BASIC FACTS REGARDING FINANCIAL AID FOR STUDY ABROAD

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IS FINANCIAL AID AVAILABLE FOR STUDY ABROAD?

The Higher Education Act (HEA) of 1992 mandated that a student can receive financial aid for study abroad if the student is enrolled in a program approved by the home institution. Moreover, the student would be eligible to receive "grants, loans, or work assistance without regard to whether the study abroad program is required as a part of the student's degree."

WHAT TYPES OF FINANCIAL AID ARE AVAILABLE?

Federal and state governments, foundations, private and public organizations are primary sources of financial aid. Be sure to check with your financial aid director, study abroad advisor or bursar about whether your financial aid can apply to study abroad. Note the following types of financial aid:

FEDERAL AID

Federal aid can consist of loans, grants, scholarships, or work-study.

LOANS:

1. The Federal Direct William D. Ford Loan is also called a Direct Subsidized Loan. It is available to students who demonstrate need. Federal government pays interest on the loans as long as the student is enrolled half-time. Repayment begins after you graduate, leave school, or drop below half time.

2. The Federal Direct William D. Ford loan can also be an Unsubsidized Loan. It is available to students regardless of need but interest is charged to the students while in school. A student may choose to make the interest-only payments on the unsubsidized loan. or allow the interest to be added to the loan principal and then pay both principal and interest after leaving school.

3. Federal Plus loans are available to parents of dependent students. These loans are made either by the school (Direct loan) or through a private lender. Parents are responsible for all interest charges. Repayment begins 60 days after loan disbursements.

4. Citiassist and Sallie Mae alternative loans are available to students.

GRANTS AND SCHOLARSHIPS:

1. Federal Pell Grant is awarded to exceptionally needy undergraduate students. Part-time enrollment reduces eligibility.

2. Federal Supplemental Educational Grant (SEOG) is awarded to exceptionally needy undergraduate students. Must be enrolled at least half-time.

The National Security Education Program (NSEP) and the Fulbright Program funded by the Federal government have grants and fellowships for undergraduate and graduate students for study and research overseas. Students should be aware that government
organizations in other countries such as the German Academic Exchange Service (DAAD) offer funding opportunities.

STATE AID

This aid can be need-based or it can be merit based. These include grants or loans but may include tuition waivers or other types of aid. The HEA of 1998 stated in the Special Leverage Educational Assistance Partnership Program that "incentive grants are available to States from the Federal government to assist eligible students enrolled in study abroad programs that were approved for credit by the home institution."

INSTITUTIONAL AID

This aid is funded by the student’s home institution. These scholarships can be based either on need or on merit. Institutional aid can come from a variety of sources, which includes alumni, faculty, endowments, etc. Some aid can be specified for overseas study but other scholarships can be restricted to the campus, state, or for domestic programs, etc.

If you are planning to attend an overseas study program sponsored by another institution, the home institution through a written agreement between the schools might allow you to use your financial aid. But students should realize that policies vary among institutions of higher education and therefore, should check with their study abroad advisors and financial aid administrators regarding enrollments with another institution.

PRIVATE AND PUBLIC ORGANIZATIONS

Other than governmental and institutional aid, private organizations, foundations, corporations, and civic groups are additional sources of aid for study abroad. For example, the Coca-Cola Foundation, Amoco, Chrysler Corporation, etc., have given funds for overseas study. The Rotary Foundation, which has a private, sponsored scholarship.

International scholarship program provides funds for undergraduate, graduate, and vocational students. Some private and public organizations will give overseas study funding for students in a particular major or area of study. Ethnic and service organizations such as the League of United Latin American Citizens, Alliance Francaise, Dante Alighieri, Goethe groups, etc., are other sources of funding for overseas study and research.

PROGRAM SPONSORS

Organizations like the American Institute of Foreign Study (AIFS) offers need and merit scholarships for their own sponsored programs. Check ACADEMIC YEAR ABROAD AND VACATION STUDY ABROAD published by the Institute of International Education for study abroad programs which offer scholarships or work-study assistance.
UNDERREPRESENTED STUDENTS

(MINORITIES, STUDENTS WITH DISABILITIES AND NON-TRADITIONAL STUDENTS)

Various types of financial aid from Federal to institutional might apply to assist underrepresented students enrolling in overseas study programs. Special grant or scholarships are specified for this purpose. The Robert Bailey Minority scholarships sponsored by the Council of Educational Exchange (CIEE) is a prime example.

