

Student Finance Loans

Undergraduate FAQs 2019/20



How much can I receive from the undergraduate student loans?

Undergraduate student loans are split into two types of loan: tuition fee loans and maintenance loans.

You can apply for a tuition fee loan of up to £9250 per year.

Most students are also eligible to apply for a maintenance loan of up to £11,672 per year. The amount you receive will depend on your personal circumstances, such as where you live and your household income.

Are there any additional grants available for undergraduate students?

Undergraduate students with dependents can apply for an Adult Dependents' Grant, a Childcare Grant or Parents' Learning Allowance whilst studying.

If you have a disability, long-term health condition, mental health condition or specific learning difficulty (for example dyslexia) you can apply for Disabled Student Allowance (DSA).

If you are applying for Student Finance online, you will be informed during the application process if you qualify for any of the above grants.

How will I get paid?

The tuition fee loan will be paid directly to the university in three instalments across the academic year.

The maintenance loan will also be paid to your personal bank account in three equal instalments throughout the academic year. Each payment will be made at the start of each academic term, usually in September, April and January.

Please be aware that your payments may be delayed if Student Finance require further documented evidence from you to prove your eligibility for the loan. You may need to provide further evidence throughout the academic year, even once your application has been approved.

How do the loans affect my government funded benefits?

Your benefits are likely to be significantly reduced when you start studying, as your entitlement to a student loan will be classed as a form of income. Even if you do not apply for student loans, your benefit entitlement may still be reduced.

If you receive benefits from the Department of Work and Pensions, you are responsible for informing the Department of Work and Pensions that you are becoming a student. Please be aware that if you fail to declare that you are becoming a student, you may be fraudulently claiming benefits that you are not entitled to and could become ineligible for financial support in the future.

Eligibility

Who is eligible for the loans?

To qualify for the undergraduate loan, you must be:

- starting your first degree
- a UK or EU national, or have 'settled status'
- living in England, and did not move there just to study
- living in the UK, the Channel Islands or the Isle of Man for 3 years before starting your course

You may also be eligible if you are:

- under 18 and have lived in the UK for at least 7 years
- aged 18 or over and have lived in the UK for at least 20 years (or at least half of your life)
- a refugee or have humanitarian Protection
- an EEA migrant worker
- a child of a Swiss national or Turkish worker
- a stateless person (including eligible family members)

I am an EU national who doesn't normally live in England. Will I be eligible?

EU students who do not normally live in England should be eligible for the tuition fee loan if they study at an English University. They must have been ordinarily resident for the previous 3 years anywhere in the EEA/Switzerland.

Can I receive the fee loan if I have previously studied an undergraduate course?

If you already hold an undergraduate degree, you will not be eligible for the tuition fee loan. This also applies if you self-funded the course or it was achieved outside the UK.

If you studied an undergraduate course before but did not complete it, your entitlement to tuition fee loan may be restricted. Student Finance will only allow one extra gift year of study; therefore, your funding will be limited if you previously studied for two years or more.

Student Finance will use the following calculation to determine your tuition fee entitlement:

Length of current course + 1 gift year – years of previous study = years of tuition fee funding left.

For example:

3 (length of course) + 1 (gift year) - 2 (years of previous study) = 2 years funding left.

If you do not have enough years of funding left to cover every year of your new course, then you will be required to self-fund your tuition fees for any year that is not covered. Alternatively, you can appeal to Student Finance on the grounds of compelling personal reasons if you did not finish your previous course due to medical reasons or bereavement. You would need to provide documented evidence of this dated during the time you previously studied.

What courses are eligible for the undergraduate loans?

All undergraduate degree courses offered at ARUL are eligible for the loans.

Repayment of Loans



When will I need to repay the loan?

If you study full time you start repaying in the April after you finish/leave the course (if studying part time, you start repaying the April two years after the start of your course or the April after you finish/leave the course).

How do I repay the loan?

Repayments are based on your income, not on how much you have borrowed. If you started your course after 1 September 2012, you will be repaying on Plan 2.

You will repay 9% of what you earn over the income threshold which is currently £25,725 (£2143 monthly & £494 weekly). For example, on a salary of £30,000 you will repay £32 per month. This is calculated as follows:

£30,000 = £2500 per month gross pay (threshold = £2143 per month)

Difference between gross pay and threshold = £357

9% of £357 = £32 per month

If your weekly/monthly income exceeds the £25,725 threshold (£2143 per month) student loan repayments will be taken even if your overall yearly salary does not exceed £25,725.

The repayments should automatically be taken from your salary via HMRC if you are on the PAYE scheme. If you are self-employed you are likely to have to calculate your own repayments and pay HMRC yourself. For further information, please visit www.studentloanrepayment.co.uk.

Can I make voluntary repayments?

Yes, you can make voluntary repayments of any amount without incurring any penalties.

Is interest charged on the loan?

Interest is charged from the day the first payment is made to the student until the loan is repaid in full. Interest will be charged at the Retail Price Index (RPI) plus 3%.

When will the loan be written off?

Any loan remaining 30 years after you are due to start making repayments will be written off.

What happens to my repayments if I move abroad?

You need to inform Student Finance if you leave the country for more than 3 months. They will need to know if your income or address changes.

The repayment rules remain the same, but there are different repayment thresholds for each country. You can check the thresholds on the student finance website: www.gov.uk/repaying-your-student-loan/how-you-repay

How to Apply

How can I apply for the undergraduate loans?

You can apply for the loan on the Student Finance website: www.logon.slc.co.uk/

It usually takes Student Finance between 6-8 weeks to process new applications. It can also take them an additional 4-6 weeks to process any further documents you send to them later. Therefore, we recommend applying as soon as possible, ensuring that you send all the required documents with your application.

Is there an alternative way to apply?

We recommend applying for the loan online through your Student Finance account as it is the easiest way to apply. However, you could also apply using a paper application form, which you can download online: www.gov.uk/student-finance-forms/y

You need to apply within 9 months of the first day of the last academic year of the course.

How can I apply for additional grants?

You will be informed during the application process if you may be eligible for additional grants.

Alternatively, you can apply using the paper forms, which you can download online: www.gov.uk/student-finance-forms/y

You will need to send evidence to Student Finance to prove your eligibility for these grants.

What types of evidence will I need to provide?

Each student will be asked for different types of evidence.

If you are a UK national, you can provide your passport number during the online application, or send the original passport in the post. If you have a residency permit, you will need to send this by post.

If you are an EU national, you will need to provide your EU passport or ID card.

If you are an EEA migrant worker and are applying for the maintenance loan, you will be asked to provide your contract of employment, P60, and three months' payslips. You will also be asked for further payslips throughout the academic year.

You may also need to send further evidence of your residency history, or evidence of income. Student Finance will inform you of any documents they require. You should login your online Student Finance account regularly to check if any further documents have been requested.

Further information

For further information on the undergraduate loans, please contact the Student Finance undergraduate helpline on 0300 100 0607, open Monday to Friday, 8am to 6pm.

Alternatively, you can contact a member of the ARUL Finance team by email at finance@lca.anglia.ac.uk or call 020 7400 6778. Please be aware that ARUL cannot advise you if you would be eligible for the loan.