

University of Aberdeen
Financial Aid Packaging Policy and Procedures

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Section 1 – Packaging

Financial aid packaging for students takes place throughout the academic year.

1.1 What is packaging?

Packaging is the process of awarding aid without exceeding the student's financial need. You will be emailed a document called a Financial Aid Package that will provide you with information on the aid that you are eligible for along with terms and conditions and other information related to the loans that you are considering.

1.2 What funds can be packaged?

The University of Aberdeen can package the following loans:

- Federal Loans
 - Subsidized Direct Loans
 - Unsubsidized Direct Loans
 - Parent PLUS Loans
 - Graduate PLUS Loans
- Private Loans
 - Earnest Student Loans
 - Sallie Mae Student Loans

University of Aberdeen students commonly utilize the above list of lenders offering private educational loans. This is not a comprehensive list of all the private educational loans available to you. You are not required to select one of these lenders. Inclusion on this list is not an endorsement or recommendation by the University of Aberdeen. If a parent or student has worked with a lender not listed above and has received excellent benefits and quality service, please recommend this lender to us by emailing usaloans@abdn.ac.uk

More information regarding private loans can be found here –

- <https://www.abdn.ac.uk/students/finance/us-federal-direct-loans.php#panel2208>

Section 2 – Definitions

- CoA– Cost of Attendance
 - The CoA is an estimate of your education related costs for the academic year. The CoA will specify the maximum amount you may be eligible to borrow minus any other aid you may be receiving such as bursaries, scholarships or other loans.
 - It is based on average local costs.
 - Consists of 2 elements
 - Tuition Fees
 - Living Expenses
- FPS – FAFSA Processing System
- SAI – Student Aid Index
 - Determined by CPS using a single need analysis formula. Replaces the Expected Family Contribution (EFC) as a formal evaluation of a student's approximate financial resources to contribute toward their postsecondary education for a specific award year.
- OFA – Other Financial Assistance
 - Scholarships, bursaries, grants, other loans. Term used in lieu of Estimated Financial Assistance (EFA) when factoring in other aid to determine the amount of a student's need- and non-need-based financial aid.

- FAFSA–Free Application for Federal Student Aid
 - Complete via <https://studentaid.gov/>
- Federal Student Aid
 - <https://studentaid.gov/complete-aid-process/how-calculated>
- FAFSA Submission Summary
 - Replaces the Student Aid Report (SAR) as the student’s output document providing a summary of data input on the FAFSA form.
- Negative SAI - Negative Student Aid Index
 - The Student Aid Index (SAI) can be a negative number (down to -1500) which can be used by institutions to determine students who have the most financial need. Note that when packaging a student for Title IV need-based aid, a negative SAI is converted to a 0 SAI in the packaging formula.

Section 3 – Cost of Attendance

Cost of attendance is the University’s estimate of a student's educational expense for the period of enrolment. Cost of attendance includes tuition and fees as well as an estimate of the living expenses a student will pay for other costs.

- Living expenses include the following items. More detailed information can be found here – <https://www.abdn.ac.uk/students/finance/us-federal-direct-loans.php#panel2228>
 - Rent / Housing
 - Utilities (Gas / Electric / Internet)
 - Food
 - Local Travel Expenses
 - Personal Costs (detailed information is available on the CoALink)
 - Books / Computer Equipment / Printing
 - Two Return Flights
 - Visa (1st year students only)
 - Healthcare surcharge (1st year students only for the duration of their programme)
 - Approximate Origination Fees (Federal Loans only)
 - Childcare or nursery cost (awarded on a case-by-case basis)

The University may not certify more financial aid than a student’s cost of attendance budget unless under professional judgment of special circumstances. See section 4.7 for information on professional judgment.

All costs are based on limitations to the amounts and other criteria set by the Federal Regulations.

Section 4 – Federal Title IV Loans

Any student or prospective student who wishes to be considered for Federal financial aid at the University of Aberdeen is required to complete a Free Application for Federal Student Aid (FAFSA) via <https://studentaid.gov/> and either be currently studying at the University of Aberdeen or have applied to the University of Aberdeen.

If you have applied directly to the University or via UCAS we will be in contact in May / June with information regarding when to expect your Financial Aid Package. If you are a Common App applicant, you will need to accept your place at the University of Aberdeen before we can carry out your assessment as the package is specific to your degree/ situation.

