounts would therefore be the same as above, with \$4,320 from Sub/Unsub and \$50,000 from ParentPLUS.

Scholarships

If you are receiving additional funding, for example an Academy entrance scholarship (your offer details will tell you if you have received one) or a bursary, this will also be deducted from the COA figure. For example, if you have a scholarship worth \$2,500 and the EFC is \$47,125:

COA:	\$54,320	
Academy Scholarship:	- \$2,500	
	<u>\$51,820</u>	Maximum loan amount overall
EFC:	- \$50,000	
Educational Need:	<u>\$1,820</u>	\$1,820 is the maximum which can be borrowed with Subsidized/Unsubsidized loans . The EFC amount can be covered by a PLUS loan, see p.7, or a private loan, see p.11, so the total permitted loan amount for the year is still \$54,320

A Dependent BMus Year 2 student with a \$2,500 scholarship and \$50,000 EFC can borrow \$1,820 in **Subsidized/Unsubsidized loans** and so their parent may borrow up to \$50,000 with a **ParentPLUS loan**.
Total: \$51,820 permitted loan amount loan

Remember that the COA can also include an allowance for childcare and an allowance to assist with a disability: see page 4 for information about these and other allowable costs.

DIRECT LOANS: Subsidized and Unsubsidized (Stafford loans)

All Direct Loans fall under "Title IV" (Title Four) legislation, so Federal loans are sometimes called "Title IV loans" and the money can be referred to as "Title IV funds".

Subsidized loans are available to undergraduate students who demonstrate a financial need. The US government covers the cost of the interest accruing on the loan while you are enrolled for at least half-time study and for the six months after the end of half-time study status, but if you take longer than 150% of the standard course length before you complete your programme (6 years to complete a 4-year BMus) you begin accruing interest on these loans and you will lose eligibility for further Federal loans.

Unsubsidized loans are available to students who do not qualify for other financial aid or to students who qualify for partial financial aid but require additional funds. With an unsubsidised loan you are responsible for all the interest that accrues on the loan while you are enrolled at university and during the 6-month 'grace' period at the end of your study. The interest on this loan can be paid off monthly while you are at university, or repayment of the interest may be deferred until after you graduate or stop attending at least half-time.

Dependent or Independent?

All applicants for federal student aid are considered either "independent" or "dependent." Dependent students are required to include information about their parents on the FAFSA. By answering a few questions (for example, 'will you be 24 or older by December 31 of the school year for which you are applying for financial aid?'), you can get a good idea of which category you fit into.

The questions are available on this helpful web page:

<https://studentaid.ed.gov/sa/fafsa/infographic-accessible>

Annual loan limits

There are maximum amounts available to you annually under the Direct Loan system. The figures given here are correct for the academic year 2019/20:

UNDERGRADUATE (BMus)

- ◆ **Dependent** undergraduate degree students can request up to the following amounts:

Bachelor's, Period 1	Subsidized \$3,500 + Unsubsidized \$2,000	Total \$5,500
Bachelor's, Period 2	Subsidized \$4,500 + Unsubsidized \$2,000	Total \$6,500
Bachelor's, Period 3 or 4	Subsidized \$5,500 + Unsubsidized \$2,000	Total \$7,500

You have the option to request less than these amounts, in which case the lower amount would be certified. You can also choose to have all or part of the loan unsubsidized.

- ◆ **Independent** undergraduate students, and Dependent students whose parents are denied a ParentPLUS loan, can request up to the following amounts:

Bachelor's, Period 1	Subsidized \$3,500 + Unsubsidized \$6,000	Total \$9,500
Bachelor's, Period 2	Subsidized \$4,500 + Unsubsidized \$6,000	Total \$10,500
Bachelor's, Period 3 or 4	Subsidized \$5,500 + Unsubsidized \$7,000	Total \$12,500

POSTGRADUATE (MA, MMus, MPhil, PhD [excluding the writing-up period])

Normally a student on our postgraduate degree programmes can request up to **\$20,500** in unsubsidized loans.

