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The Higher Education Act (HEA) of 1992 mandated that a student can receive financial aid for the costs of studying 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 office, study abroad office or bursar's office 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. Completion of a Free Application for Federal Student Aid (FAFSA) is required.

Loans

The U.S. Department of Education has two student loan programs, William D. Ford Federal Direct Loan (Direct Loan) Program and the Federal Perkins Loan Program.

The Direct Loan Program has three primary loans available and the U.S. Department of Education is the lender:

- **Direct Subsidized Loan:** Available to students who demonstrate financial need. The Federal government pays interest on the loans as long as the student is enrolled half-time. Repayment and interest begins after you graduate, leave school, or drop below half time.
- **Direct Unsubsidized Loan:** 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.
- **Direct Plus loans:** Available to graduate students and parents of dependent undergraduate students. Interest accrues while students are in school. For graduate students, repayment begins 6 months after you graduate, leave school, or drop below half time. For undergraduates, parents must begin repayment 6 months after the student graduates, leaves school, or drops below half time.

Federal Perkins Loan Program

The Federal Perkins Loan Program is open to undergraduate and graduate students who have financial need as determined by the FAFSA. Your home school is the lender for this loan program and funds for this Loan Program may be limited.

Grants and scholarships

- Federal Pell Grant is awarded to exceptionally needy undergraduate students. Part-time enrollment reduces eligibility.
- Federal Supplemental Educational Grant (SEOG) is awarded to exceptionally needy undergraduate students. Must be enrolled at least half-time.
- Benjamin A. Gilman Scholarship Program is sponsored by the Bureau of Educational and Cultural Affairs at the U.S. Department of State and is administered by the Institute of International Education (IIE). This scholarship program is only open to undergraduate Federal Pell Grant recipients who intend to study abroad for a semester, summer or year-long program.
- 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.

- Foreign Language & Area Studies (FLAS) Fellowship program funded by the U.S. Department of Education provides study abroad funding to undergraduate and graduate students who are pursuing foreign language and area studies. The Critical Language Scholarship Program, a program of the U.S. Department of State, Bureau of Educational and Cultural Affairs, funds intensive summer language institutes in thirteen critical foreign languages.

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. Contact your home institution's Financial Aid office for more information on whether there is any State Aid available.

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 (this is called a Consortium Agreement). 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, Foundation for Global Scholars, and Fund for Education Abroad, all have private, sponsored international scholarship programs, which provides funds for undergraduate, graduate or international degree programs. 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

Many study abroad program providers and organizations offer need and merit scholarships for their own sponsored programs. The Institute of International Education has an online directory, <http://www.studyabroadfunding.org>, featuring hundreds of scholarships for study abroad programs.

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 grants or scholarships are specified for this purpose. Since the passage of the Americans with Disabilities Act in 1990, study abroad and financial aid offices are required to meet the needs of non-disabled and disabled students. Check with your study abroad or financial aid office, as well as online resources, for a listing of available funds.

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 your home institution's 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?

Students should enroll in full-time credits in order to receive their full amount of awarded aid. However, some aid will be reduced depended on the number of credits a student is enrolled. The credit level required for Direct Subsidized/Unsubsidized loan eligibility for all semesters is half-time. For undergraduates, half-time for semester study is normally 6-9 credits. For graduates, half-time for semester student is normally 5-6 credits. Always double check with your home institution regarding what constitutes half-time status as each institution determines its own credit limits for half-time study.

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. Many times, if you are receiving federal financial aid, institutional aid or scholarships, or private aid or scholarships in the form of a check, you must endorse the check before it can be deposited. A power of attorney can endorse checks on your behalf and facilitate the process of receiving funds.

WHAT SOURCES ARE AVAILABLE TO OBTAIN FURTHER INFORMATION ON FINANCIAL AID AND FUNDING FOR STUDY ABROAD?

<http://www.finaid.org/>

Online information

- [The Financial Aid Page](#) provides links to scholarship searches and comprehensive listing of financial aid information.
- [The Student Guide](#) is published annually by the U.S. Department of Education which includes the eligibility requirements on various federal aid programs.
- [Fast Web](#) provides a free customized list of financial aid sources, including private sector scholarships, fellowships, grants, and loans.
- [The College Board](#) Scholarship Search and [P.L.A.T.O.](#) Scholarship Search are other pertinent engines for grant information.
- [StudyAbroad.com](#), the [University of Minnesota](#), and [Michigan State University](#) also have information on scholarships and grants for study abroad.
- [CareerOneStop](#) provides a searchable database of scholarships and fellowships.
- [Study Abroad Funding](#), a study abroad scholarship search engine, is maintained by the [Institute of International Education](#).