

US Direct Loans: How we complete the Cost of Attendance (COA) – 2026/27 version



This document describes how we complete your COA (Cost of Attendance) at the start of the year, which then defines the size of Direct Loan that you can borrow.

Contents

What is the Cost of Attendance, and why is it important?.....	3
Application details	4
Costs to be included	5
Tuition.....	5
Room.....	5
Board.....	6
Books	6
Travel	6
Personal.....	7
Origination Fees.....	7
Other information.....	8
EFA (Estimated Financial Assistance)	8
EFC (Expected Family Contribution).....	8
What exchange rate is used?	9
Procedure for processing the awards:	10
Agreeing the COA	11
What costs can be adjusted in the COA?	11
Originating the loan and issuing the visa letter.....	12
What else do I need to do?	13
Version Control.....	14

What is the Cost of Attendance, and why is it important?

The Financial Support Team here at the University of Southampton is responsible for administering the US Direct Loans for all of our eligible students.

When you apply for a Direct Loan at the University of Southampton, we will complete a Cost of Attendance (COA) spreadsheet on your behalf.

The COA is a determination of a reasonable cost of your study at the University for an academic year. Once agreed, it is the maximum amount that you will be able to borrow for the year, subject to other eligibility criteria and credit-worthiness.

The COA also shows the breakdown of different categories of Direct Loan (Subsidized Loan, Unsubsidized Loan, and PLUS Loan) that you will potentially be able to borrow.

This COA has to be agreed between the University and you, although we have very little room to negotiate, because we have to be consistent in the way we calculate the amounts across all of our applicants.

Application details

You have submitted a FAFSA

You must have submitted a FAFSA for the academic year. If you have not yet submitted your FAFSA for the year then please note that we cannot set up a loan for you until you have done so. FAFSAs can be submitted at <https://fafsa.ed.gov/>.

You have completed Master Promissory Notes

You must have completed all of the MPNs your loan requires for the academic year. Please be aware that we cannot authorise a loan for anybody that has not submitted all of the relevant MPNs for their loan. For more details, go to <https://studentloans.gov/myDirectLoan/index.action>.

You have completed Entrance Counselling

You must have completed appropriate entrance counselling for your loan for the year. Please be aware that we are unable to authorise any loans for students that have not completed adequate entrance counselling. More details can be found at <https://studentloans.gov/myDirectLoan/index.action>.

Costs to be included

There are a number of costs that are included when calculating the COA. The general rule of thumb is that we include the personal costs you incur as a direct result of following your course of study.

We will not include any costs for spouses or other family members, unless they are your direct dependents.

Some of the maximum amounts can occasionally be adjusted, at our discretion, if we feel that your circumstances warrant this.

More information on possible adjustments is included below. If you would like any adjustments to the costs we include, you should contact us to explain what you would like changing and why. We can then consider your request.

Tuition

This is a variable amount depending on your programme of study. **This is the full tuition costs for the academic year.**

Room

This the amount you need to borrow to cover your accommodation costs (rent only)

There is a fixed maximum amount to cover accommodation costs. Currently the maximum is set at £10,192 for 12 months – if your study period for the year is less than 12 months then we would usually reduce this amount pro-rata, so for undergraduates this is usually set at £7,644 by default.

If you are a first-year student in University Accommodation, we might be able to increase the maximum, at our discretion, on the assumption that you will not have had a reasonable opportunity to have found cheaper accommodation.

We might also be able to adjust the maximum amount, purely at our own discretion, if you have a medical or other valid reason for more expensive accommodation needs.

In deciding whether or not to adjust this amount we would consider if the additional cost being claimed is essential to your living and studies at the University. Any adjustment to this amount will normally only be made with unambiguous evidence to back it up.

Board

This is the amount you would need to borrow to cover your day-to-day costs such as power, utilities, and food.

There is a fixed maximum amount of £5,200 for 12 months— if your study period for the year is less than 12 months then we will reduce this amount pro-rata, so for undergraduates the default amount is £3,750.

The maximum amount can only be changed at our discretion, and we would only do this in extremely rare circumstances. The reason for any agreed change must be evidenced.

Books

This is the amount you need to borrow to cover the cost of your books, stationery, and any other essential study materials not included in the tuition fees.

The maximum amount for is £1,000 for 12 months - if your study period for the year is less than 12 months then we will reduce this amount pro-rata, so for undergraduates the default amount is £750. The cost of a laptop or personal computer is not included in this category.

Any unusually high additional costs that students incur for these items can very occasionally be added, purely at our discretion, but the reasons for this must be properly evidenced.

Travel

This is the amount you need to borrow to cover the cost of your travel to/from the U.S.A., and daily travel costs to/from campus.

This is a fixed maximum amount to assist with the cost of two flights to/from USA plus weekly/daily travel whilst studying.

Currently we allow £2,200 to help with the flight costs, (although this is reduced to £1,040 if your period of study is six months or less). We also include £600 for your weekly travel at university, on the assumption that you are studying for 12 months. For shorter periods of study, we reduce this amount pro-rata, so for undergraduates we would normally include £450 for weekly travel.