Subsidized loans are not available to graduate students.

Aggregate limits

The total debt (=aggregate) you can have outstanding from Federal subsidized/unsubsidized loans combined is:

- **\$31,000** as a dependent undergraduate student (only \$23,000 of this amount may be in subsidised loans)
- **\$57,500** as an independent undergraduate student, or a dependent student whose parents are denied a ParentPLUS loan (only \$23,000 of this amount may be in subsidised loans)
- **\$138,500** as a graduate student (only \$65,500 of this amount may be in subsidised loans). The graduate debt limit includes any Federal Loans received for undergraduate study.

PLUS loan options

ParentPLUS and GradPLUS loans are available in addition to the Subsidised/Unsubsidised Loans. The PLUS loans do not count towards your aggregate limit. For information about the PLUS options, see the next page of this book.

DIRECT PLUS LOANS
ParentPLUS
GradPLUS

PLUS loans can be used to meet the difference between your subsidised/unsubsidised loan amount and the COA (minus any Academy scholarship/bursary or other separate financial support).

PLUS loans are not counted towards the loan aggregate amount, they can be used towards the Educational Need amount, and they also can be used for paying the EFC.

- Parents of Dependent undergraduate students can apply for 'ParentPLUS' loans.
- Postgraduate students can apply independently for a 'GradPLUS' loan.
- Independent undergraduates are not eligible for PLUS loans.

Eligibility for ParentPLUS and GradPLUS loans is subject to credit rating.

ParentPLUS: The parent can confirm in their online application if they are happy for The Academy to disburse excess funds (after deduction of the tuition fee amount) directly to the student. If this information has not been provided in the online application, the Academy will ask for written permission from the parent who takes the loan, authorising us to make the disbursement in that way.

GradPLUS: Postgraduates should first apply for the maximum Unsubsidized loan before applying for a PLUS loan. If you don't take your full Unsubsidized eligibility, you must provide the Academy with a confirmation statement that acknowledges you have decided to take the GradPLUS loan even though there are Unsubsidized loan funds available to you. This is because the interest rates are lower on the Unsubsidized loans.

When you apply for the PLUS loan you do not usually specify an amount; in July when your COA is calculated by the Academy, you will be advised how much PLUS loan you should take to cover the difference between your subsidised/unsubsidised loans and the COA (as noted above), then you confirm if you wish to take all, some or none of that amount.

LOAN ORIGATION

Remember that the Academy does not commence processing loan originations until **July**.

The application process for PLUS loans includes a credit check.

The Academy will originate loans in accordance with US Department of Education guidance regarding the Direct Lending process.

**INTEREST RATES AND
FEDERAL LOAN FEES**

Loan charges and interest rates are set by Congress and are published on this US Government website:

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

Correct at time of document production

For for 2018/19 the annual interest rates were:

- Subsidized loan (undergraduate students) 5.05%
- Unsubsidized loan (undergraduate students) 5.05%
- Graduate Unsubsidized loan 6.60%
- ParentPLUS and GradPLUS loans 7.60%

and each payment had the following loan fees deducted from the total amount:

<u>Subsidized/Unsubsidized loans (all types):</u>	
Loan fee	1.062%
<u>ParentPLUS and GradPLUS:</u>	
Loan fee	4.248%

The latest loan fees are available on these US Government web pages:

<https://studentaid.ed.gov/sa/types/loans/subsidized-unsubsidized#additional-charges>

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

WHILE YOU ARE HERE

Your loan is specifically for your education; this means the money has to pay off your tuition fees before paying for anything else.

There will be three disbursement dates for the loan, shortly after the start of each academic term (in October, January and May for 2019/20), and the total loan will be split into three equal amounts in accordance with the Federal loan regulations.

If you are a first year BMus student who has not borrowed before, Federal regulations mean we are unable to let you have the first instalment of your loan until the first day of classes, though that day is before the standard first disbursement date anyway.

All disbursements are subject to the following conditions:

Satisfactory Academic Progress is being made (see below)

Your enrolment is full time, or no less than 50%

You are not in the USA

You have not violated any federal compliance regulations (repayment default, fraud or drugs etc).

