Title IV Direct Loans: a guide for students

Introduction 3

Funding Your Studies 3

Title IV loans eligibility 4

- **Inbound students** 5
- **Your course enrolment status and suspend or withdraw from studies** 6

Types of education loans 6

- **What loans can you apply for?** 6
- **Maximum loan amounts** 7

Responsible borrowing 7

- **Loan servicers and making repayments** 7
- **Interest rates and information about loans** 7
- **Third party debt relief** 8

How to apply for your Title IV direct loans 8

- **FAFSA** 8
- **Study offer** 8
- **Eligibility assessment & cost of attendance** 9
- **Entrance & exit counselling and Annual student loan acknowledgment** 9
- **Master promissory notes and PLUS credit check** 10
- **Confirmation of your loans** 10

Registering as a student at Bath 10

How we disburse your loans 10

- **Undergraduate disbursements** 10
- **Postgraduate Taught (PGT) disbursements – MSc, MA, (stand alone) MRes** 10
- **Postgraduate Research (PhD) - disbursements** 11
- **Receiving your loans** 11
- **If your loans do not cover university costs due** 11

Amend or cancel your loan 11

- **Increasing your loan** 11
- **Decrease or cancel your loan** 12

Maintaining your eligibility for your student loans 12
Making changes to your studies (suspend, withdraw or any other changes to your course/enrolment status) ..13
Return of Title IV (R2T4) Funds (if your loan eligibility changes during studies) 13
Other US funding 14

Introduction

If you are a US citizen or eligible non-citizen you may be able to take out a loan to help you meet the cost of your studies.

The University of Bath is a participating institution in the Federal Direct Loan Programme (Title IV loans). The US Department of Education has regulatory oversight of these loans, but the funds are directly administered by Bath for students wishing to study here.

The information in this document outlines the types of loans that are available, when and how to apply for them, how they will be disbursed (paid) and conditions, that you as a borrower, must adhere to whilst in study and your future repayment liabilities.

The rules and regulations as laid out in this document are set by the US Government and data retention requirements as detailed in the Code of Federal Regulations. The University does not have any discretion to alter these regulations.

Find information about Consumer Information that includes: relevant university policies, procedures and guidance that we are required to provide to students by the US Department of Education.

Our US Loans Administrators can be contacted by email via USLoans@bath.ac.uk. Please note that the mail box is monitored Monday to Friday 10am – 4pm (UK GMT).

Funding Your Studies

Planning to meet the costs of attending university is an investment in the future and there are several funding options you should consider when planning your studies, including:

- education loans
- scholarships
- family
- savings
- part-time work

You should think about all your costs as a student in the UK, these can include:

- tuition fees
- books and other course related costs
- accommodation
- daily living costs
- travel - local and back home to the USA
- social aspects of living in the UK
- contingency funds for the unexpected

The University of Bath's (Bath) Student Money Advice Team are on hand to help you with information on the cost of living in the UK, including student budget guides and bank accounts, as well as individual advice and support about your general finances should you need it. Sample budget guides are available on their webpages.

Title IV loans eligibility

On 4 July 2025, the One Big Beautiful Bill Act (OBBBA) was signed and enacted, introducing changes to the Federal Student Aid programmes. From 1 July 2026, these changes will apply to students commencing their courses in September 2026. As part of the reforms, loan eligibility will now be divided into two separate frameworks.

Legacy (aka Grandfather) Regulations

Students who enrolled and began their studies at Bath before 1 July 2026, and who have received a loan for their course, will continue to be governed by the Grandfather Regulations. These legacy regulations will remain in place for up to three academic years, or until the completion of the course—whichever comes first.

To remain eligible under these arrangements, you **must stay enrolled on the same course**. If this condition is not met, you will automatically be transferred to the OBBBA Regulations.

New (aka OBBBA) Regulations

These rules will apply if you are starting a new course at Bath for 2026/7 academic year, or if you are a current student who hadn't previously had a loan for your course at Bath prior to 1st July 2026.

The loan types, borrowing limits and eligibility criteria are set by the US Department of Education and any changes are beyond the University's control.

