

# Annex 2. Summary of postgraduate Master's loan terms and conditions

Eligibility Criteria: All the following eligibility criteria must be met in order to qualify for the postgraduate Master's loan.

## 1. Loan Amount

- 1.1 Individuals will be able to borrow up to £10,000 for the purpose of completing an eligible postgraduate Master's qualification.

## 2. Purpose

- 2.1 The Master's loan is intended to be a *contribution to the cost* of an eligible postgraduate Master's qualification. The borrower will use the loan according to their individual circumstances as a contribution towards the cost of the Master's course tuition fees and/or any other costs associated with study, including their living costs.

## 3. Individual Eligibility Criteria

- 3.1 Borrowers must be a UK National, or have settled status in the UK, and have been ordinarily resident in the UK for three years on the first day of the academic year of their course start date. This must have most recently been resident in England and borrowers must not have moved there from elsewhere in the UK and Islands solely for the purposes of attending the course.
- 3.2 Individuals may be eligible if they are an EU national or family member of an EU national, or if they have the residency status of refugee, humanitarian protection, EEA migrant worker, child of a Swiss national or child of a Turkish worker.
- 3.3 Individual eligibility will not be based on a means test.

### *Individuals out of scope*

- 3.4 Postgraduate Master's education provision is a devolved matter for Scotland, Wales and Northern Ireland and therefore UK nationals, or individuals with settled status in the UK, ordinarily resident in the Devolved Administrations will not be eligible for the loan.
- 3.5 Individuals already holding a Master's qualification, an equivalent level qualification or a higher level qualification will not be eligible for the loan. Qualifications obtained outside the UK will be taken into account in determining an individual's eligibility for the Master's loan.
- 3.6 Individuals aged 60 and above will not be eligible for the loan.

#### 4. Course Eligibility Criteria

- 4.1 *Course coverage:* The type of postgraduate Master's course eligible to attract the loan will result in a Master's qualification (taught, research or professional) in any subject. Postgraduate Master's courses for which the loan will be available are those at Level 7, typically attracting 180 credits with 150 of these at level 7<sup>9</sup>; and culminating in a postgraduate Master's qualification for example MA, MSc, MRes, MBA, MEd and LLM.
- 4.2 *Course intensity:* Eligible postgraduate Master's courses must be either 1 or 2 years full-time in duration. The loan will be available for postgraduate Master's courses on a part-time study basis. Part-time study must be at a minimum 50% intensity. Part-time course duration may be up to 4 years when studied part-time for equivalent 2 year full-time courses.
- 4.3 *Mode of Study:* Eligible postgraduate Master's courses may be delivered through distance learning or on site at an eligible institution (see Institutional Eligibility).

#### 5. Institutional Eligibility Criteria

- 5.1 The loan may be used to undertake an eligible postgraduate Master's course at an Authority Funded<sup>10</sup> Institution or Alternative Provider<sup>11</sup> with Degree Awarding Powers in the UK.

#### 6. Repayment Terms

- 6.1 The loan interest will be calculated at RPI+3% and interest will accrue from the date the first loan instalment is paid by the SLC to the borrower.
- 6.2 Repayment of the Master's loan will be contingent upon and commence once the borrower has an annual income of £21,000 or more.
- 6.3 The £21,000 annual income threshold will be initially frozen until 2021 and subject to review.
- 6.4 Master's loan repayment will be calculated at 6% of income above the income threshold. Repayments will be made concurrently, alongside repayment of any outstanding undergraduate student loan.
- 6.5 Loan repayments will be due in the April after course completion, subject to meeting the annual income threshold.

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<sup>9</sup> Higher education credit framework for England: guidance on academic credit arrangements in higher education in England (August 2008), and The framework for higher education qualifications in England, Wales and Northern Ireland (August 2008)

<sup>10</sup> Funding Authorities in the UK are: the Higher Education Funding Council for England; the Higher Education Funding Council for Wales; the Scottish Funding Council and the Department for Employment and Learning or Department for Agriculture and Rural Development in Northern Ireland.

<sup>11</sup> 'Alternative Provider' means any provider of higher education courses that is not in direct receipt of recurrent funding from HEFCE or from equivalent funding bodies in the Devolved Administrations; or does not receive direct recurrent public funding (for example, from a local authority, or the Secretary of State for Education); and is not a Further Education College.

- 6.6 There will be a one year delay in loan repayment for courses undertaken in academic year 2016/17, for which repayments will commence from April 2019. Borrowers will be able to make voluntary repayments ahead of April 2019 should they wish.
- 6.7 Any outstanding postgraduate Master's loan balance will be written off 30 years after the date the borrower's loan balance becomes due for repayment.
- 6.8 The Master's loan will attract better than commercial interest rates; or match commercial interest rates with better terms. The repayment terms will be monitored and be subject review to ensure compliance with the Consumer Credit Directive.

## **7. Administration of the loan**

- 7.1 The Master's loan will be issued by the Student Loans Company, directly to the borrower.
- 7.2 The borrower will receive the Master's loan in three instalments across the academic year, during the period of study. The first loan instalment will be released when the Higher Education Institution has confirmed the student's attendance or participation on the course to the Student Loans Company.
- 7.3 A student will not be entitled to receive subsequent tranches of the loan if they change to a course which is not eligible or withdraw from study. Higher Education Institutions will be expected to inform the Student Loans Company if the student is no longer in attendance. The student will be liable for the Master's loan and make repayments if they withdraw or do not complete their course.
- 7.4 The loan will be recovered by Her Majesty's Revenue and Customs (HMRC). The SLC will recover loans directly from borrowers who are outside of the UK and its tax system.



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**BIS/15/573**