4.1 Determining Financial Aid Eligibility.

1. After a student submits their FAFSA to the Federal Student Aid website, CPS (Federal Central Processing System) utilizes a single need analysis formula (the Federal Needs Analysis Methodology) to analyse the student's FAFSA information and determine their SAI (Student Aid Index). More information can be found here: <https://studentaid.gov/help-center/answers/article/what-is-sai>
2. The Student Aid Index is the amount a family can reasonably be expected to contribute towards the cost of attending university and will determine the amount of subsidized Federal Student Aid the student qualifies for in an academic year. "Subsidized" aid includes Subsidized Student Loans.
3. Aid applications are processed by the University of Aberdeen US Loans team on an individual basis. All required elements and eligibility criteria are reviewed, and the appropriate funds are allocated to the student upon completion.
4. If you wish for professional judgment to be used for special or unusual circumstances, please see 4.7 Professional Judgment for more information.

4.2 Procedure for Assessing Eligibility.

A review of the following information is made before sending your financial aid package.

- Is there a C flag on your FAFSA Submission Summary? If so, what needs to be amended?
- If you are providing your driver's licence information, please ensure you either provide both number and state or leave both questions empty.
- Citizenship status or permanent resident status
- Dependency status
- Aggregate loan award amounts
- Not in default or repayment on any Title IV financial aid program
- Do you have a high school diploma or equivalent, or have you completed a high school education in a home-school setting approved under state law?
- Be enrolled or accepted for enrolment on an eligible degree programme.

- Your grade level and type of degree should match what you will be studying in the academic year you are being assessed for. If you are unsure, please email usa loans@abdn.ac.uk and we can let you know.
- The Federal School Code should read University of Aberdeen, Aberdeen, FC (G09368)
- Are you enrolled at least half-time?
- Are you maintaining Satisfactory Academic Progress (if a returning student)?

4.3 Steps to Packaging

- Determine a student's Cost of Attendance budget and SAI.
 - CoA consists of tuition fees and living expenses budget.
 - The living expenses budget is determined by degree level, year of study and dependency status. Professional judgment amendments can be made on a case-by-case basis.
 - Determine SAI as stated on the FAFSA Submission Summary.
- Identify if a student has any financial assistance (OFA).
- Identify aggregate loan limits for Subsidized and Unsubsidized loans previously awarded.
- Assess a student's eligibility for Subsidized, Unsubsidized and Parent PLUS/ Grad PLUS / Private Loans.
- Student is emailed a Financial Aid Package for consideration.
- Student (and parent, if taking Parent Plus), should complete the required supporting documents as stated in the Financial Aid Package.
- Student (and parent, if taking Parent Plus), should sign and return the package or notify of any amendments that are required.

4.4 Assessing Eligible Amounts

Undergraduate students can be assessed for both Subsidized and Unsubsidized as well as Parent PLUS/ Private loans. Postgraduate students can be assessed for Unsubsidized and Grad Plus/ Private loans.

- Identify maximum sub/unsub loan values based on aggregate limits set by the Federal Government and previous loans taken by the student.
- Determine if the student is eligible for Subsidized loan value –
 - CoA Budget minus SAI minus OFA = Sub Initial Amount
 - If Sub Initial Amount is less than \$0, the student is not eligible for Subsidized loans.
 - If Sub Initial Amount is more than \$0, the student is eligible for Subsidized loans.
- To determine the eligible value of Sub Loans –
 - If the maximum Sub loan value is less than the Sub Initial Amount, the Sub loan value is the maximum Sub loan value.
 - If the maximum Sub loan value is more than the Sub Initial Amount, Sub loan value is the Sub Initial Amount.

- To determine if the student is eligible for Unsubsidized loan value –
 - $\text{CoABudget} - (\text{SAI} + \text{Eligible Sub Loan value}) = \text{Unsub Initial Amount}$
 - If the Unsub Initial Amount is less than \$0, the student is not eligible for Unsubsidized loans.
 - If the Unsub Initial Amount is more than \$0, the student is eligible for Unsubsidized loans.
- To determine the maximum unsubsidized value –
 - $\text{Maximum combined yearly aggregate for programme \& year of study} - \text{eligible Subsidized amount} = \text{Maximum Unsubsidized Amount}$
- To determine the eligible value of Unsub Loans –
 - If the maximum Unsub loan value is less than the Unsub Initial Amount, the Unsub loan value is the maximum Unsub loan value.
 - If the maximum Unsub loan value is more than the Unsub Initial Amount, the Unsub loan value is Unsub Initial Amount.
- To determine the eligible value for Parent PLUS/ Grad PLUS/ Private Loan
 - $\text{PLUS OFA} = \text{OFA} + \text{Sub Eligible Amount} + \text{Unsub Eligible Amount}$
 - If the $\text{CoABudget} - \text{PLUS OFA}$ is less than \$0, the student is not eligible for PLUS or additional Private Loans.
 - If the $\text{CoABudget} - \text{PLUS OFA}$ is more than \$0, the student is eligible for PLUS or additional Private Loans.
- To determine the eligible value of PLUS or additional Private Loans –
 - $\text{CoABudget} - \text{PLUS OFA} = \text{PLUS or additional Private Loan amount.}$