Student eligibility

To be eligible for Title IV Loans you must:

- be a US citizen or eligible non-citizen
- have a valid social security number
- not have defaulted on any previous student loans
- not have exceeded aggregate borrowing limits
- show you're qualified to obtain a university education by:

    a) having a high school diploma or a recognised equivalent such as a General Educational Development (GED) certificate;
    b) completed a high school education in a homeschool setting approved under state law (or—if state law does not require a homeschooled student to obtain a completion credential—completed a high school education in a homeschool setting that qualifies as an exemption from compulsory attendance requirements under state law)

Course eligibility

Bath is only authorised to provide Title IV loans for courses that lead to a full Bachelors, Masters or PhD/Doctoral degree with study entirely at Bath or shared with another higher education institution(s) that is also authorised to provide/defer Title IV loans. This includes institutions outside of the UK but excluding the US.

There are a number of course types that are not eligible for Title IV loans which include:

- those that are considered as less than half-time attendance
- those that are not a degree-bearing course (e.g. Certificates, Diplomas, Foundation Degrees)
- a course that is delivered on-line or by *telecommunications or correspondence (including distance education and/or self-directed; or by direct assessment) . This means none of our distance learning students are eligible to access Federal Loans.
- or the degree is not wholly conferred/awarded by Bath
- Summer School Courses

**Eligible programmes and courses may use telecommunications technologies only to supplement and support instruction that is offered in a classroom located in the country where the students and instructors are physically present.*

The US Loans team will determine whether your course is eligible once you submit your loan application. Please be aware that if any part of your programme is deemed ineligible for federal loans—even a single component within one year—the entire degree, across all years, will be considered ineligible.

It is particularly important that you contact us **before** making any changes to your course structure after it has begun, such as adding a placement year. If you make changes without first notifying the US Loans team, you may be liable to repay all loan funds received.

Please contact us on USloans@bath.ac.uk to clarify the eligibility of courses with an on-line element. We will advise you as soon as possible if your course is ineligible. Students on ineligible courses may be eligible to apply for a private education loan from SallieMae.com or Prodigy Finance (MBA only). You should check with any loan providers what options are available to you. We cannot advise you on private lenders.

Courses with placement periods - study/work

New regulations from the US Department of Education now potentially allows students receiving U.S. loans to take up to 25 percent of their program of study in the United States, if that University is eligible to administer Federal Aid, or at institutions outside the U.S. that are not themselves participating in the U.S. Direct Loan Program, without losing eligibility for U.S. Direct Loans.

However, you should ask us for advice if any part of your course has a placement or period away from the University, so we can check to ensure that your eligibility for Title IV Direct Loans will not be affected. You should also keep us informed of any changes you make during your studies at Bath.
If any part of your programme includes any time away from Bath, please email USLoans@bath.ac.uk for advice as this may affect your eligibility for US loans.

A list of eligible schools can be found at studentaid.gov.

Information about our study exchange arrangements can be found in the University's Code of Practice.

Inbound students

If you are an US citizen and attending Bath through a Study Abroad programme sponsored by your US domestic or other foreign school, your Federal student aid application for a short term, or a study abroad programme is processed by your home institution.

Bath is not authorised to certify student loans or deferments for US study abroad students who only

plan to attend for a semester, or for a one year study abroad experience, to earn credits that apply toward or transfer into a degree program in which the student is enrolled in the US.

Your course enrolment status and suspend or withdraw from studies

You must be enrolled and continue to be enrolled at least half-time at Bath to remain eligible for Title IV loans. We will only be able to request your loan funds from the US for the scheduled disbursement if you are enrolled a minimum of seven calendar days before each date**. Please note that if you suspend, withdraw or drop below half-time enrolment you must email USLoans@bath.ac.uk immediately.**

A Leave of Absence policy exists for Doctoral students, which includes the effect an absence may have on your loans. University information is provided by Student Services about suspending or withdrawing from studies for Undergraduate and Postgraduate Taught and for Research/Doctoral students.

Types of education loans

Grandfather Regulations:

What loans can you apply for?

There are 3 types of Title IV loans.

