

2012 Undergraduate Student Funding - What does it mean to me?

FULL TIME STUDENTS

● I started my studies before 2012 - will my funding change?

No, you should still come under the existing funding regulations. Students starting courses in 2011 will pay up to £3,375. The increase in the cost of tuition for 2012 does not apply to existing students. The new charges and repayment arrangements only apply to new students entering higher education for the first time in September 2012 or later.

● What if I have to suspend my studies in 2011?

If you suspend in 2011 and return in 2012 you should continue under the current regulations.

● I'm an existing student - do the changes affect my repayments?

The current £15,000 earnings threshold remains but it will be up rated annually in line with inflation from April 2012. Go to: www.studentloanrepayment.co.uk for more information.

● I want to defer my entry to 2012 or later, what rules will I come under?

Students who defer entry from 2011 to start in 2012 will become eligible for the 2012 student support package.

● If I start in 2012, how do I pay for my fees?

Students will be able to take out a Tuition Fee Loan as do current students.

● When will I have to repay my loans?

If you started in 2012, once you have finished University and are earning over £21,000 you will start to repay your loans. If earnings are less than this amount, there will be no repayments and interest will accrue at RPI. Repayments will be due at 9% of income over this amount. Under the new scheme, a graduate earning £25,000 per year would repay their loan at a rate of £6.92 per week. If their earnings fall, then the repayments will be reduced accordingly. Go to: www.studentloanrepayment.co.uk for more information.

● Will these changes mean I can no longer afford to go to university

The cost of tuition does not have to be paid up front. You can take out a tuition fee loan. You only start to repay it once you are earning more than £21,000. You may also be entitled to loans and grants to help cover living costs.

● **What is the National Scholarship Programme?**

This is a new scheme for UK home students with a household income below £25,000. It is non-repayable and paid in the 1st year of study only. The National Scholarship Programme also aims to encourage more bright students from poorer communities go to university. The amount a student can get is yet to be decided but no more than £1,000 will be as a cash bursary. Universities are yet to decide how they will offer this and in what format.

● **I'm worried that I'm going to have a lot of debt as a result of the changes**

Having a degree improves a person's chance of getting a job and they will earn more than non-graduates in years to come. On average, a university graduate earns £100,000 more during their lifetime (net of tax) than someone who leaves school at 18. Graduates won't have to pay back anything until they are earning more than £21,000 a year. The £21,000 earning threshold will be updated annually in line with earnings from April 2016. Any outstanding payments will be written off *after 30 years*. If you are in low or unpaid work (which may include bringing up a family) you won't be asked to make a contribution until you earn over £21,000.

● **Paying back higher fees means I'll never get a mortgage**

The Council for Mortgage Lenders advises that a student loan is very unlikely to affect your ability to get a mortgage.

PART TIME STUDENTS

● **I'm thinking of doing a part-time degree....**

Eligible part time students who start their degree from September 2012 will have access to loans for tuition costs and will not have to pay upfront, so long as it's their first degree and they are studying for at least 25% of their time. The loans will not be means-tested. More part-time students will get support under the new system. Part-time students will not however be eligible for maintenance support.

● **When will I start to repay my loan?**

Part-time students will become liable to repay their loan from the April after the third year of the start date of their course, even if they continue to study. If the part-time course lasts less than three years, then graduates will become liable to repay from the April after they leave higher education. No repayments will be made unless they are earning more than £21,000. Any loan balance outstanding after 30 years will be written off.

● **What if I change course?**

Students transferring to a part-time course in 2012/13 from a part-time course which started before September 2012, or starting part-time 'top-up' courses on or after 1st September 2012, immediately after completing lower level part-time courses, will not be subject to any of the new changes - **they will remain on their existing student finance arrangements.**

This information was correct at time of printing (Mar '11) and comes from The Department for Business Innovation & Skills.