4.5 Working Example

- Undergraduate Year 1 student (4-year programme)
- Never taken loans before
- Annual Loan Limits
 - Subsidized = \$3,500
 - Unsubsidized = \$2,000
 - Combined limit = \$5,500
- Tuition Fees = £24,000 (\$31,400)
- Maximum Living Expenses = £22,383 (\$30,217)
- Total CoABudget = \$62,617
- SAI according to FAFSA Submission Summary = \$14,638
- OFA = £2000 scholarship (\$2,700)

Calculate Eligible Subsidized Loan Value

CoABudget	\$62,617	
SAI	\$14,638	
OFA	\$2,700	
Initial Amount	\$45,279	$\text{CoABudget} - \text{SAI} - \text{OFA}$
Maximum Sub Amount	\$3,500	
Eligible Sub Loan	\$3,500	

Calculate Eligible Unsubsidized Loan Value

CoABudget	\$62,617	
SAI	n/a	
OFA	\$6,200	Sub OFA+ Eligible Sub Loan
Initial Amount	\$56,417	CoABudget – Unsub OFA
Maximum Unsub Amount	\$2,000	
Eligible Unsub Loan	\$2,000	

Calculate Eligible Parent PLUS Loan Value

CoABudget	\$62,617	
SAI	n/a	
OFA	\$8,200	Unsub OFA+ Eligible Unsub Loan
Initial Amount	\$54,417	CoABudget – PLUS OFA
Eligible PLUS Loan	\$54,417	

4.6 Supporting Documents

Once you return your signed Financial Aid Package and/ or proof of scholarships, bursaries or other education-related loans or awards, we will determine if a reassessment is required. If so, you will be sent a new Financial Aid Package for consideration.

After your signed Financial Aid Package is returned, we will download your required supporting documents, providing they have been completed. If you are missing any documents, we will email you to advise what documents we still require you to complete. Please note that the financial aid processes will be delayed until all required documents have been received.

Details of required supporting documents for the various Federal Direct Title IV loans can be found here: <https://www.abdn.ac.uk/students/finance/us-federal-direct-loans.php#panel2229> and will also be noted within your Financial Aid Package.

Subsidized and Unsubsidized Direct Loans—If a student indicates that they are interested in Direct Loans, and meets the eligibility requirements for a student loan, then loans are automatically packaged. The University’s US Loan Office checks the student’s FAFSA and the National Student Loan Data System (NSLDS) to ensure the student is not in default and has not exceeded loan limits.

If a student is in default on a previous loan, federal aid (including a Stafford or Direct Loan) will not be awarded until the University of Aberdeen US Loan Office receives a letter from a qualifying agency attesting that the student is no longer in default, or until the NSLDS indicates that the student is no longer in default.

4.7 Professional Judgment

In special or unusual circumstances, students can request amendments to their SAI, dependency status or Cost of Attendance. Students who wish to request a professional judgment decision are required to provide documentation supporting their request to usaloans@abdn.ac.uk for a decision to be made.

Unusual Circumstances – Dependency Override

The law governing Federal Student Aid (FSA) programs is based on the premise that the family is the first source of the student's support. The law provides several criteria that indicate whether a student is considered independent of their parents when determining eligibility for financial aid. The criteria are indicated on the FAFSA and can be found at <https://studentaid.gov/apply-for-aid/fafsa/filling-out/dependency>.

If you are a dependent student, you are required to provide parent information on the FAFSA. Federal regulations specifically prohibit schools from processing a dependency override for any of the following reasons:

- Parents refuse to contribute to the student's education.
- Parents are unwilling to provide information on the application.
- Parents do not claim the student as a dependent for income tax purposes.
- Student demonstrates total self-sufficiency.

If you have an unusual circumstance <https://studentaid.gov/help/unusual-circumstances>, you may qualify for a dependency override. A dependency override permits an aid administrator to make an adjustment to your dependency status, if you are unable to contact a parent or if contacting your parent poses a risk to you.

An unusual circumstance can include situations such as:

- Parental abandonment, estrangement, abuse or neglect;
- Parental incarceration;
- Human trafficking;
- Legally granted refugee or asylum status.

Students whose parents refuse to support them and will not provide information for the student's FAFSA, but are not included in the circumstances above, are not eligible for a dependency override; however, the student may be eligible to receive dependent level Direct Unsubsidized loans. For example, a dependent 2nd year undergraduate could receive up to \$6,500 as a Direct Unsubsidized loan. To determine if this is an option, please email usaloans@abdn.ac.uk with details of your situation.