If your actual flight costs are significantly higher than allocated then we can, at our discretion, adjust this amount upwards. In deciding whether or not to allow for higher flight costs, we would consider whether the flights taken were of a reasonable cost e.g. the additional cost of travelling business class would not normally be approved. Any adjustment that we do make must be evidence based.

Personal

This is the amount you need to borrow to cover other assorted costs.

We have a fixed standard maximum amount to cover pocket money, a computer/laptop, health insurance, ongoing medication, visa charges, and childcare costs if applicable (i.e. if the child is a dependent of yours and staying in the UK with you). It does NOT cover the costs of a spouse/partner, a mortgage in USA or other loan repayments, moving house, cosmetic medical treatment, holidays, and any other items not essential to being able to study in the UK.

The standard amount set of £6,500 is for a full-year period of study. Shorter periods of study will have this amount reduced pro-rata, so for undergraduates we would normally allow a maximum of £4,875.

This standard amount does not include visa costs or childcare, although we will include the costs of these as well. Any valid childcare costs can be included in full for the period of study ONLY and MUST be evidenced (usually by a contract with a childcare provider). Any visa costs can be included in full, including any upfront national healthcare charges – these costs must also be evidenced.

Origination Fees

The US Government charges an origination fee for setting up the Direct Loans which is deducted at source. The origination fee is currently calculated as 1.057% of the Subsidized and Unsubsidized loans plus 4.228% of the PLUS loan.

Because these are deducted at source, we put in an allowance for the origination fee based on the standard Cost of Attendance, so that the amount disbursed to you after deductions, can be the amount you need to live on as defined by your Cost of Attendance.

Other information

There are a couple of other items that need to be included when calculating your COA. These are the Other Financial Assistance (OFA) and the Student Aid Index (SAI).

OFA (Other Financial Assistance)

The OFA is an estimate of the additional funding that you will be in receipt of during the academic year, such as scholarships or studentships from the University or any external organisations.

If you do not have any extra funding yet, but this situation changes at a later date, you must let us know. We will then need to adjust your COA and we may also need to adjust your borrowing amounts as well. If this adjustment brings your COA below the amount that you have already borrowed, then a refund back to the US will be necessary.

SAI (Student Aid Index)

We enter the SAI that has been assessed by the Department of Education on your FAFSA.

This is an amount calculated by the US Government based on your individual circumstances, representing the amount they expect your family to be able to contribute towards your study costs. It has to be taken into account when calculating your COA.

We can obtain this from your FAFSA Submission Summary (FSS) before agreeing your loan.

What exchange rate is used?

Exchange rate: £1 = 1.40

The Cost of Attendance is calculated in USD\$, and the loan you take will be borrowed in USD\$. It is exchanged into GBP£ at the time the money is disbursed at various points during the academic year.

Because many of the costs we take into account are charged in GBP£, and the exchange rate used to convert your loan fluctuates throughout the year, we are unable to accurately fix the rate in advance so that you get exactly what you need.

To reduce your exposure to exchange rate problems, we calculate your COA using a standard rate defined as being the highest rate (according to xe.com) of the 12 months from May 1st to April 30th before your academic year starts, rounded up to the next highest 0.01%.

