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FACTS

STUDENT FINANCE

Worrying about finance can be a barrier to considering a university or college degree. Here are the facts so that you can make up your own mind...

Student Finance Package

When you go to university or college you will be entitled to a **Student Finance Package**, provided by the government and paid through the Student Loan Company. The student finance package consists of a **tuition fee loan** and a **maintenance loan**.

Tuition Fee Loan

The Tuition Fee Loan covers all the **costs of teaching you your course** and it is available to everyone. It is **paid directly to the university**. This means you do not have to pay the university anything and you don't have to find the money to pay in advance.
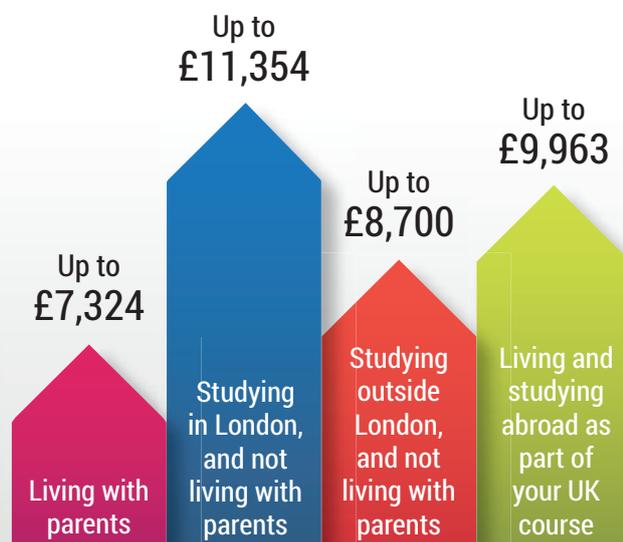
Maintenance Loan

Everyone is eligible for the minimum Maintenance Loan to help with **costs of living** while at university. These include rent, food, travel, books and fun. The loan is **paid into your bank account** in 3 instalments at the start of each term. Different amounts are paid depending on your household income and your living situation. The loan can be increased if you are under the set household income threshold.

How your household income will affect your Maintenance Loan.

YOUR HOUSEHOLD INCOME	The maximum you will get if you are...		
	LIVING AT HOME	LIVING AWAY FROM HOME OUTSIDE LONDON	LIVING AWAY FROM HOME IN LONDON
£25,000 and under Maximum amount	**£7,324**	**£8,700**	**£11,354**
£30,000	**£6,707**	**£8,076**	**£10,719**
£35,000	**£6,090**	**£7,452**	**£10,084**
Income threshold Minimum amount	**£3,224**	**£4,054**	**£5,654**

The maximum Maintenance Loan amounts for the 2018/19 academic year.

Up to
£7,324
Living with parents

Up to
£11,354
Studying in London, and not living with parents

Up to
£8,700
Studying outside London, and not living with parents

Up to
£9,963
Living and studying abroad as part of your UK course

Here are six important things to remember about repaying your student loan:

1 You only start repaying your student loan when you earn over £25,725.
2 You only repay 9% of your salary above £25,725.
3 9% of anything you earn over £25,725 is deducted straight from your pay each month. It is taken at the same time as tax and National Insurance.
4 If you stop working, or your earnings fall below £25,725, then you stop repaying. If you never get a job paying over £25,725, then you'll never pay back anything.
5 After 30 years any outstanding debt is cleared.
6 The best way to view student finance and debt is as an investment in your future. Going to university and getting a degree increases the range of jobs available to you and your earning potential over your lifetime.

Remember that the amount you repay depends only on **how much you earn**, not on how much you owe. Imagine that two people are both earning £27,000 per year after graduating from university. One borrowed only £10,000 and the other borrowed £36,000. They will both only pay back £9.56 a month, as they are earning the same amount despite having very different amounts of debt.

A repayment example.

1 Based on the expected UK threshold of £25,725 a year, if you were paid **£2,250** per month

2 £2,250
£2,143.75 (repayment threshold)

3 £106 Over the repayment threshold

4 You repay 9% **£9.50** a month

Other Support Available

Students with **disabilities, caring responsibilities or dependants** might be eligible for extra support. There are also **University Hardship** funds. Check **gov.uk/student-finance/extra-help**

Consider a **part-time job**. Up to 77% of students have part time jobs. It helps you gain experience of the world of work but for most students it is a vital way of topping up their maintenance loan to cover their living costs. A maximum of **15 hours a week** is recommended.

Additional support may be available through **individual university scholarships and bursaries**. Criteria for these differ but might include students living in certain areas or achieving good grades. Check the university prospectus and websites for details.

Applying for Student Finance

Apply online at **gov.uk/studentfinance** in the spring of the year you will start (February – May). You don't need a confirmed place. Your parents or guardians will provide the household income information.

