

# Loans for U.S. Citizens at The American University of Paris (2019/2020)

*Students must apply for loans every academic year that they attend the university, per federal regulations.*

## I. Types of Loans Available:

### Federal

The American University of Paris is Title IV-eligible and participates in the William D. Ford Federal Direct Loan Program administered by the United States Department of Education (Dept. of Ed.). Eligible students from the US who attend our school may borrow through the Direct Loan Program. As a foreign-based school (meaning our campus is located in a foreign country), the following federal loans are available for us to administer:

#### 1. **Stafford (Subsidized/Unsubsidized) Loan**

The U.S. Department of Education offers eligible students at participating schools Direct Subsidized Loans and Direct Unsubsidized Loans, known commonly as Stafford Loans, to help cover the cost of higher education.

[Direct Subsidized Loans](#) are only for eligible undergraduate students who demonstrate *financial need* (based on [FAFSA](#) results; information below, II 1) to help cover the costs of higher education at a college or university.

[Direct Unsubsidized Loans](#) are for eligible undergraduate and graduate students but, in this case, the student does *not* have to demonstrate financial need to be eligible for the loan.

- Loan amount is fixed according to student academic level (i.e. freshman, sophomore, etc.)
- Borrowing the full loan amount of this loan with no other loans will not cover full tuition at AUP
- Interest rate is typically better than for any other educational loan

#### 2. **PLUS Loans**

[PLUS Loans](#) are federal loans that graduate students and parents of [dependent](#) undergraduate students can use to help pay education expenses. These loans are known commonly as the Graduate PLUS and Parent PLUS, respectively. Please note that, as part of the application process, this loan is subject to a credit check and the credit must be approved before the loan will be certified. More details on the PLUS Loan application can be found on page 2.

- For the Parent PLUS the borrower is the parent of an undergraduate student; for the Graduate PLUS, the borrower is the graduate student
- Loan amount is personal and different for each student based on FAFSA results and receipt of any AUP institutional financial awards
- Loan can cover full tuition and fees at AUP, as well as living expenses in Paris

#### 3. **Additional Information**

The following federal loans and grants are **not available** to AUP students: **Pell Grants and Perkins loans.**

*Do not forget that [interest rates](#) from the Dept. of Ed. are fixed for all borrowers. There are fees (just over 1% for the Stafford, just over 4% for the PLUS) that are taken out of each loan at the time of each loan disbursement (i.e. when the Dept. of Ed. releases the loan funds to AUP).*

### Private

#### 1. **Smart Option Loan** (Third-Party Lender: Sallie Mae)

Private student loans are nonfederal loans made by a lender such as a bank, credit union, state agency, or a school. Our experience is that most private lenders will not lend to students who are studying as degree-seeking students at foreign-based schools. Sallie Mae, however, offers the Smart Option Loan, which is available to our [undergraduate](#) and [graduate](#) students.

- A cosigner is encouraged and may help give you a better chance of approval. A cosigner can be anyone who has good credit (does not have to be family member)
- Loan amount is personal and different for each student, based on FAFSA results and receipt of any AUP institutional financial awards
- Loan can cover full tuition and fees at AUP, as well as [estimated living expenses in Paris](#)

If you find another private lender willing to lend to you, you must let the [Student Accounting Services](#) and [Financial Aid](#) Offices know.

## II. How to Apply For Loans:

Most eligible students will choose to apply for the federal Direct Loans. They will generally apply for a Stafford Loan first because of the favorable interest rates/terms and then apply for a Parent PLUS or Graduate PLUS Loan to cover up to the rest of tuition and fees (as well as living expenses, if desired). In some cases, however, we have seen students apply for the Smart Option Loan if the interest rate and terms are more favorable. You can only compare rates and terms if you apply. You'll let us know your choice in your AUP Loan Plan(details below, II. 4).

For more information about private and federal student loans visit: <http://studentaid.ed.gov/>, [www.studentloans.gov](http://www.studentloans.gov), [www.salliemae.com](http://www.salliemae.com), or the Department of Education's Direct Loan Program website, <https://www.ed.gov/>.