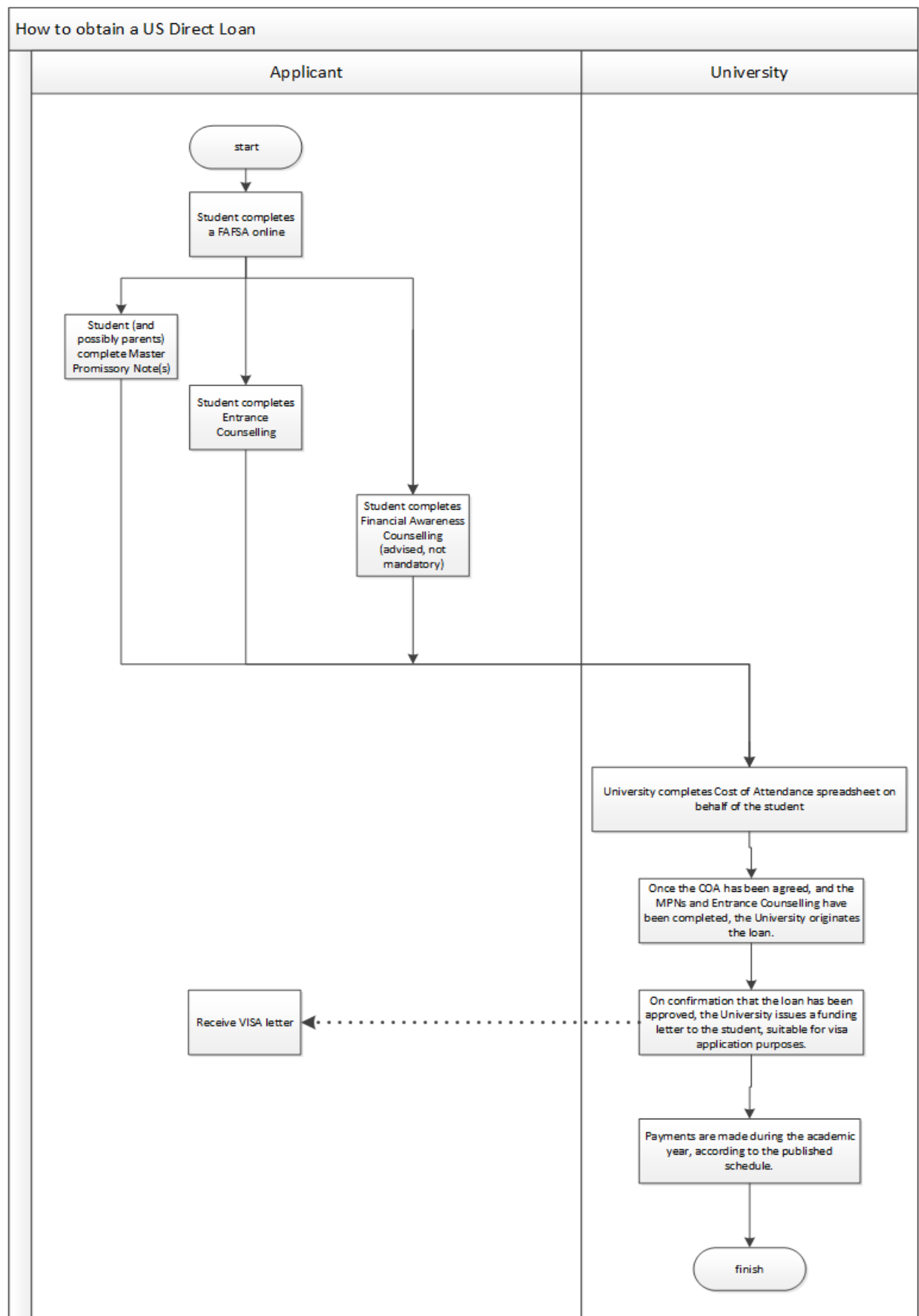
However, if the highest rate of the 12 months from May 1st to April 30th before your academic year starts is more than 1.1 x the actual rate on 1st May, then we use the midpoint between the highest rate of the 12 months from May 1st to April 30th before your academic year starts and the current rate, rounded up to the next highest 0.01%.

So, for 2026/27 we calculate COAs using a rate of 1.40%. This should allow for fluctuations during the academic year and mean that you are likely to be able to cover all of your reasonable costs.

If the exchange rate changes significantly unfavourably, leaving our students struggling to get by, we can, at our discretion, choose to offer reassessments to all of our US students using a higher rate, so that they then have the option of borrowing additional funds.

This would be entirely at the University's discretion. We have never needed to do this in previous years.

Procedure for processing the awards:



Agreeing the COA

Once we start to process, you must agree the amount before we are able to continue to originate (set up) the loan with the US Government.

Any changes made to the COA must be evidenced, and must be in accordance with the guidelines set out above, so that all students are treated in a fair and equitable manner.

What costs can be adjusted in the COA?

As explained in detail in each of the itemised sections above, the existing figures that have limited scope for adjustment are:

- **Accommodation costs**
 - Only if a first year in University of Southampton accommodation, or a student whose medical requirements cause additional accommodation expenses. See the [Room](#) section.
- **General living costs**
 - These can only be adjusted in exceptional situations, e.g. if you have significantly higher living costs due to medical issues. See the [Board](#) section.
- **Essential study materials**
 - If there are any exceptionally high cost study materials that are *essential* to your studies, we can, at the University's discretion, include these in the COA. See the [Books](#) section.
- **Flight costs**
 - We already allow for substantial flight costs to be included. If reasonable flight costs are more expensive than are already allowed for then we can, at our discretion, increase the cost included. See the [Travel](#) section.

We do not include as standard in the COA, any visa costs or any childcare costs. We can usually include these as actual costs, provided that you supply evidence to us. See the [Personal](#) section.

No other costs other than those stated in this document would normally be included.

Originating the loan and issuing the visa letter

Once we have agreed the COA with you and we are satisfied that you have carried out all of the steps you need to have done, we originate your loan. This means that we inform the U.S. Department of Education of all of the details of your loan for the year ahead.

Within a day, the Department of Education will confirm the loan and the outcome of any appropriate credit checks.

If there are any problems, we will then contact you as quickly as possible to get them resolved.

Once the loan has been approved, we can then issue you with a confirmation of funding letter which can be used in support of any visa application. We will send this to you as a PDF over email.

What else do I need to do?

There is nothing further you need to do in order to have a Direct Loan set up for the year.

The University uses Flywire to make Direct Loan payments. Flywire can either pay to a USD or GBP bank account.

Due to the amount of administration involved in getting each individual disbursement of Direct Loan drawn down from the US and distributed, it is often two weeks into term before we can get the very first payment to you. We therefore strongly advise you to **bring enough money with you at the start of the year to cover living costs for two to three weeks**, if at all possible.