

### **Fees and loans for courses at Level 3 and above**

The Government no longer provides funding for people who are aged 24 and over who are studying on courses at Level 3 and above. Instead, the costs of these courses can be covered by taking out a '24+Advanced Learning Loan'. This loan is taken out with the Student Loans Company via Student Finance England. This is the same organisation that currently has responsibility for the Loan system used in Universities and other Colleges of Higher Education (H.E.).

### **Who will be covered by the new loan system?**

If you are aged 24 or over on or after the 1<sup>st</sup> of August 2014 and are taking an *accredited* course at Level 3 or above, the Government (via the Skills Funding Agency S.F.A) will no longer make any contribution to the costs of your course. Instead, you may be eligible to take out a loan to cover all or part of the costs of the course.

### **You will be eligible if:**

- You are aged 24+ at the start of the course and starting the course on or after the 1<sup>st</sup> of August 2014
- You have been ordinarily resident in the U.K. or another country in the European Economic Area (E.E.A) for the past three years
- You have been *granted* indefinite leave to remain, exceptional leave to remain, right of abode or British Citizenship in the last three years; or, if you are the spouse or civil partner of someone in the above categories and have been both married and resident in the U.K. for at least one year
- You are applying for an accredited course of Level 3 and above which is approved for government funding – see below
- If you are aged 23 and under and are applying for a Level 3 course, you may still be eligible for funding for your course through the SFA. Check with the department for an assessment.

### **Which courses are eligible for loans?**

- Community Interpreting Certificate (Level 3)
- Certificate in Counselling Skills (Level 3)
- Professional Diploma in Counselling Skills (Level 4)

## **How do you apply for a loan and how long does it take for a loan to be approved?**

The quickest way is to apply online at [www.gov.uk/advanced-learning-loans](http://www.gov.uk/advanced-learning-loans) although it is possible to submit a paper-based application if this works best for you, these can be obtained from Student Finance England. Telephone: 0845 300 50 90

In order to complete the application you will need:

- Some information concerning your course that the College can provide for you
- Your UK passport number; or, if you are not a UK citizen, evidence of your identity and proof that you're a permanent resident in the UK
- A valid UK National Insurance Number

Once you input all of the above details, for UK passport holders the loan approval process should take 4-5 days and all other applications should be processed within 2-4 weeks. Your eligibility for a loan does not depend upon your income and it is not subject to a credit check.

## **When do you start paying back the 24+ Advanced Learning Loan?**

You only start to pay back a loan once the course has finished and you are earning more than £21,000 per year. Payments will stop if your earnings dip below £21,000 again. The payments will be automatically deducted from your earnings through the tax system, or through part of your tax self-assessment if you're self-employed.

The amount that you pay depends upon your income, not upon the cost of the course for which you have taken out a loan (see the more detailed FAQ's for details of repayment rates). Interest is payable on the loan at the Retail Price Index (RPI, which is a measure of inflation), plus a sliding scale of between 0 and 3% for people earning between £21,000 and £41,000 and RPI plus 3% for people earning over £41,000.

## **Where can you get more information about 24+ Advanced Learning Loans?**

If you think the system of 24+ Advanced Learning Loans may apply to you visit the Student Finance England website at [www.gov.uk/advanced-learning-loans](http://www.gov.uk/advanced-learning-loans)

## **Can you still do a Level 3 course without taking out a loan?**

Yes. It is not compulsory to take out a loan. If you wish to pay the fee yourself it is still possible to pay for the course in staged payments if this is what suits you best.

# 24+ Advanced Learning Loan FAQ

## Eligibility

### Am I eligible for a 24+ Advanced Learning Loan?

To be eligible for these loans, you need to be:

- To be aged 24 or over at the start of a course beginning on or after the 1<sup>st</sup> of August 2014
- To have been ordinarily resident in the U.K. or another country in the European Economic Area (E.E.A) for the past three years
- To have been *granted* indefinite leave to remain, exceptional leave to remain, right of abode or British Citizenship in the last three years; or, if you are the spouse or civil partner of someone in the above categories and have been both married and resident in the U.K. for at least one year
- To have been accepted on an accredited course of Level 3 and above which approved for government funding – see below
- If you are aged 23 and under and are applying for a Level 3 course, you may still be eligible for funding for your course through the SFA without recourse to a loan. Please check with the department for an assessment.