Loan Disbursements

Your Federal loan will be disbursed directly to the Academy. Julie Kelly in our Finance Office processes the funds after they arrive in the Academy's account. She will contact you by email to confirm the disbursement value and how much is due to be deducted from it. It is your responsibility to contact the Admissions Manager if you wish to reduce or cancel the disbursement.

Firstly, the term's instalment of your remaining tuition fee balance will be paid off. Then, you will be paid any remaining funds to use towards living costs (including a proportion of your fee deposit). This payment is made usually within 14 days of the loan funds reaching the Academy's account from the USA, and will be transacted with a direct transfer to your UK bank account.

Bank information:
www.bba.org.uk

Advice for international students: www.ukcisa.org.uk

Current security issues mean that it may take some time to get a new UK bank account; the websites of the British Banking Association and UKCISA have advice about this.

Because of the timescale for receiving the funds, and possible delays with opening a UK account, please make sure you bring enough money with you when you arrive to see you through at least one month's costs at the start of the year - you may need to have some money available at the time you apply for the UK bank account and you may also need (for example) to make an immediate payment for your accommodation. We advise that you have enough money available for this as cash, or ensure you can access your own US account funds through an ATM.

You can ask for the loan to be reduced or cancelled, for example if you find that you do not need the full loan amounts when your living costs are lower than expected. Please contact the Admissions Manager before the next disbursement is processed. However, you may find it safer to retain the agreed disbursements and then use any spare funds to make an early repayment on the loan, that will avoid the risk of running out of money during your studies.

You have the right to cancel the disbursement at any time before the disbursement date, or up to two weeks after the disbursement date.

Satisfactory Academic Progress: SAP

The Academy has to certify that you meet satisfactory academic progress (**SAP**) requirements.

The Academy is required by the US Department of Education regulations to ensure that all students receiving Federal aid meet SAP. If you fail to meet SAP you will become ineligible for US Direct Loans. The Academy's SAP policy is published on www.ram.ac.uk/usloans and on the AIR intranet. A paper copy can be supplied on request.

YOUR DETAILS IN NSLDS

The Academy is legally obliged to report your enrollment status to the US Department of Education every 60 days. This is done using the US Department of Education 'National Student Loan Data System' online database. Your loan details will be uploaded into that database and updated every 60 days. Your details will therefore be accessible by guaranty agencies, lenders and schools determined to be authorised users of the data system. If you do not wish to have your details in the US Department of Education NSLDS database, please let us know straight away, but please note this will make you ineligible to receive US Federal Loans.

SUMMER TERM

Please see Page 9 and 10 for information about Exit Counselling, which should be completed in the final year of your study programme before your summer term disbursement is approved. This is to ensure you are fully aware of the repayment terms of your loan/s.

YOUR RIGHTS and RESPONSIBILITIES

Rights

The COA can also include:

- the cost of a Tier4 UK Student Visa including the new Health Charge;
- an allowance for childcare;
- an allowance to assist with a disability.

See page 4 for more details.

By accepting your loan, you promise to accept the responsibilities that come with it, and you are also entitled to certain rights. The US Government requires the Academy to bring several things to your attention. You should know your rights and entitlements, as ignorance is not accepted as an excuse for defaulting on responsibilities.

How much you can Borrow

Subsidized/Unsubsidized Loans have fixed annual maximums of \$20,500 unsubsidized for graduates, and for dependent undergraduates the subsidized loan limits are \$3,500 (Year 1); \$4,500 (Year 2); \$5,500 (Years 3 and 4). See page 6 of this book.

Further Loans

You can borrow up to the Cost of Attendance in total (using Subsidized/Unsubsidized, PLUS and private loans) but the Academy is not allowed to authorise more than the COA. Although each student is different, your costs should be broadly in line with the guidelines on page 4.

You have the right to ...

