

# SECURING FINANCIAL AID FOR STUDY ABROAD

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The opportunity to study abroad can be one of life's best experiences. Besides benefiting the student in many ways, the experience also benefits our institutions and society as a whole.

Recognizing this, the Congress of the United States has written its support of international studies and study abroad programs into Title VI of the Higher Education Amendments of 1992, encouraging financial aid officers to make financial aid available to eligible students participating in study abroad programs.

Historically, some colleges and universities, concerned about allocation of limited funds, established more stringent criteria for aid to students participating in overseas study programs. Since the enactment of the 1992 Amendments, the Title IV Program Participation Agreements signed by institutions stipulate that schools may not deny federal aid to an otherwise eligible student just because the student is studying abroad.

In addition, the Amendments specify that "An otherwise eligible student who is engaged in a program of study abroad approved for academic credit by the home institution at which the student is enrolled shall be eligible to receive grant, loan or work assistance through this title, without regard to whether such study abroad program is required as part of the student's degree program." (Sec 484 (q)) Schools also have the responsibility to provide students with information about these opportunities.

The student eligibility mentioned includes being matriculated and enrolled in an eligible program (a list of eligible programs on each campus is usually maintained in the President's or Provost's office), maintaining good academic standing, making satisfactory progress toward the degree, not being in default or owing a repayment on prior financial aid, and meeting citi-

zenship, registration and financial requirements.

International Education personnel need to communicate early and often with the financial aid offices on their campuses. Each campus has established standard budgets that are used to determine financial eligibility for assistance.

The aid officer can add reasonable costs associated with the overseas program to increase the eligibility of participating students. Program fees, essential transportation, passport expenses, repatriation fees, room and board adjustments and other required costs can all be included.

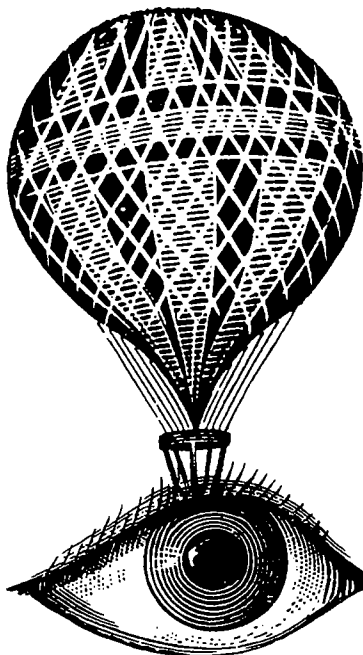
The need for federal financial assistance is determined by subtracting a federally-generated "Effective Family Contribution" (EFC) from the budget that has been established. The EFC is derived from information the student provides on the Free Application for Federal Student Assistance (FAFSA). Submitting the FAFSA is the first step in receiving any type of financial aid, including loans. States and colleges may have their own applications that must be filed as well.

Often there are deadlines established for specific sources of funds. The time from submitting the application to actually receiving an offer of funding can take from two to four weeks or more. Those students flagged by the central processor for verification may experience additional delays.

Students going abroad obviously need to start the process early. They should also be aware that they may need to make

payments to the overseas program earlier than the financial aid can be disbursed. Some schools will allow a deferment against confirmed aid, but often students need to be prepared to make the initial payments and be reimbursed when the aid is issued.

Additional time is required for those on a program that is not run by their home school. The student and the home and host colleges involved in this arrangement must complete a consortium agreement. The consortium specifies which school will provide the funding, how the money will



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be disbursed, who monitors attendance, and guarantees that the home campus will accept the credits earned regardless of the grade achieved.

Students who drop out of the program after receiving federal funds need to understand that a portion of that money has to be repaid to the federal fund.

The majority of students receiving aid rely on some type of federal direct or Stafford loan. Borrowing from a lender which uses electronic funds transfer to issue the money eliminates the problem of needing to endorse a check. Loan checks are co-payable to the student and the college, and the use of a power of attorney is not allowed. This has caused problems in the past for students who left for their program before the checks were available to be endorsed. If an actual check is involved, one solution is for a student to leave a deposit slip to his or her account, along with written instructions that the check is to be deposited directly to that account. Doing this may preclude the use of the loan as a deferment or involve a commitment by the student to pay the school immediately upon deposit of the funds.

Even when aid offices are committed to enabling students to study abroad, the limited amounts of funds available can create a problem. The federal Stafford and direct

loans mentioned have annual maximums based on class year. Freshmen are restricted to \$2,625 per year, sophomores to \$3,500, and juniors and seniors to \$5,500. These amounts often don't cover the most basic on-campus costs and may be partially disbursed during each term of enrollment, leaving significant gaps between costs and resources. A Parent Loan for Undergraduate Students (PLUS) is available for credit-worthy parents of dependent students who are willing and able to borrow. An additional amount of unsubsidized Stafford loan may be available for independent students.

Sources of assistance other than the federal government should be researched and used. The student's state of residence may have a program of its own. Some colleges have private funds that can be used. Civic organizations such as Rotary, CIEE and other organizations or companies are options that should be explored.

International Education advisors and financial aid officers working together to understand each other's programs and requirements can facilitate preparing appropriate budgets, completing consortium agreements, advising students thoroughly, and providing needed resources in a timely manner.

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