### 1. Fill out the FAFSA

Before applying for any financial assistance – whether it is loans or AUP's institutional financial award – students are required to first complete the Free Application for Federal Student Aid or FAFSA: [www.fafsa.ed.gov](http://www.fafsa.ed.gov).

Add AUP to the list of schools to receive your FAFSA results, using AUP's Title IV code: **G07881**. Be sure that you complete the FAFSA for the academic year that you will be attending AUP and not a previous year. FAFSA applications are available every October 1 for the following calendar year.

**ONLY FILLING OUT THE FAFSA DOES NOT MEAN THAT YOU HAVE APPLIED FOR ANY LOANS OR AUP FINANCIAL AWARDS.**

### 2. Determine your Loan Eligibility

The Department of Education calculates the annual amount you can borrow in loans, known as your loan eligibility, in the following way: total cost of attendance (tuition + fees + estimated living expenses) minus institutional scholarships and tuition awards. If you received a financial award letter or a loan eligibility letter by email from the admissions office, it will detail your loan eligibility. (If you have not received either letter, [contact the admissions office today](#)). The eligibility will look like this (*note that amounts vary*):

Subsidized Stafford Loan	\$ 3,500
Unsubsidized Stafford Loan	\$ 6,000
Parent PLUS/Graduate PLUS/Private loan (subject to credit check)	\$ 37,414

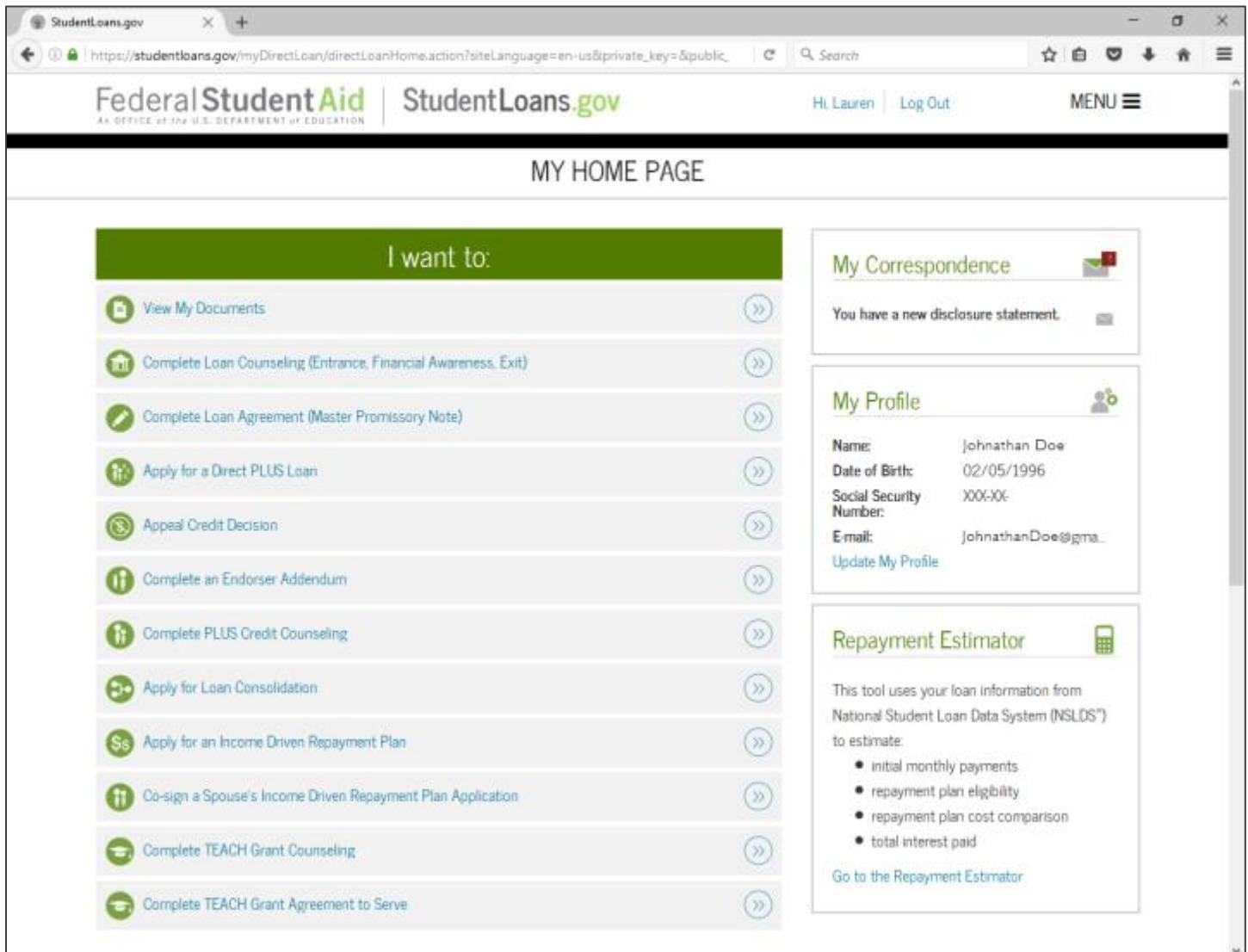
**Please note that in order to receive loans, you must be registered for at least 6 credits in a given semester. If you are registered for any less, you will enter your 6-month grace period or may be required to start repayment.**