- Subsidised *(undergraduate only)*
- Unsubsidised
- PLUS *(Parent for UG or Graduate for PG)*

	Independent or Dependent	Subsidised	Unsubsidised	Parent PLUS	Graduate PLUS
Undergraduate	D*	✓*	✓	✓ (parent)	No
Undergraduate	I	✓	✓	No	No
Postgraduate	I	No	✓	No	✓

*If you are over 24 years old, married, or already hold an undergraduate degree, then you are Independent.

- If you are an independent undergraduate, then NO Subsidised or Parent PLUS loans are allowed. You may be reliant on Sallie Mae to top up your loans or need to explore other funding provision.
- If you are a postgraduate student, you can apply for a Graduate PLUS loan in your own right.
- If you are an undergraduate student you cannot apply for the PLUS loan, but your parent(s) can apply for a Parent PLUS loan to help support your study costs.

- PLUS loan eligibility is based on the borrower's credit rating.
- If you/the borrower has a poor credit rating then you/they may require an endorser for a PLUS loan.

OBBBA Regulations

What loans can you apply for?

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- Unsubsidised
- PLUS *(undergraduate only)*

	Independent or Dependent	Subsidised	Unsubsidised	Parent PLUS	Graduate PLUS
Undergraduate	D*	✓*	✓	✓ (parent)	No
Undergraduate	I	✓	✓	No	No
Postgraduate	I	No	✓	No	No**

*If you are over 24 years old, married, or already hold an undergraduate degree, then you are automatically classed as an Independent student.

**Graduate Plus loans are being eliminated under the OBBBA regulations and are therefore they are only available to students eligible under the "old" Grandfather Regulations

Please read through the information in this guide before starting your loan application process. You may find that the UK process is very different to any previous applications you may have completed in the USA.
The US Department of Education has produced some helpful information about the types of loans that are available including eligibility, guidance on responsible borrowing and repayments, along with their own Facebook page.

Maximum loan amounts

There are loan limits in place for subsidised and unsubsidised loans on what you can borrow each year, as well as limits on the combined total loans across your all undergraduate and postgraduate study. You can find out more at StudentAid.gov.

Responsible borrowing

Before you apply for a loan, you should think about whether you can afford to make the repayments in the future. There is a repayment estimator available to help you plan your loans and repayment options.

Information on estimated salaries by occupation in the USA from the US Department of Labour can help you think about your loan repayments from any future salary.

Loan servicers and making repayments

Make sure you keep in contact with your loan servicer, especially if you encounter any difficulties in keeping up with your repayments. A student who defaults on loans can impact on us being able to offer loans to future students wishing to study at Bath.

Interest rates and information about loans

Title IV loans have a fixed interest rate for the life of the loan, as well as income-based repayment plans. Interest rates are set in June each year.

You can find lots of helpful information about Title IV loans at StudentAid.gov including:

- loan types
- borrowing loan limits
- interest rates
- right to cancel
- repayment options
- consolidating your loans and understanding default

Third party debt relief

Title IV loans offered by the US Department of Education have a range of free services that include:

- Consolidating Federal student loans
- Changing repayment plans
- Resolving defaults
- Filing requests for borrower defence loan cancellation
- Other benefits and services that students are entitled to receive at no charge

Please be aware of so-called debt relief companies. These debt relief companies may utilise sophisticated strategies to target unsuspecting borrowers and inappropriately use the Department of Education's logo or other identifying information to give the impression that they are working with or for the US Government. These companies may also state or imply that the company is working with a post-secondary institution to provide benefit to student loan borrowers, so please be extra vigilant, as students do not need to pay for loan benefits for Title IV student loans.

There are four warning signs of third party debt relief companies that borrowers should avoid, including:

- Pressure to pay high upfront fees
- Promises of immediate loan forgiveness or debt cancellation
- Demands that you sign a 'third party authorisation'
- Requests for a student's Federal Student Aid PIN or FSA ID

How to apply for your Title IV direct loans

FAFSA

1. Go to the StudentAid.gov to register for your FSA ID (Username and Password). Your FSA ID and login will remain the same if you are a continuing student.

2. Complete your FAFSA online which will produce your Student Aid Report (SAR) which Bath will receive electronically. If you are a continuing student, complete a renewal FAFSA (you will only be required to indicate any information that has changed since last year.)