1. Prepay your loan early without penalty;
2. A deferment on previous loans;
3. Written information of obligations;
4. An explanation of default consequences;
5. Be notified if your loan is sold
6. Cancel loan disbursements
7. Have all records and data submitted with your application for financial aid treated as confidential information, as prescribed by the Family Education Rights and Privacy Act (FERPA). The UK's Data Protection Act is our equivalent to this.

Deferments

You have the right to defer your previous loans while still "in school". You can get a deferment form from your lender/s and have it certified by the Registry after you enrol, unless your lender uses the online enrolment data available through NSLDS (see page 8).

* GradPLUS: A graduate borrower automatically receives an additional six-month deferment after the borrower ceases at least half-time enrollment.

* ParentPLUS: A parent borrower may make a request to defer repayment during the beneficiary student's in-school status and/or for an additional six months after the student ceases at least half-time enrollment.

Responsibilities

<https://studentloans.gov>

Entrance counseling gives comprehensive information about important details such as the terms and conditions of the loan, your responsibilities as the borrower, the effect of the loan on your eligibility for other aid, the use of the Master Promissory Note, interest and your repayment obligations.

Entrance and Exit Counselling – <https://studentloans.gov>

You **must** complete entrance counselling the first time you take a particular type of loan (PLUS, subsidised, or unsubsidised) before the Academy will approve the loan, and you should complete exit counselling (see page 10) before receiving the final disbursement.

Entrance and exit counselling sessions are available online at the Studentloans website:

<https://studentloans.gov/myDirectLoan/index.action>

These sessions last only around 20 minutes, they are compulsory and the Academy will need to receive proof that you have satisfied these requirements.

More information can be found on the following page:

<https://studentloans.gov/myDirectLoan/counselingInstructions.action>

Also: **Financial Awareness Counselling – <https://studentloans.gov>**

We encourage you as a first time borrower or a continuing borrower to access the US Department of Education online interactive resource 'Financial Awareness Counseling Tool (FACT)'. FACT will provide you with additional basic financial literacy and information about your federal student loan debt (and total student loan debt if you enter any private student loans). 'FACT' will estimate what your loan debt and repayment amounts are likely to be when you leave school. It also provides financial planning tips to help you make informed borrowing decisions and to understand the terms and conditions of a Direct Loan, loan repayment responsibilities and options, and the consequences of default. More information can be found on the following page:

<https://studentloans.gov/myDirectLoan/counselingInstructions.action>

Don't forget!

There may be penalties

If you default on any loan requirements, there may be serious penalties, so read all the loan documentation you are sent to ensure you are aware of the consequences.

Interest is charged

You have to pay interest on the loan amounts. Interest is charged on your loan from the day the payment is disbursed (not from the time you receive the money, which will be a few days later), and continues to be charged while you are in education. See page 7 of this book for information about interest rates.

If you have a subsidised loan, the government pays the interest while you are in full time (or at least half-time) attendance at your place of education and for the six months after the end of that study status. After that, interest is charged to you.

You are required to ...

1. Use your loan *only* for educational purposes;
2. Tell US Department of Education *and* the Academy of **address changes** during *and after* your studies;
3. Tell US Department of Education about **course changes**;
4. Tell US Department of Education about any other relevant changes.
5. Open and read your student loan mail.

WHEN YOU LEAVE... EXIT COUNSELLING & LOAN REPAYMENT

<https://studentloans.gov>

Exit Counselling

Exit counseling gives information about important details such as your average anticipated monthly repayments, repayment plan options, repayment obligations, default consequences and debt management strategies, and tax benefits.

Repayment

Research degree students on writing-up status are deemed to be on less than half-time enrolment.

Repayment options

Withdrawing: Return to Title 4 (R2T4)

Federal Loans come under the "Title IV" (Title 4) section of US education legislation.