If you do have any of the unusual circumstances mentioned above, please email usaloans@abdn.ac.uk providing details of your situation (including the timeline of events, current living arrangements and how you support yourself) and documentation that supports your requests such as one of the following options:

- Legal documentation (i.e., police/incident reports, court orders, Child Protective Service (CPS) documentation, proof of incarceration or institutionalization, death certificate, asylum, or refugee status, etc.)
- At least two (2) statements by professional third parties that confirm the relationship with your parents. Professional third parties can include clergy, counsellor, teacher, lawyer, etc. A personal acquaintance or family member is not considered a professional third-party.
- A written statement from an attorney, guardian ad litem, a court-appointed special advocate (or similar), or a representative of a TRIO or GEAR UP program that confirms the circumstances and the person's relationship to the student.
- A documented determination of independence made by a financial aid administrator at another institution in the same or a prior award year.
- Utility bills, health insurance, or other documents that demonstrate a separation from parents or legal guardians.
- A written statement, which confirms the unusual circumstances with a State, county, or Tribal welfare agency, an independent living case worker who supports current and former foster youth with the transition to adulthood; or a public or private agency, facility, or program servicing the victims of abuse, neglect, assault, or violence.

NOTE: If you are unable to obtain any of the above items, please clearly address the circumstances in your personal statement as to why there is no supporting documentation.

If your unusual circumstances dependency override is approved, you will be eligible for a full independent level Direct Subsidized & Unsubsidized loans (in accordance with aggregate loan limits).

Special Circumstances - Changes to FAFSA

When you submit the FAFSA, you are required to enter income information from two years prior to the current year. If your family's financial situation has changed in a subsequent completed tax year, you may be eligible for additional financial aid through a special circumstance evaluation.

Examples of these circumstances may include the following:

- Your parent listed on the FAFSA lost their job;
- There was a death to a parent or spouse;
- Your family's income decreased;
- Your family had high out of pocket medical expenses;

If you are in one of the situations below, completing this process most likely will not result in an increase in your financial aid eligibility:

- If you are an undergraduate student already receiving maximum Direct Subsidized loans for your dependency status and year of study.
- If you are in a graduate program, including the LLB accelerated program, and you are receiving the maximum loan amount you are eligible for, this review would not increase your loan amount or eligibility.

Please email usaloans@abdn.ac.uk with details of the change you are requesting along with proof of the change to financial status or personal circumstances.

Special Circumstance – Update to Cost of Attendance Budget

On a case-by-case basis, your cost of attendance may be adjusted to account for a special circumstance. An increase to your cost of attendance increases the amount of loans you may be eligible for through either Parent/ Grad PLUS Direct Loans or Private loans. This review does not increase the amount of Direct Subsidized/ Unsubsidized loans you will be eligible for.

Special circumstances considered for a cost of attendance adjustment may include:

- Tuition expenses at a nursery.
- Medical expenses not covered by the NHS;
- Child or dependent care expenses;
- Disability or learning difference of the student.

Please email usaloans@abdn.ac.uk with details of the circumstances you are requesting additional funds for and details of the additional costs.

My parents are not eligible for a Parent PLUS loan. Is there another option?

If your parent is not eligible to borrow a Parent PLUS loan, you may be eligible to borrow what is referred to as an “Additional Unsubsidized Loans” in the amount up to the maximum annual limit for independent students (e.g. \$4,000 for a 1st year undergraduate with remaining federal loan eligibility).

If your parent receives a declined credit check from their Parent PLUS loan application and is unable to use an Endorser, please email usaloans@abdn.ac.uk to advise us that you wish to be considered for the Additional Unsubsidized Loans as an independent student. Once you are changed to an Independent student for these additional loans, you cannot be reassessed at a later date as a dependent student.

Exercising professional judgment is a school's choice and is not guaranteed to be approved. Decisions are made on a case-by-case basis and will not be discriminatory. You will be notified by email with the outcome of your request. Professional judgment decisions are not eligible for appeal. The details of your professional judgment request and outcome will be available to our auditors if requested.

Section 5 – Private Loans

Private loans can be used for all or part of your CoABudget.

If using a private loan to fund your CoABudget, the budget will be amended to remove the value included for origination fees.

The values used for approximate origination fees can be found here:

<https://www.abdn.ac.uk/students/finance/us-federal-direct-loans.php#panel2228>

You can use private loans alongside subsidized and unsubsidized loans. If you wish to do this, please let us know when you return your financial aid package, and we will amend it as required before returning it to you for approval.

If you wish to take private loans only and do not wish to submit a FAFSA, we can certify your loan with the loan service provider up to the value stated in your financial aid package for your private loan.