**IMPORTANT FOR INCOMING STUDENTS:** We can only certify loans for students who have officially confirmed their attendance to AUP by the first section of the admitted student checklist online as outlined in your admissions acceptance email. You cannot use loan funds to cover the confirmation deposit.

### 3. Apply Online

#### Federal Loans

Go to [www.studentloans.gov](https://www.studentloans.gov) and log in with the same pin number you used for your FAFSA application. After logging in, you will be taken to the My Account page: (Note that the site design may have recently changed, but the requirements are still the same).



When completing your loan requirements on this site (diagram above), you can either use the main options in the center of the page (in blue) or the menu options in the left-hand column.

- Complete the Entrance Counseling Session for the loans you intend to borrow, even if you have already done it in previous years. Navigate to the “Complete Loan Counseling” option, second option on the list (see above diagram). Choose the “Entrance” option.
- Stafford (Subsidized/Unsubsidized) Loan:  
Navigate to the “Complete Loan Agreement (Master Promissory Note)” option, third on the list. Fill out the corresponding Master Promissory Note (MPN) in its entirety.
- PLUS Loan:

- You must first *request* the PLUS loan before completing the Master Promissory Note (MPN). Navigate to the “Complete PLUS Credit Counseling” option, seventh on the list. This will run a credit check. Within 24 hours you will receive an email from Direct Loans with approval or denial of the credit.  
The credit approval will say: You are approved to borrow a Direct PLUS Loan.  
The credit denial will say: Your request to borrow a Direct PLUS Loan is denied...
  - After you receive notification that you are approved, log back into [www.studentloans.gov](http://www.studentloans.gov) and navigate to the “Complete Loan Agreement (Master Promissory Note)” option, third on the list. Fill out the corresponding MPN (i.e. Parent PLUS or Graduate PLUS) in its entirety.
  - If your request was denied, you have two options: a) resolve your credit issues as quickly as possible and keep us informed ([email admissions@aup.edu](mailto:admissions@aup.edu)); or b) endorse your loan. Endorsing entails having a 3<sup>rd</sup> party co-sign the loan in the name of the parent/the graduate student. Be in close contact with Direct Loans for assistance.
- d. Despite Direct Loans informing you that AUP will receive notification of your loan process, this is often not the case. It’s highly important that you be in touch with us via [email to admissions@aup.edu](mailto:admissions@aup.edu).

### Private Loan (Smart Option)

Apply on the Sallie Mae Web Site: [www.salliemae.com](http://www.salliemae.com). Follow the steps through to completion.