The Academy's R2T4 policy is published on www.ram.ac.uk/usloans and on the AIR intranet

Catherine Jury, Academic Registrar
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Marylebone Road, London NW1 5HT
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This is a Loan

Like all loans, you have to repay the money. The repayments normally begin as soon as you have finished your study programme, though there is a 6-month 'grace' period in some cases. You can't decide not to repay if you didn't like the course, or if you failed. Your student loans are only cancelled if you die, become too disabled to hold any job, or become eligible for Public Service Loan Forgiveness; they are not discharged by bankruptcy. You can normally defer repayment if you will be continuing to study: see 'Deferments' above.

Shortly before the final disbursement of your study programme, or if you cease at least half-time study at the Academy (for example if you take a year out, or switch to Writing-Up status for doctorate studies, or leave before completing your programme), the Academy will provide you with **Exit Counseling** (see page 9, 'Responsibilities').

This should be completed on-line through studentloans.gov:

<https://studentloans.gov/myDirectLoan/counselingInstructions.action>. If you do not complete the online counselling, you will be emailed a copy of the Exit Counseling guide produced by the US Department of Education.

The Exit Counselling session will make sure you are aware of your anticipated loan repayment amounts, the different repayment plans which are available, and how to avoid debt-management problems which could damage your credit rating.

After you cease to be enrolled at least half-time, you will need to begin the loan repayment schedule. The Exit Counselling session will give you information about how this works, and should tell you whether there is a 'grace' period on your loan so you have time before beginning the payments.

You must make your loan repayments on time or it may have serious consequences:

- damage to your credit rating, which could impact your ability to borrow
- referral of your account to a collection agency
- incurring collection costs
- garnishment of your wages
- withholding of your state or Federal treasury payments (including federal tax refunds, Social Security benefits, etc.)
- a civil lawsuit, including court costs and legal expenses
- loss of deferment and forbearance entitlements and flexible repayment options
- loss of eligibility for further financial aid
- suspension of a professional license

There are a number of repayment options available:

- Standard Repayment
- Graduated Repayment
- Extended Repayment
- Income-Based Repayment
- Pay As You Earn Repayment
- Income-Contingent Repayment
- Income-Sensitive Repayment

You will always pay the least amount of interest under the Standard Repayment Plan. Other plans and estimates of how much you would pay monthly and overall can be found on the US Department of Education Repayment webpages:

<http://studentaid.ed.gov/repay-loans/understand/plans>

If you withdraw

If you withdraw from your course during the year, or if you fail to attend, the Academy will inform the US Department of Education and any 'unearned' part of your loan has to be immediately repaid. This is known as 'Return to Title 4'.

You 'earn' your loan money by attending your study programme, so the 'unearned' part of your loan is calculated from how much of the payment period you have attended; it is not how much money you have left. For example, if the first payment period (term 1) is 70 days long and you withdraw on day 21, then 49 days worth of your loan – 70% – is unearned and has to be immediately repaid. The 'earned' part of the loan (21 days worth) must be repaid to your lender according to your normal loan repayment terms.

If you leave during the year, you must notify the Academy by writing to the Academic Registrar; you will owe the Academy the tuition fees for the remainder of that academic year. These fees won't be covered by your loan, which will cease from the date you leave, so you may wish to consider taking insurance against this circumstance.

The procedures for withdrawing are detailed in the Academy's Regulations which are available on www.ram.ac.uk/policies-and-procedures.

OTHER LOANS

Federal Direct Loans are only available for degree programme study. Private loans are also available for degree programme study, and may be available to support study on other types of programme. Do check the terms and conditions, the Title 4 programs may be more favourable.

Please see:

www.ram.ac.uk/financial-support

You may find that some financial support for foreign study is available within your State, for example from New Jersey Higher Education Student Assistance Authority, Bank of North Dakota, Vermont Student Assistance Corporation.

The Royal Academy of Music has no 'preferred lender' and cannot endorse a particular lender; you can choose who you like, but you should ensure that the lender is fully experienced in the different regulations which apply to foreign schools and that they will actually offer loans for study outside the United States in the 2019/20 academic year.

