Please ensure that you read this and all other documents from the host university relating to the financial guarantee very carefully. It can cause extensive delays if you do this incorrectly.

Please share these notes with your guarantor (e.g. parents, grandparents etc.)

What is a Financial Guarantee?
The financial guarantee is evidence that shows you have the necessary funds to afford living and studying in the host country where you will study abroad for an academic year, and is needed before you can be issued with a visa.

Who is required to obtain a financial guarantee?

1. Students going to the USA
Students applying to a university in the USA will have to do this at application stage (usually in February or March). The host university's application process will tell you how much they require and sometimes give you a form you need to complete. You’ll get this in late January or February once you know where you are going.

2. Students going elsewhere in the world
You may be asked to demonstrate that you have sufficient money to live in the country when you apply for a student visa for your host country. This will be made clear at the visa application stage. It is your responsibility to check the requirements, which can be found on the respective Embassy or High Commission website.

What does it cover?
Accommodation and general living costs (entertainment, basic travel, books, clothes, personal care, etc.) are included within the figures quoted by your host institution.

Do I need to actually give the money to any one?
No, you are just asked to show proof that the money is available. This would mean in the event of leaving the university or the country with unpaid debts, they can contact the person acting as your guarantor to retrieve the money. The money isn’t given to anyone, just simply showing you have it in the event of leaving a debt.

How do I show I have the necessary funds?
The financial guarantee can be made up by several sources of capital. It can include a:

- recent statement from a bank account (yours or relative’s)
- recent statement from an savings account (yours or relative’s)
- recent reference letter from the bank stating that the proposed sponsor or guarantor has £XXX available to them

Not appropriate/accepted:

- wage slips
- letters from employers
- share certificates
- mortgage or company ownership statements

The guarantee can be made up from several sponsors or guarantors if necessary – your own money/parents/relatives etc.

If the money is in an account that is not in your name (e.g. a relative’s account), then the person named on the bank statement will have to provide a letter explaining they will be your guarantor. A short example letter is outlined at the end of this factsheet.

Some organisations require 7-10 days' notice to provide statements, letters etc. Don’t expect that it can be done immediately. Plan in advance.
Step by step guide & important notes

1. Identify your sponsor/guarantor or it can be yourself

2. Work out how much you need to guarantee, in pounds (or your local currency if you are an international student). Check the host university application processes. Always try to guarantee a more than is needed to allow for exchange rate fluctuations.

3. If you usually apply for a maintenance loan, you can TRY to use your loan as part of the guarantee.

4. If you are using the loan as part of the guarantee, you will have to make up the difference with your own funds or a sponsor/guarantor.

Example:

<table>
<thead>
<tr>
<th>Guarantee required $16,000 = £13,064 (approx.)</th>
<th>Loan amount - £6,828</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange rate of £1 = $1.22 (as of 29/07/19)</td>
<td>Amount left to find - £6,236 minimum</td>
</tr>
</tbody>
</table>

Student Loans

Some universities do not accept the student loan as part of the guarantee as it is projected money and not money in the bank. You may also find for some institutions, you have to complete the application before you have confirmation of funding through from your Student Finance provider.

You should check with the host university if they will accept the student loan as part of the guarantee. If you wish to use your student loan, you should supply this year's loan letter along with a supporting letter from yourself explaining that you will apply for a student loan and use this to cover living costs. If you are able to get anything additional from your Student Finance provider for next year then this will support your case too.

You may be asked to provide further proof of funds if the host university rejects the projected student loan, so please plan for this in advance just in case.

You may find it easier to prove access to funds using relative’s bank statements even though you will use your maintenance loan to fund yourself. This is not a problem.

Host university Financial Guarantee Forms

- Some universities provide their own financial guarantee form. If they provide this, you must complete it. It will be included with their application form, if there is one.

- If it requires a signature from the guarantor(s), please ensure that they sign it, even though they may have already supplied a supporting letter.

- If you have used a bank statement or letter to supplement it, please write – ”see attached” on the form.

Supporting Letter from Guarantors

- If you are funding yourself you do not need to supply a letter.

- If anyone else other than yourself is guaranteeing you, you will need a letter from them. This is to prove that the person has agreed to sponsor you.

- If the account is joint then both parties MUST sign the letter (see example)
Bank/Building Society Statements

- It must clearly state the guarantor’s name, if it is a joint account then it must have both names
- It must be an original statement (internet statements are most often not accepted)
- It must be dated no more than 1-2 months prior of January/February (time of applying) – i.e. no more than three months old. The more recent the better

Pass books

- It must clearly state the guarantor’s name, if it is a joint account then it must have both names
- You will need to take a photocopy of the name page and the page where the balance is shown

Bank/Building Society Reference Letters

- It must clearly state the guarantor’s name, if it is a joint account then it must have both names
- It must be on bank/building society letter head
- It must be signed by the manager and clearly state their name

Online Only Accounts

- Try to obtain an official statement from the company/bank/society.
- A print out may not be sufficient; you will have to make enquiries with the host institution if you cannot obtain an official statement.

Ultimately the host university will decide what is acceptable and what is not. If in doubt, we’ll send off whatever you can provide but they may reject it, in which case they will contact you.

Any general questions about financial guarantees can be directed to Global Opportunities & Exchanges or ideally to the host institution.

Tel. No. 0114 222 6269
Email: globalopps@sheffield.ac.uk
To whom it may concern,

I am writing to confirm that I will act as financial guarantor for my daughter Jane Smith who will spend an academic year studying at the University of America during 2019/20.

Please find enclosed my Lloyds TSB Bank statement, which shows I have $20,000 (over £16,500) to act as guarantor.

Best wishes

JSmith

Joan Smith

Mr John Smith Mrs Joan Smith

(Note: attached would be the original bank statement from Lloyds TSB for Mr John Smith and Mrs Joan Smith)