The American University of Beirut Announces New Tuition and Financial Aid Policies
Monday, May 17, 2010

As of Fall 2010, the American University of Beirut (AUB) will implement a number of changes related to tuition and financial aid. These changes are being made after an independent and exhaustive review of AUB’s tuition pricing and financial aid award processes that began in October 2008. The new policy will affect the way in which the University calculates tuition and will generate additional funds that will be used to strengthen academic programs and increase need-based financial aid.

The Tuition Pricing Policy for Students Enrolling in Fall 2010

Historically, AUB has charged a flat rate for tuition based on 12-credit hours per semester, allowing students to enroll for as many as 18 or 20 credit hours with no additional charge, a system that has imposed a considerable burden on faculty instruction time, the use of university facilities, and the allocation of resources. Beginning with the cohort of undergraduates entering AUB in Fall 2010, the university will calculate tuition per credit, based on a maximum of 15 credit hours. That is, incoming students who enroll for 12 credit hours per semester will be charged only for 12; those who enroll for up to 15 credit hours will be charged tuition for those additional credit hours; and those who enroll for more than 15 credit hours may do so at no additional charge.

The Use of Generated Revenue

To help ease the financial burden associated with this change, AUB expects that most students receiving financial aid will pay only 25 percent (25%) of the cost of any additional credit hours billed. A majority of the increased revenues that the University will realize as a result of this new policy will be used to provide grants of financial aid, increasing AUB’s financial aid program from $13.7 million in 2009-10 to $28.4 million in 2013-14, when the new policy is fully implemented. The remaining revenues will be invested in maintaining the excellence of AUB’s academic programs. These changes are similar to ones that many other leading international universities have implemented in recent years to promote greater student diversity and provide additional resources for academic programs. The new revenues are critical to the University’s commitment to achieve a dynamic and diverse student body, a longstanding goal for AUB and one of three priorities that President Dorman identified in his inaugural address of May 2009.

A New Student Loan Program

AUB will partner with a number of local banks to facilitate and expand access to low interest, 3 percent (3%) subsidized loans that will now be available to all incoming and current AUB students, regardless of which program they choose to major in. The participant banks will not require students enrolled at AUB, or their families, to show collateral and such loans will not need to be paid back until ten years after graduation. This offer is made possible through AUB’s guarantee to pay local banks the initial percentage points of any future loan default.
Moreover, if loans are offered to incoming students as part of an overall financial package, students will have the option of refusing such loan aid, if they so desire, unlike the previous financial aid policy.

**AUB’s total financial aid program, including subsidized loans, will increase from $16.1 million in 2009-10 to $40 million in 2013-14, an increase of roughly 150%.**

**Expanded Access to Financial Aid for Returning AUB Students**

The new tuition policy that will go into effect in fall 2010 is limited to incoming students and will have no negative financial impact on current AUB students. As a result of the changes that we are implementing, the University will be increasing its total financial aid budget available to all students.

In particular, with the introduction of the new bank loan program, the University expects that the number of students who will qualify for low-interest student loans will quadruple from the current 600 students in the fields of engineering, architecture, medicine, and business to more than 2,500 students from all six AUB faculties. Furthermore, returning students will be able to renegotiate any current loans at the new rate of 3 percent (3%) in local currency.

Finally, **AUB will keep the annual tuition increases constant for the next three years (through academic year 2012-13) at four percent (4%) for undergraduate students in all faculties.** This policy change is in response to focus group feedback we received from current students and parents, who would like to see more predictability in their education costs during their period of study at AUB. The 4% flat rate is a significant change from the eight percent (8%) increases that the University has implemented in recent years.

**Benefits of the New Tuition Pricing Policy and Financial Aid Initiatives**

In summary, the benefits of the policies that AUB is announcing today include:

- Substantially increasing AUB’s direct financial aid program, from $13.7 million in 2009-10 to $28.4 million in 2013-14.
- Expanding eligibility for financial aid loans to all students across all six faculties at AUB.
- Expanding the expected availability of student loans from $2.4 million in 2009-10 to $12 million in 2013-14.
- Committing to a fixed tuition increase for three years in advance, in order to enhance the ability of students and families to plan for covering the costs of education in the years to come.
- Making an AUB education available to students who previously would not be able to afford it and thus enhancing the socio-economic diversity of the campus.
- Improving the excellence of academic programs.
- Aligning tuition more appropriately with faculty resources and with available facilities.
- Guaranteeing returning students the continuance of current tuition arrangements under the historical 12-credit hour system, while giving them the opportunity to take advantage of the new student loan program.
For additional information and/or clarification, please contact the Financial Aid Office (Extension 3160/1; Email: faid@aub.edu.lb).