
Listserv Summary: I-20s: Lines of credit for "possesses sufficient funds?"

October 14, 2013

An inquiry was made to the AIEA Listserv asking for institutional policies regarding the use of lines of credit for determining whether an international applicant “possesses sufficient funds” for an I-20. The member posing the question received conflicting information from the Admissions department and the PDSO at his institution regarding the use of lines of credit. The member requested information on member institutions’ policies on this issue.

Summary of responses:

There were six responses to this request for policy information. Out of the six responses, five stated that lines of credit are *not* accepted as “sufficient funds” when admitting international students; the sixth gave a general response without specifying policy at their institution.

Several members specified what they would consider to be sufficient funds: a bank statement certifying liquid assets was universally accepted. The three responses that mentioned student loans specified that while their institution does not accept lines of credit, they accept student loans because the interest rates on student loans are more realistic for students than the high interest rates for lines of credit, and because student loans are generally granted with the understanding that a student will receive that funding for the duration of the pursuit of their degree. There was debate regarding accepting retirement accounts, real estate, and other non-liquid assets—some responding institutions accepted them and some did not.

The general consensus among respondents was that the consular officer at each institution has a great deal of discretion in determining whether sufficient financial support exists, and several acknowledged knowing of institutions that accept lines of credit.

One response cited the Foreign Affairs Manual, which gives consular officers the following guidelines for exercising their discretion in reviewing F-1 financial documentation:

9 FAM 41.61 N6.1-1

9 FAM 41.61 N6.1-1 F-1 Student (CT:VISA-1064; 10-09-2008) The phrase "sufficient funds to cover expenses" referred to in 22 CFR 41.61(b)(1)(ii) means the applicant must establish the unlikelihood of either becoming a public charge as defined in INA 212(a)(4) or of resorting to unauthorized U.S. employment for financial support. An applicant must

provide documentary evidence that sufficient funds are, or will be, available to defray all expenses during the entire period of anticipated study. This does not mean that the applicant must have cash immediately available to cover the entire period of intended study, which may last several years. You must, however, establish, usually through credible documentary evidence, that the applicant has enough readily available funds to meet all expenses for the first year of study. You also must be satisfied that, barring unforeseen circumstances, adequate funds will be available for each subsequent year of study from the same source or from one or more other specifically identified and reliable financial sources.