We have seen students apply for the Smart Option Loan for two main reasons:

- The interest rate is lower because the co-signer has strong credit
- For undergraduate students, the student is the borrower and payment is deferred until after graduation, unlike the Parent PLUS loan.

## 4. Complete the AUP Loan Plan

If you are reading this document, you should have also received the AUP Loan Plan as an attachment in the same email. If not, [contact the admissions office](#). Failure to submit the Loan Plan will delay the certification of your loans.

## III. I’ve Applied. Now What?

We certify loans starting in July of every year because the new academic year begins at that time for the Department of Education (for the following September). As long as you have successfully completed all of the above steps, and any credit check for the PLUS and private loans is still valid, your loan is guaranteed. [Please check with us](#). Keep in mind that your loan eligibility will never change, whether you apply for federal or private loans. Loan eligibility is tied to [our official cost of attendance](#), your FAFSA, and your AUP institutional financial awards.

### 1. How is tuition paid?

All students receiving loans are automatically put on AUP’s semester payment plan. Note that AUP invoices will *not* include your loans. If you have borrowed only the Stafford loan, you will have a balance due to AUP, since it does not cover full tuition. Contact the Office of Student Accounting Services (SAS) to find out what you owe: [sas@aup.edu](mailto:sas@aup.edu). Tuition and fees are due by July 15<sup>th</sup> for September entry and by December 15<sup>th</sup> for January entry. If you’ve selected to borrow your maximum loan eligibility, you will not owe any tuition or fees to AUP and will be able to disregard tuition reminders from SAS. [Please check that your loans are all set with us](#).

Federal loans: We receive federal loan funds from the Department of Education as early as legally possible: ten (10) calendar days before the first day of classes, for each semester. Federal regulation dictates that you cannot receive your loans for the entire year in a lump sum at the start of the academic year. When the funds arrive, the Office of Student Accounting Services (SAS) credits your AUP student account with the appropriate amounts in Euros using the official daily exchange rate.

Private loan: Your Smart Option Loan will arrive at AUP in the form of a check. You will sign the check in person at the Office of Student Accounting Services (SAS) as early as the week before classes begin (during orientation week). They will then apply it to your AUP student account.

### 2. What about future semesters?

Remember that loans are applied to your AUP account as early as ten days before the first day of classes and that AUP invoices will not include your loans. If you have followed all of the above instructions and [checked with us that your loans are all set](#), you can disregard tuition payment reminders from SAS because when we certify a loan, we certify it for the entire academic year, setting up disbursements for the fall and spring semesters.

### 3. How do I get my living expenses?

Loans that are credited to your AUP student account are first applied to your tuition, fees, and any charges you may owe the university. Leftover loan funds are yours to use for living expenses. You retrieve these funds from the SAS Office: they will hand you a Euro check for you to deposit on your local bank account. Please contact them at [sas@aup.edu](mailto:sas@aup.edu) should you have any questions about your living expense check.

Note: It is **your responsibility to budget** your living expenses throughout the semester. **For incoming students:** You can preopen a bank account in your admitted student checklist and meet with bank representatives during orientation week.

### 4. How do I pay for BlueStripe housing?

If you have borrowed enough loans to cover living expenses, the living expense check you receive will include the funds for you to pay for BlueStripe or any of your housing. Therefore, it is *your responsibility* to pay BlueStripe or any housing charges for the semester or year right away after retrieving your check from the SAS Office. **AUP does not make this payment on your behalf.**

## IV. Additional Information & Contact

For more information on AUP's Financial Aid policies and loans, please visit our website: [undergraduate financial aid](#) or [graduate financial aid](#).

If you have questions, please refer to our [undergraduate financial aid FAQs](#) or our [graduate financial aid FAQs](#).

If you have trouble finding the right answer, you can also contact us using one of the methods listed below:

- To contact the AUP Financial Aid Office, call: +33 1 40 62 07 20 or [email us](#).
- To contact Student Accounting Services, call +33 1 40 62 07 11 or [email them](#).