Go to **gov.uk/student-finance-calculator** to see how much you could get.
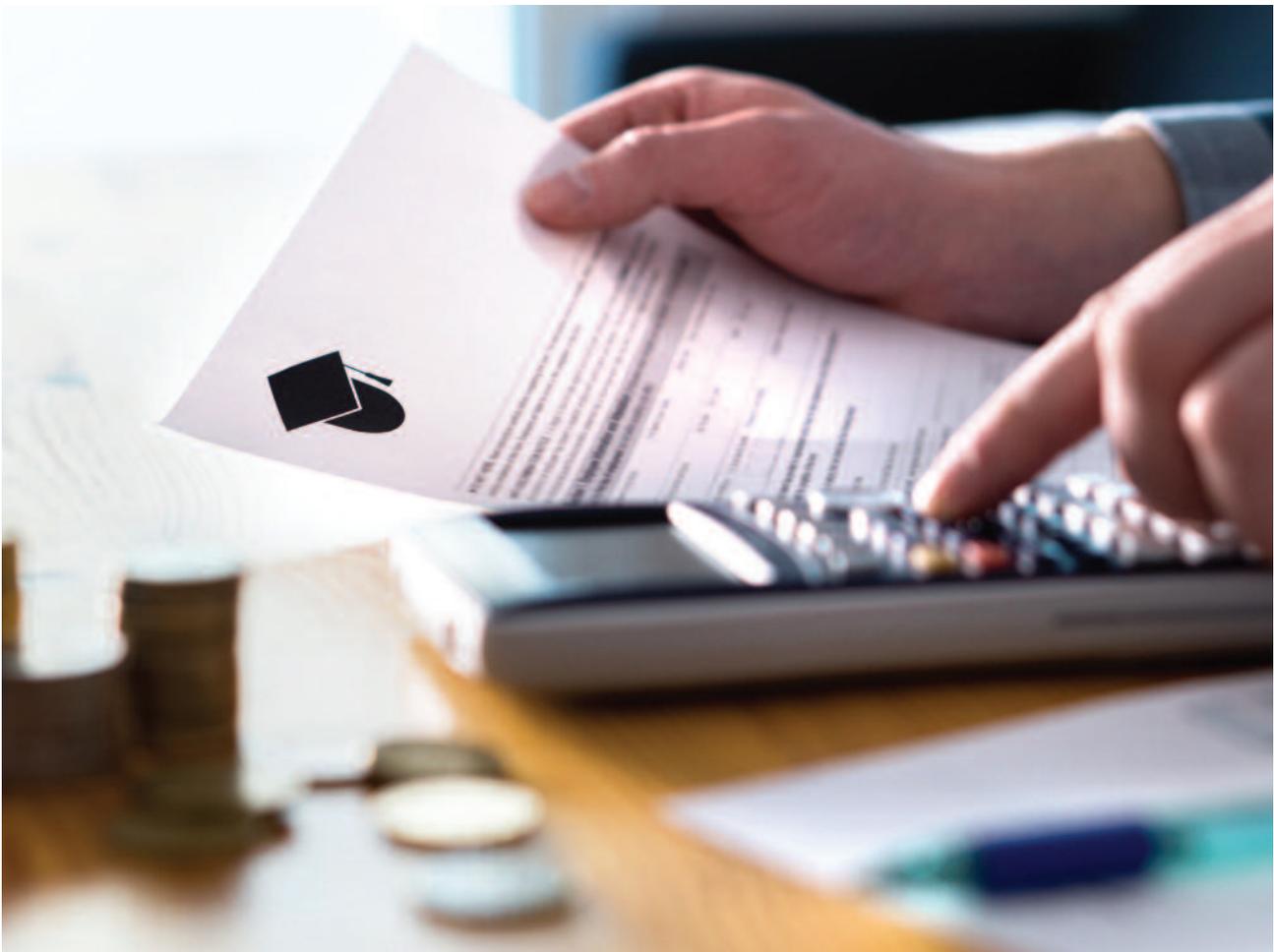
Is it worth applying for student finance loans that are lower than the maximum amount I am eligible for?

Remember that the amount you repay each month depends only on how much you earn, not on how much you owe. Whether you owe £6,000 or £36,000 the amount you repay of your salary over £25,725 is exactly the same.

How will I support myself?

Check information on university websites about typical rents and living costs from different areas of the country, draft a budget and see how much loan you need to balance the books.

Do I need a confirmed place at uni to apply for student finance?

No. You can apply for student finance from the February before you start university, and it's recommended that you get it started sooner rather than later. Apply early and just update your application with the details of the place you're most likely to go. If you go through clearing, simply update your details once you know where you are going.

Will my student loan affect getting a mortgage?

Having a student loan does not go in your credit history and will not affect your credit rating/score. However the amount you repay as your salary rises will decrease the amount of available income you have left over at the end of each month. This could impact on affordability checks. Having a degree may mean you're earning more anyway.

Do I have to pay back my loan if I don't finish my course?

Yes. Any loans you take out (even if you leave partway through) will have to be paid back. Look on the student finance website for more details. If you want to go back to studying in the future then when you left your previous course will affect how much funding you can get.

gov.uk/student-finance

moneysavingexpert.com/students

savethestudent.org/money

themoneycharity.org.uk/student-moneymanual

Look out for more Make Happen Facts and Make Happen Skills!

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