3. You will need the University of Bath's school code, which is G11679.

4. Applying for loans can take time so planning is key. Please note that we cannot guarantee that your application will be processed in time for the published disbursement dates if your application is incomplete or if there are unresolved issues.

Study offer

1. If you have a confirmed offer for study at Bath please contact us to let us know you are applying

for Title IV or other loans.

Eligibility assessment & cost of attendance

1. You must complete and email back to us our Cost of Attendance (COA) pro forma. This is an excel document that helps us determine your course related costs for study at Bath.

2. You must tell us about any other funding/scholarships you may have been awarded, including any Bath scholarships. Keep us informed of any new scholarships you are awarded.

3. We will use the information submitted in your FAFSA, your COA and in your course offer letter to assist us in determining your basic eligibility for Title IV Direct loans.

4. If you choose to live in expensive accommodation for a reason that is not essential, then we are not required to increase your COA to cover this additional expense. Our Accommodation Office has information about the cost of university halls and private rentals.

   Please note that if you choose third-party managed accommodation arranged via the University, payment will likely be required **before** your loan funds are released. The University **cannot**, under any circumstances, bring forward the scheduled loan payment dates.

5. Your COA is for your personal study costs only and cannot cover additional costs if you choose to bring family dependants to the UK. The only exception is if you have dependent children with you in the UK, then an allowance for costs you expect to incur for childcare (UK registered childcare only). This covers care during periods that include but are not limited to your class time, personal study time, field work, internships, and commuting time. The amount of the allowance will be based on the number and age of such dependents and will not exceed the reasonable cost of local childcare provision.

6. Please note, you do not have to borrow the full amount available to you. Your COA will show the maximum available, but you can choose to borrow less.

Entrance & exit counselling and Annual student loan acknowledgment

1. You will need to complete Entrance Counselling for each type of loan you are borrowing: Subsidised / Unsubsidised and PLUS. (Parents are not required to complete Entrance Counselling for a Parent PLUS loan.)

2. If you are postgraduate student who is considering taking a Plus loan, you must ensure that you have completed the Plus Entrance Counselling.

3. You will be required to complete PLUS Credit Counselling if you have an adverse credit history and you have a) obtained an endorser or b) documented extenuating circumstances to the satisfaction of the U.S. Department of Education. This must be completed in addition to Entrance Counselling.

4. The Annual Student Loan Acknowledgement (ASLA) will allow you to estimate your monthly loan payments and view school data from the College Scorecard (not foreign schools). You will be able to view your total loan balance and loan payment due date(s).

5. We will require you to do Exit Counselling shortly before you complete your studies. Exit Counselling provides important information to prepare you for your future loan repayments.

Master promissory notes and PLUS credit check

1. For foreign schools you must complete Master Promissory Note (eMPN) for each loan type on an annual basis. This is your loan contract and you are e-signing that you agree to the terms and conditions of your loan.

2. When you apply for your Graduate or Parent PLUS loan online, the application should result in a credit check taking place.

Confirmation of your loans

1. We will email you an Initial Loans Notice letter to sign and send back to us, once we have accessed all your documentation, checked your loan history and overall loan eligibility.

2. We will set up your loans in the US systems in June/July each year. For new students we will send you a letter that can be used as funding evidence for your Tier4 student visa application.

3. Timescales may change if you apply late, do not respond to our emails, have submitted incomplete documentation, or if the US systems are not available for processing.

Registering as a student at Bath

You must register as a student of the University. You will be emailed when you can do this by the Academic Registry Office.

If you are a new student at Bath you must attend any Welcome Week induction sessions where you will be required to submit documents for verification e.g. passport, visa and evidence of qualifications. You can find information on the induction web pages . Failure to complete and attend any mandatory induction sessions will delay the first payment of your student loans. We will not authorise the release of the first disbursement until you are fully registered at the University. We are required to physically see you once you are registered at Bath, please look out for an email inviting you into the Tuition Fee office at the beginning of term.

How we disburse your loans

US regulations dictate when and how we can drawdown and disburse loans, including crediting your university costs and any subsequent payment to you. We cannot change the dates of these payment periods.