The Academy is pleased to accept loans from any lender who is prepared to provide loan support for study. Some lenders may offer private loans towards study costs, and some government funding may be available through your state administration. You may be able to use these towards study programs which do not match the criteria of the Federal loan system, or if there is a reason why you cannot take a Federal loan yourself. Students studying on degree programmes, diploma programmes, certificate programmes and study abroad programmes are usually eligible for a private loan.

Before applying for a private loan, students should always explore all of their federal loan eligibility, and parents may also want to consider using federal parent loan funds before co-signing a private loan for a student.

It is usually advisable to apply for one full academic year at a time rather than on a termly basis. This avoids multiple hits on borrower credit reports, and ensures that you have a way to cover your costs for a full academic year.

We recommend that students have a co-signer if they apply for a private loan. A co-signer assumes responsibility for a loan if the borrower fails to repay. Having a co-signer on the loan can result in a lower interest rate and reduced fees.

The Academy works on loan processing **after 1st July**, but only after you've met the Conditions of Entry specified in your Offer Letter: payment of the 25% tuition fee deposit which is requested in the Spring, receipt of your two references (Practical and Academic) and a satisfactory English Language test result if that is required.

- Tuition fee deposit and loan disbursements

Please note that private loan funds are not disbursed until after you have enrolled on your study programme. This means the 25% advance deposit payment which is due in the Spring must be sourced independently, for example with your savings, a credit-card payment or a short-term bankloan, and you will also need to bring enough money with you for at least one month's living costs at the start of the academic year. The first disbursement will normally be around 1 October.

Unless you are using the private loan funds to support a visa application, the loan will normally be disbursed in two equal instalments, one after you have enrolled, and the other during the Spring term. If you prefer three equal termly instalments, you can request this from the Admissions Manager after you've submitted your loan application for certification.

- Confirmation of loan funds for visa application

If you are using a private loan as proof of your finances for a Tier 4 UK Student Visa (see above), you will need to request an original letter from the loan provider, the letter cannot be issued by the Academy, and the loan has to be distributed in one single payment. That means interest on the entire amount will be calculated from the payment date.

Private loans are limited to the COA amount applicable to your studies, minus scholarship/bursary awards, (see Page 4), and the Academy will certify private loans after receipt of the tuition fee deposit payment (see Page 4). Private loans are subject to credit checking.

You can compare lender benefits and interest rates on the websites of companies who have experience lending to students on programmes outside the USA, for example (alphabetically):

Global Education Management: <https://www.mygloaled.com/InternationalStudentLoans/>

Sallie Mae International: www.salliemae.com

Sallie Mae interest and repayment details for the SMART loan are published here:

www.salliemae.com/student-loans/get-ready-to-borrow

You can contact individual lenders for further details of their private loan options, and also see www.ftc.gov/bcp/edu/pubs/consumer/credit/cre43.pdf

Private loans: extra requirements

1. Self-Certification Form: Student borrowers are now required to complete a Self-Certification Form for each loan application they submit and return it to their lender as part of the loan application process. The lender should provide you with a copy of this form and most lenders recommend that you use the form they provide, though the Royal Academy of Music will provide the form on request. All Self-Certification forms should be sent to the student's specific lender; the form requires you to report your cost of attendance and estimated financial assistance (EFA), the Admissions Manager can assist with these figures.

2. Active Acceptance of Loan: Student borrowers are now required to "actively accept" the terms of their loan approval before their school will be notified that school certification is required. The lender's terms for how to "accept" the loan terms can be found on the private loan approval disclosure form provided to the borrower.

3. Right to Cancel: Borrowers and/or cosigners have the right to cancel or rescind a loan offer within 3 business days after receipt of Final Disclosure. During this time, the lender cannot disburse loan funds. This cancellation period cannot be waived in order for funds to disburse more quickly. This may cause a delay in the disbursement of loan funds to your student account. Be sure to apply several weeks before funding is needed.

ROYAL ACADEMY OF MUSIC: CONSUMER INFORMATION

This information is provided for your guidance, as required by US Federal Regulations.

The Academy's Regulations are available on the Policies and Procedures page of our website and a paper copy will be provided on request.

