

# U.S. Federal Student Aid

## COST OF ATTENDANCE POLICY

### TITLE:

U.S. Federal Student Aid Cost of Attendance Policy

### POLICY:

For students receiving Federal Student Aid under the William D Ford Direct Loan Programme, the loan maxima for any loan period is based on the Cost of Attendance for that loan period. The Cost of Attendance includes only educational related expenses and is specific to the school certifying the loan.

The Cost Components and Exchange Rate are two factors used to calculate the Cost of Attendance.

#### Cost Components

The Cost of Attendance for Massey University is calculated using applicable components from the list below. The estimated cost of each component is reviewed annually prior to the commencement of an academic year and these rates are applied consistently throughout the year across all students applying for Federal Student Aid.

Allowable costs to be included are:

#### Course specific costs:

Tuition Fees

Tuition-related fees & expenses (e.g. Practical work, Placement fees, Study materials)

#### Campus specific costs:

Non-tuition fees

Transportation

Living Costs

#### General costs:

Compulsory Medical/Travel Insurance Loan fees

Child care allowance

#### Items not eligible include, but are not limited to:

Spousal care

Purchase of a vehicle

Mobile phone service

Furniture

Holidays

Visa application fees

#### Expected Family Contribution

The Expected Family Contribution (EFC) refers to the family's ability to contribute toward the student's annual Cost of Attendance. The EFC is calculated based on the information provided by the student on the Free Application for Federal Student Aid (FAFSA). The EFC is subtracted from the Cost of Attendance to determine the student's financial need. The EFC is pro-rated for Undergraduate students enrolled in one semester i.e. pre-selection or new undergraduate student starting in Semester 2.

#### Exchange Rate

The Cost of Attendance for Massey University is calculated in NZD as the majority of actual costs incurred, such as tuition and living costs, are in NZD. The Loans are raised and disbursed in USD.

A conversion between the two currencies occurs in two separate instances for an academic year:

1. The Cost of Attendance is calculated for the Award Letter in NZD then converted to USD for the purposes of originating the loan.
2. Loan disbursements are made throughout the year in USD by the U.S. Government and converted to NZD upon receipt by the receiving bank for Massey University.

The exchange rate may change between these two conversions. This may result in a positive or negative change in the amount of funds received compared with the Cost of Attendance. Massey University does not recalculate the Cost of Attendance based on changes in the exchange rate after the student's financial aid package has been completed.

The University will apply the following policy regarding exchange rates:

1. The exchange rate applied in calculating the Cost of Attendance for a particular academic year and used to certify subsequent loans will be based on an average of the twelve months preceding the finalisation of Award Templates. Cost of Attendance will be calculated only once for each year.
2. The exchange rate applied to the conversion of loan disbursement payments will be a spot rate determined by the receiving bank for Massey University.
3. If the difference between the yearly average exchange rate and the actual exchange rate at time of disbursement is greater than 10% resulting in a negative change to the student's award then the US Financial Aid administrator will review and if necessary recalculate the yearly average exchange rate.

#### **AUDIENCE:**

All students applying for or receiving U.S. Federal Student Aid  
Finance staff  
Federal Aid Administrators and International Office Staff  
Pastoral Care staff

#### **RELEVANT LEGISLATION:**

U.S. Amended *Higher Education Act* 1965.  
U.S. Federal Regulations Title 34, 668 (Student Assistance General Regulations) and 685 (William D Ford Direct Loan Programme)

#### **LEGAL COMPLIANCE:**

Universities accredited to administer U.S. Federal Student Aid are required to comply with U.S. Federal Regulations

#### **RELATED PROCEDURES/DOCUMENTS:**

MU FSA Loan Disbursement Policy  
MU FSA Satisfactory Academic Performance Policy  
MU FSA Return of Title IV Policy  
Student Fee Policy  
General Terms and Conditions

#### **DOCUMENT MANAGEMENT & CONTROL**

Reviewed by	:	Amy Odom
Authorised By	:	Katie Harris
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