

KEY FACTS ABOUT STUDENT FINANCE 2018

Useful websites:

<https://www.ucas.com/file/101806/download?token=2DHk4PXV>

<https://www.gov.uk/student-finance/new-fulltime-students>

<http://www.moneysavingexpert.com/students/student-loans-tuition-fees-changes>

http://media.slc.co.uk/sfe/1718/ft/sfe_new_ft_students_guide_1718_d.pdf

- Repayments depend solely on how much you earn once you graduate/leave university. If you choose a career that isn't highly paid, you won't need to repay much at all – some won't pay a penny.
- You **repay 9% of everything you earn annually above £25,000 of pre-tax salary once you've left university**. Therefore if you've started repaying the loan, but then lose your job or take a pay cut, your repayments drop accordingly. The £25,000 threshold is due to rise in line with average earnings.

If you earn £26,000 in a year, what do you repay?

The answer is £90 a year, (£7.50 each month) as this salary is £1,000 above the threshold and 9% of £1,000 is £90.

And if you earn £30,000, what do you repay?

The answer is £450 a year, (£37.50 per month) This salary is £5,000 above the threshold and 9% of that is £450.

- The loan is wiped out 30 years after a student graduates.
- No-one has to pay fees upfront. The government will provide loans for your time at university so you or your parents do not have to save up all the money beforehand.
- You only repay when you earn enough. Once you leave university you only repay the loan if you earn more than £25,000 a year. If not, you don't repay. And if you never earn enough (although we hope for you that you do) you never repay a thing.
- Think of loans like a graduate tax.
- Student loans DO NOT go on your credit file.

Tuition Loans

These cover the full cost of tuition fees and are available to all eligible first time students. They are paid directly to your university every year by the Student Loans Company. **Tuition fees maximum £9,250.**

Maintenance Loans

£8,700 maximum for students living away from home outside of London

£11,354 maximum for students living away from home in London

£7,324 maximum for students living at home

Maintenance loans are available for eligible full-time students to pay for things such as rent, food and bills. The way some of this is decided is by means testing, which is where they look at how much your household earns each year, usually based on your parents' income. All students are eligible for at least 65% of the maximum.

Bursaries and Scholarships

<http://www.scholarship-search.org.uk/>

These are provided by universities and colleges, or other organisations like charities and businesses, which you don't have to pay back. Not everybody can get a bursary or scholarship, and they are awarded to different students for different reasons – like your household income and how well you've done in your exams.

How do I apply for a student loan?

Applications are made to the Student Loans Company through the Student Finance England, website www.gov.uk/student-finance

How and when does a student pay back the loan?

Once you've graduated (or even if you dropped out) you may worry that you've got an enormous debt hanging over you. But don't panic!

You don't have to repay a penny until you get a job and are earning more than £25,000 a year.

Once you're past that point you'll pay back 9% of everything you earn above £25,000.

Salary	Monthly repayment	Yearly repayment
£25,000	£0	£0
£30,000	£37. 50	£450
£35,000	£75	£900
£40,000	£112. 50	£1,350

Remember, it does not matter how big your loan is, whether your fees were £6000 or £9000 you will still pay the same each month.

You will pay interest (inflation rate plus 3%) on your student loan which is added each year and so the size of the loan increases. How much interest you pay after studying depends on how much you earn. Interest starts at the RPI (when you earn less than £25,000) and goes up to RPI plus 3% (when you earn more than £45,000).

What happens if I don't get a job, lose my job or take a career break?

If your income ever falls below £25,000 a year, or if you don't get a job, lose your job or decide to take a career break, your repayments will simply stop, no questions asked.

Will a student loan be on my credit file?

Unlike other loans, student loans won't appear on your credit file,

If you are considering paying tuition fees upfront read the full [Beware Paying Tuition Fees Upfront](#) guide, which takes you through the pros and cons.

Muslim students in England aren't excluded either as you'll be able to get alternative student finance acceptable under Sharia law, although this will not be available until 2016 at the earliest. For more information see

[Sharia-compliant student finance news.](#)

<http://www.moneysavingexpert.com/students/student-loans-tuition-fees-changes>

<http://www.moneysavingexpert.com/news/loans/2014/09/government-gives-sharia-compliant-student-finance-the-go-ahead>