Institutional and Financial assistance Information for Students: Information about Federal, institutional, local and private financial assistance and contact information is published on www.ram.ac.uk/financial-support : this URL is sent to all new students and circulated to all current students annually. The Academy's Regulations are available on www.ram.ac.uk/policies-and-procedures

Student Financial Aid Information covering the following points is in the Information book about USA Student Loans published on www.ram.ac.uk/usloans :

- Terms and conditions of the Title IV HEA (Higher Education Act) loans
- Criteria for selecting recipients and determining the award amount
- Eligibility requirements and procedures for applying for aid
- Methods and frequency of disbursements of aid
- Rights and responsibilities of students receiving Title IV HEA student financial aid, including the criteria for continued student eligibility and standards for satisfactory academic progress
- Terms of loans received as part of the financial aid package, and the necessity for repaying loans
- Procedures and forms by which students apply for assistance
- Entrance counseling for Student Loan Borrowers (not for ParentPLUS loans)
- Exit counseling for Student Loan Borrowers
- Student Loan information published by the US Department of Education
- Submission of loan information to the National Student Loan Data System (NSLDS)
- Our Code of Conduct for US education loans
- The accreditation of our degree programmes because we are a 'Recognised body' under UK law, confirmed by the UK Government and HEFCE.

Disability Information: Information about the Academy's available services can be obtained from www.ram.ac.uk/disability and from the Disability Advisor, Ms Judy Fink, j.fink@ram.ac.uk . Related costs can be included in the Cost of Attendance when applying for Federal or private loans.

Computer Misuse: For information relating to misuse of computers please refer to the **Regulations**, section SD3.

Price of attendance and Refund Policy: Information about the price of attending the Academy is published on www.ram.ac.uk/fees and our refund policy is published on www.ram.ac.uk/study/studying-at-the-academy/study-fees/payment-of-fees

Academic Programme Information is published in this section of our website: www.ram.ac.uk/programmes-of-study and information about transfer of credit and accreditation of prior experiential learning (APEL) is in this section of our website: www.ram.ac.uk/entry-requirements

Privacy of Student Records: The Family Education Rights and Privacy Act (FERPA) does not apply in the UK but it is equivalent to the UK Data Protection Act, referred to in our **Regulations**.

Copyright Infringement: For information relating to copyright and intellectual property rights, please refer to the **Regulations**, section G11.

Drug and Alcohol Policy: For information relating to the Academy's Alcohol and Drugs Policy, see www.ram.ac.uk/welfare. A notice about this is circulated to all staff and students each year. The US Department of Education provides information on the penalties associated with drug related offences under the US Higher Education Act: <https://www2.ed.gov/policy/highered/leg/hea98/sec483.html>

Should you lose eligibility for your US student loan as a result of these penalties, we will provide you with a written notice which notifies you of your loss of eligibility and advise you of the ways in which to regain eligibility.

Vaccinations: Although there is no institutional policy on vaccination, for information relating to health issues, including advice about recommended vaccinations, please see www.ram.ac.uk/health

Textbooks: The Academy provides a list of recommended reading to new undergraduate students, however there are no required book purchases.

Fire Safety: Information about this is available from our Health and Safety Office, safetyadvisor@ram.ac.uk and the Academy's Fire Emergency Plan is published on the AIR intranet.

Crime: The Academy's crime rate is available online, enter our postcode NW1 5HT in the "crime map" or "your neighbourhood" sections of <https://www.police.uk/>

Retention, completion/graduation and transfer-out rates: The Academy's official statistics are published online, and are available through the Higher Education Standards Agency website: <https://www.hesa.ac.uk/data-and-analysis/performance-indicators> and https://www.hesa.ac.uk/files/UKPIs_2015-16_Non-continuation_0.xlsx

Placement in employment, graduate or professional education: Statistics from the Destination of Leavers from Higher Education survey is available in the Key Information Sets available from UNISTATS: <http://unistats.ac.uk/>

The Royal Academy of Music does not have any Athletically Related Student Aid, or an intercollegiate athletic programme as defined by the US Department of Education, and we do not provide on-campus housing. We have no 'preferred lender' arrangement.