Undergraduate disbursements

Your loan year will run for 35 weeks from the start of the academic year.

- Disbursement 1 October (Semester 1)
- Disbursement 2 February (Semester 2)

Postgraduate Taught (PGT) disbursements – MSc, MA, (stand alone) MRes

Your loan year will run for 52 weeks from the start of the academic year.

- Disbursement 1 October (Semester 1)

- Disbursement 2 February (Semester 2)
- Disbursement 3 June (Summer period)

Postgraduate Research (PhD) - disbursements

If you are a PhD student on an integrated PhD your first year is usually taught as per PGT course – in that year you would follow the PGT pattern of disbursements as above. You would move to the PhD payment pattern as below once you progress onto your PhD.

Your loan year will run for 52 weeks from the start date of your PhD studies.

- Disbursement 1 October (Period 1)
- Disbursement 2 April (Period 2)

January start date

Disbursement 1 January (Period 1)
Disbursement 2 July (Period 2)

PhD students have two payment dates, one at the start of studies with the second at the mid-point.

Receiving your loans

Title IV loans are received by the University on each disbursement date. Your loan funds for each disbursement will be credited in the following order:

- tuition fees
- university accommodation
- credit, if applicable, paid directly to your nominated UK bank account.

The University of Bath has partnered with **Convera** to enable us to disburse your loan funds as quickly and efficiently as possible.

If your loans do not cover university costs due

If your current disbursement does not cover the tuition or university accommodation costs due for that period, then the Student Finance Office or Accommodation Office will invoice you for any shortfall. All invoices have a 14-day payment deadline.

Amend or cancel your loan

A minimum of two weeks' notice is required prior to the next disbursement date in order to action a change to your loan.

Increasing your loan

If you wish to increase your loan, the total amount borrowed cannot exceed your Cost of Attendance. We may consider costs if there are special circumstances where essential costs need to be included and/or you have your dependent children with you. You will be asked for evidence to justify any extra costs. We have a right to disallow any extra cost requests.

Contact us to discuss any changes you would like to request.

If you have an endorser on your PLUS loan, you will only be able to increase your loans up to the agreed endorsed amount. If your endorser is willing to increase the endorsed amount, they will have to complete a new endorser application.

Decrease or cancel your loan

If you wish to decrease your loan prior to a disbursement, please contact us with your request, advising us of the changes you wish to make.

If you wish to cancel your loan, please email us with your request.

We will email you prior to each disbursement with details on the deadline for returning funds through the University. However, please do not wait for this email if you already know that you wish to decrease or cancel your loans, as you may need to pay fees and bank charges associated with returning the funds if the payment has already been requested.

If you wish to cancel your loan and the timeframe for doing so through the University has passed, you can still make a repayment directly to your lender. Your lender's details can be found on the National Student Loan Data System (NSLDS).

If you make a repayment within 120 days of loan disbursement direct to your servicer, then your servicer will treat this as a partial or full cancellation, with the appropriate adjustment of the loan fee and interest.

If you decrease or cancel your loan, you may need to provide proof of alternative funding to us in order to show that you are still able to pay your tuition and accommodation fees, especially if you have used your loan award letter as proof of funding for your Tier 4 student visa. We may advise that you seek advice from Student Money Advice or the Student Immigration Team.

Maintaining your eligibility for your student loans

Title IV Direct loan regulations state that during your studies to maintain your eligibility you must:

- be studying on at least a half time basis, we will report your enrolment status via NSLDS.
- keep us informed of any changes you make to your studies, course, study mode etc.
- not undertake any part of your studies or course related internships/placements in the USA.
- discuss with us to check that any study abroad or internship placement periods, as appropriate, are not at a non-eligible foreign university or country.
- not switch to any element of online learning
- not violate any federal compliance regulations, such as repayment default, fraud or drug offences.

You must also maintain Satisfactory Academic Progress (SAP) to retain entitlement to your loans, which includes:

- completing your studies within a 150% timeframe of the published length of your course for example:
    - a full time 1 year postgraduate taught course must be completed within 1.5 years *or*
    - a full time 4 year postgraduate research course must be completed within 6 years *or*
    - a full time 3 year undergraduate degree within 4.5 years *and*

- achieve a grade average each year that equates to a grade point average of 2.0, at Bath this is a

minimum of 40%, in accordance with our framework for assessments.
- for PhD students you must have met all University progress deadlines plus any written deadlines as agreed with your supervisor. The supervisor must agree that your progress with research is satisfactory for SAP to be achieved.