Since the passage of the Americans with Disabilities Act in 1990, study abroad and financial aid offices are required to meet the needs non-disabled and disabled students.

HOW DO I MAKE ARRANGEMENTS TO HAVE FINANCIAL AID APPLIED TO A STUDY ABROAD PROGRAM?

Upon application to a study abroad program, you should also contact the financial aid office to see if there are special application processes or policies required in receiving financial aid for overseas study. For example, the study abroad office will provide the financial aid office with costs or a budget for your study abroad program that will facilitate the disbursement of aid when you leave the country. You may also need to check with the bursar's office on how they can contact you or to make financial aid disbursement arrangements. Be sure to check with all three offices, weeks before your plans are finalized. Keep records of all forms submitted and submission dates as well as all personal contacts made (individuals and dates of those contacts). Those records will help you avoid confusion as well as clarify issues that might arise.

COULD FINANCIAL AID FOR A STUDY ABROAD PROGRAM AFFECT FUNDING FOR NEXT SEMESTER’S AID?

There is a possibility that funding for future semesters might be affected resulting from financial aid given for a semester’s study abroad program as your eligibility for certain types of aid might have expired. The financial aid office will be monitoring your progress toward your degree as to whether you have exceeded your eligibility requirements. The best advice is to check with a Financial Aid advisor about your funding.

HOW MANY CREDITS DO I NEED TO RECEIVE FINANCIAL AID (INCLUDING LOANS) FOR STUDY ABROAD?

Credit level required for direct subsidized / unsubsidized loan eligibility for all semesters is half-time. For undergraduates, half-time is 6 credits.

For scholarships and grants, you need to maintain the enrollment level required for each aid program listed on your financial aid award letter.

IS POWER OF ATTORNEY USEFUL IF I AM OVERSEAS?

If you are overseas, power of attorney gives the designated person (family member or trusted friend); the power to act in your behalf if a legal document requires a signature. If you are receiving federal financial aid, you must endorse the check before it can be deposited. A power of attorney can facilitate the process of receiving funds.
WHAT SOURCES ARE AVAILABLE TO OBTAIN FURTHER INFORMATION ON FINANCIAL AID AND FUNDING FOR STUDY ABROAD?

The following on-line and publication sources are very useful for students who wish further information:

A. ON-LINE INFORMATION

http://www.finaid.org  The Financial Aid Page: links to scholarship searches and comprehensive listing of financial aid information


http://www.fastweb.com  Fast Web. This service provides a free customized list of financial aid sources including private sector scholarships, fellowships, grants, and loans.

http://collegeboard.com  College Board Scholarship Search

http://www.umabroad.umn.edu/financial/scholarships/index.html  (University of Minnesota)

http://www.lib.msu.edu/harris23/grants/  (Michigan State University) has information on scholarships and grants for study abroad.

Of course, be sure to also check your school’s web site for information about their financial aid and study abroad programs.

B. PUBLICATIONS

FINANCIAL AID FOR STUDY ABROAD: A MANUAL FOR ADVISORS AND ADMINISTRATORS, NAFSA: Association for International Educators, Washington, D.C. (1989, but it will be revised in 1999) Basically a reference work for administrators, but it has comprehensive information on financial aid which will be helpful for students.

A STUDENT’S GUIDE TO SCHOLARSHIPS, GRANTS, AND FUNDING PUBLICATIONS IN INTERNATIONAL EDUCATION AND OTHER DISCIPLINES, Michigan State University, Rm.209, Office of International Studies and Programs, East Lansing, Michigan (April 1997) Contains 79 pages of annotated bibliographical information on references and websites.

Other useful sources include SCHOLARSHIPS, FELLOWSHIPS & GRANTS FOR PROGRAMS ABROAD, American Collegiate Service, (1989),