UK Tier 4 Study Visa

www.ram.ac.uk/immigration-advice

<https://www.gov.uk/tier-4-general-visa>

The UK government's rules for getting or extending a student visa mean that if you are using Federal or private loan funds to pay all or part of your UK tuition and living costs, you will need an original paper letter from the Academy (or from your lender if you have a private loan) which proves the amount of your loans and that they have been originated.

UKVI does not accept emails, PDFs, or internet screenshots.

Remember that the Academy originates US loans **no earlier than 1st July**.

After the Federal Direct loan origination process is complete, the Academy will send a letter to you by courier delivery. The letter is in the format approved for use in support of a UK student visa application, and replaces the requirement for having bank statements.

If you are taking a private loan you will need to request a letter from the loan company. Because emails are not accepted by UKVI, to ensure you get a hard-copy letter we suggest you do not agree to receive any communications electronically from your private lender.

To get the UK student visa ('Tier 4'), you need to be Sponsored by the Academy, which means we give you a **CAS Number** which you quote with your visa application.

The CAS Number is allocated **on request** after you have met all the Conditions of Entry; that is to say, after we have received payment of the 25% tuition fee deposit, two satisfactory references, a satisfactory English Language result if required, **and** proof that you can matriculate onto your Academy study programme.

To request a CAS Number you need to use the Visa Sponsorship Tier 4 CAS Request Form which is available on our Immigration Advice web page: www.ram.ac.uk/immigration-advice

You will also need to have an original matriculation document when you make your visa application; for example, if you are coming to join our MA or MMus you will need the original transcript or certificate proving you have gained the Bachelor Degree which allows you to join the Masters programme. You must send the Registry Office [registry@ram.ac.uk] a JPEG or PDF scan of this document if you have not already sent us a photocopy, because the document has to be specified within your CAS details. Please retain the original documentation in case you are asked for it by the UK Entry Clearance Officer.

Most students who are eligible for US loans will be 'Low Risk' visa applicants, please look at the UKVI website guidance for their latest rules about this. If you are 'Low Risk' you are eligible for the 'differentiation arrangements': you do not have to include financial proof or your original matriculation document with your visa application, but you must have the documents available in case the UK Entry Clearance Officer decides to ask you for them. See the guidance document (Tier 4 Policy Guidance) available through

<https://www.gov.uk/tier-4-general-visa/documents-you-must-provide>.

'Low Risk' visa applicants: Differentiation Arrangements

Code of conduct for education loans

The Royal Academy of Music's code of conduct for US education loans is as follows:

In order to prohibit a conflict of interest with the responsibilities of an agent with respect to private education loans, all agents at the Academy with responsibility for US loans are subject to the Code of Conduct which prohibits:

- revenue-sharing arrangements with any lender;
- receiving gifts from a lender, a guarantor, or a loan servicer;
- contracting arrangements providing financial benefit from any lender or affiliate of a lender;
- directing borrowers to particular lenders* or refusing or delaying loan certifications;
- offers of funds for private loans;
- call centre or financial aid office staffing assistance; and advisory board compensation.

The Academy will not assign a lender to a borrower.

All agents with responsibility for US loans are reminded at least annually of the code.

* If you are applying for a private US student loan, the Academy will work with whichever private lender you decide to use, if they are willing to work with us. Please note that we are only aware of one lender currently offering such loans for students from all parts of the USA, that is Sallie Mae. Sallie Mae is not a preferred lender and this does not represent a preferred lender arrangement.

AOTC

EIN: 98-0409002

The American Opportunity Tax Credit (AOTC) is a credit for qualified education expenses paid for an eligible student for the first four years of higher education. You can currently get a maximum annual credit of \$2,500.

To check your eligibility to apply for the American Opportunity Tax Credit, you can find information on the IRS web page:

<https://www.irs.gov/credits-deductions/individuals/aotc>

You will need a valid taxpayer identification number (TIN), and the Academy can provide you with a 1098-T form.