If you are no longer eligible to receive direct loans during any loan year we will carry out a Return of Title IV loans calculation. We may be required to return loan funds back to the US Department of Education that we have taken for tuition fees/accommodation in that payment period. This may leave you owing funds for tuition/accommodation to the University for which you will be invoiced.

Making changes to your studies (suspend, withdraw or any other changes to your course/enrolment status)

Withdrawing from your studies, changing to part-time, changing course, taking a leave of absence (the approved Leave of Absence policy is only applicable for PhD students), submitting your thesis early or going abroad or to the USA to study, will influence your loans and may result in loans for your entire programme being withdrawn, so it is important that we know beforehand. It is important that you tell us immediately and most certainly before your plans are finalised.

If you do not attend initial lectures or seminars you are ineligible to receive any Title IV loans and they will be returned to the US Department of Education. You will be liable for any tuition fees or outstanding balances owed to the University.

Return of Title IV (R2T4) Funds (if your loan eligibility changes during studies)

Under US Federal law, the University is required to report any changes and, if necessary, complete a Return of Title IV (R2T4) funds calculation and arrange for any 'unearned' loan funds to be returned to the US. You may also have to return unearned loans; we will update you about this.

We must return any unearned funds within 45 days of the withdrawal/loss of eligibility date. This may result in you having to pay any outstanding tuition and/or accommodation fees due. You will be invoiced for any balance owed.

Title IV loans are returned to the US in the following order:

- Unsubsidised loans
- Subsidised loans
- PLUS loans (Graduate or Parent)

Key facts about R2T4

We will calculate the amount of Title IV loans that have been earned, using rules provided by the US Department of Education.

If you have completed more than 60% of the attendance time in current payment period, all the loans you were scheduled to receive for that period are considered to have been earned. As an example, if you complete 30% of the payment period, you have earned 30% of the assistance you were originally scheduled to receive within that loan period. If you have completed 60% of the payment period, you have earned 100% of the assistance you were scheduled to receive.

If you have received more loans than was earned, the excess funds must be returned to the US

Department of Education by you and/or the University. If you received (or the University received on your behalf) less assistance than the amount earned, you may be able to receive those additional funds as a post-withdrawal disbursement.

Note: The requirements for Title IV program funds when you withdraw are separate from the University's refund policy. Therefore, you may still owe funds to the University to cover unpaid institutional charges. The University may attempt to collect any Title IV program funds from you that the University is required to return.

Under specific conditions for PhD students a leave of absence (LOA) for less than 180 days in a 12 month period may qualify as an 'approved' LOA. If you are granted an 'approved' LOA, you are not considered to have withdrawn, and no R2T4 calculation is required. During the LOA, the University will not charge you any additional institutional charges, your financial need will not increase, and therefore, you will not be eligible for any disbursements of federal student aid. If you are granted an approved LOA, you will maintain in-school status for Title IV loan repayment purposes.

Find out more about Return of Title IV funds (R2T4).

Other US funding

Alternative US and other loan funds may be available to you, including:

- Sallie Mae private education loans
- Segal AmeriCorps education award
- 529 College Savings Plans
- MBA loans

**** Please note that the University is unable to process Veterans Aid (VA) benefits ****

Please review and explore the pros and cons of alternative loans, their terms and repayment options and compare these with Title IV loans. Any loans taken from other providers may be taken into account as part of your Cost of Attendance, if combining these with Title IV loans.

University scholarships

Comprehensive information about University bursaries and scholarships can be found on our web pages

Updates or changes to this document

Disclaimer: The information on this page is provided by the University of Bath US Loans Team to support students applying for US federal loans. It is offered in good faith and to the best of our knowledge; however, it may be subject to change at any time in line with updates to US government regulations.

We will update this document should we be advised of any such changes by the US Department of Education.

US Loans Administration
Bath
Updated May 2026
Review June 2027