

# Student Finance

- Eligible full-time Higher Education students can take out :
  - Student Loan for Maintenance
  - Student Loan for Fees.
  - Plus Grants are available for fees (Wales) and maintenance

# What are student loans?

- Are issued by Student Finance Direct, a service managed by the Student Loans Company.
- The interest rate on student loans is linked to the rate of inflation, so is variable. (RPI+3%)
- Students pay back 9% of salary on earnings above £21K from April after they graduate.
- Students from the EU apply to Student Finance England for a tuition fee loan.

- **Grants**

- The Assembly Learning Grant (ALG) in Wales or Higher Education Grant in England provides financial support to help meet general living costs. It depends on your household income, and will be calculated by your Local Authority when you make your application. (75% is non-income dependent)
- It does not have to be repaid.

# Tuition fee support

Students who study at a publicly-funded university or college can be charged a **maximum of £9,000**.

A Tuition Fee Loan can be taken out to cover the **first £3,900** of tuition fees. However if your university or college charges more than this, you can apply for a **Fee Grant of up to £5,100** to cover the difference.(Wales only)

You can choose to take the **Fee Grant only**. If this doesn't fully cover the tuition fee you are being charged, you'll need to pay the difference to your university or college yourself.

- Maintenance Loan
- The Student Loan for Maintenance is to help pay living costs during term times and holidays.

- Maintenance Loan

- The amount you can borrow will depend on factors like your household income, where you live while you are studying and how much Maintenance Grant you receive.
- You get a smaller loan in your final year, as it only has to cover you until the end of the final term.


# Maintenance Loan

You can apply for 75 % of the Student Loan for maintenance regardless of your household income ('non income assessed'). Whether you can apply for the remainder will depend upon your household income ('income assessed').

- **Maintenance Loan**

- For a “typical” student living in halls outside London the current loan is £4032
- This can be increased depending on household income
- Self catered accommodation ranges from £80 to £200 pw depending on region and quality



	New students	<b>Continuing students</b>	Part-time students	Parents & partners
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The maximum amounts of Maintenance Loan for continuing students studying in academic year 2016/17 are:

<b>Your living arrangements during term-time</b>	<b>Maximum Maintenance Loan available</b>
Living at the parental home	£4,786
Living away from home and studying at a university or college outside London	£6,183
Living away from home and studying at a university or college in London	£8,662
Studying overseas	£7,372

From SFW website  
29/04/16

This doesn't include students in their final year, whose maximum entitlement is lower.

## Maintenance Loan (not based on household income)

The maximum amounts of Maintenance Loan for continuing students studying in academic year 2016/17 are:

<b>Your living arrangements during term-time</b>	<b>Maximum Maintenance Loan available</b>
Living at the parental home	£3,590
Living away from home and studying at a university or college outside London	£4,637
Living away from home and studying at a university or college in London	£6,497

- **Loans**

- The Student Loan for Maintenance is usually paid straight into a bank account by Student Finance Direct in three instalments at the start of each term.
- Student Finance Direct pays the Student Loan for Fees straight to the college or university.

# How to apply

You apply for a student loan when you fill in the main application for student finance.

You will hopefully be able to apply for the year 2017/18 from February 2017.

You apply online via the welsh or English site.

Parental income is based on the previous tax year normally hence most parents need their P60 or accounts up to 5 April 2016 for a 2017/18 application.

# Scholarships

- Many colleges and universities also offer scholarships. These can be based on factors, such as your A level/I.B grades, the subjects you studied, or where you live.

The amounts of bursaries are generally between £300 and £3,000 a year. Bursaries are usually means tested.

There are also bursaries available for certain NHS funded degrees

Bursaries are more useful than fee waivers if offered one or the other as you still pay 9% of salary regardless of how much you borrow

# Loans

Repaying the loan:

Repayments are due from the April after the course finishes.

They have to repay nine per cent of earnings over £21,000 .

The more they earn, the faster they repay the loan.

They can repay more than this if they wish.

In February

- The cost of university

- The loan is deducted at source like a tax and does not affect the graduate's credit rating.
- After 30 years the debt is cancelled regardless of whether it is paid or not.

# Case Study

- Graduate earning £24,000 p.a:

Student pays 9% of earnings above £21k  
**=£5 per week (*approx*)**

Take home pay after tax and NI would be £365 per week (*estimate*)

£360 per week after loan payment (*estimate*)



# Benefit of a university education?

- “the average lifetime earnings of a graduate as £160,000 more than those of a non-graduate with two A-levels. Within this average there is a range from £340,315 for medical and dental graduates to £51,549 for a humanities degree and £34,949 for an arts degree” <http://ww2.prospects.ac.uk/>

# Future of the Welsh Assembly Learners Grant

- **The Diamond Review is due in September 2016**
- Priorities for the review include:
  - widening access – ensuring that any future system has widening access as its core objective, is progressive and equitable
  - supporting the skill needs of Wales
  - strengthening part-time and postgraduate provision in Wales
  - long-term financial sustainability
- **Is a GAP year still a good idea?**