### Does getting a loan depend upon my income or credit history?

No. Getting a loan doesn't depend on your income and credit checks are not carried out. The rate at which you repay your loan once you have finished your course will depend upon your income and won't begin for anyone until your income is over £404 a week, £1,750 a month or £21,000 a year.

### Is there an upper age limit for someone applying for a loan?

No. There is no upper age limit.

## The Application Process

### When Can I apply for a loan?

You can apply for a loan from April 2014 for courses that start on or after August 2014

### How do I apply for a loan?

You will need to have formally been offered a place on a course at level 3 or above. With your offer of a place will come the information you will need in order to apply for a loan. This will be provided by the College on a document called 'Learning and Funding Information on 24+ Advanced Learning Loan'. This will give you the details of the course that you need to input to have your loan application processed by Student Finance England. [www.gov.uk/advanced-learning-loans](http://www.gov.uk/advanced-learning-loans)

## **Will I have to apply online?**

It will certainly be quicker for you to do so, but if you want a paper based application form, you will have to request it from Student Finance England.

## **What information do I need to provide when applying for a loan?**

- You will need the details of the College, and the course for which you are applying for a loan. We will supply you with this on the 'Learning and Funding Information' form. This will include the cost of the course
- You need to know the amount of loan you wish to take out (because it is possible for you to pay some of the cost of the course now and pay the remainder via the loan)
- Your personal details (name, address, date of birth, etc)
- Evidence to confirm you identity. This can be:
  - For UK passport holders, this should be your passport details (note, not the physical passport itself. If you are a UK citizen but don't have a passport, you will need to provide another form of identification, such as a Birth Certificate, which will need to be sent in to the Student Loans company who will then return it to you).
  - If you're not a UK National you'll need to provide physical identity evidence, such as a copy of your passport which you will then need to send in to the Student Loans Company, who will then return it to you, and evidence that you are a permanent resident in the UK, such as a statement of your residency or marital/civil partnership status, if this is relevant to your eligibility.
- All applicants will also need to provide a valid National Insurance number in order for the loan to be paid.

## **I don't have a National Insurance number but I want to apply for a loan, what should I do?**

If you don't have a National Insurance number you can still apply for a loan but Student Finance England will then need to contact you if you still need to obtain an NI number. It could be that you will need to arrange an appointment with your local Job Centre in order to have a National Insurance number assigned to you.

## **How long will it take for me to hear the outcome of a loan application?**

Applications submitted online that don't require any further supporting evidence (because you've provided your valid UK passport details) should be processed within 4-5 working days. All other applications should be processed with 2-4 weeks. The exact timing will be dependent on you providing the correct application data and the relevant original identity evidence at the time of the application.

## **Can I apply for a loan after my course has started?**

Yes, as long as your course started on or after the 1<sup>st</sup> of August 2014. It is possible to apply for a loan at any point after a course has started, but not after you've completed it. If you wish to apply for a loan after the start of the course, you will need to agree this with the Mary Ward Centre, since this will presumably change the existing agreement between us on how you are paying your fees.

### **If my course lasts for more than one year do I need to reapply each year?**

No. Your loan application will last for the duration of the course, even if it lasts for more than one year.

### **What happens if I change my mind before I start my course?**

If you decide, before the start of the course, that you no longer wish to undertake the course or that you no longer wish to take out a loan to pay for it then you can simply contact Student Finance England, who will be able to cancel your application.

### **What happens if I change my mind once I've started my course?**

No loan payments will be made to the College on your behalf until you've attended the course for at least two weeks. If you drop out of the course after the first two weeks you will be liable to pay back to Student Finance England the amount of loan that is in line with your attendance on the course, plus any interest that has accrued in the meantime (should there be any). So, if you had been on the course for 60% of its duration you would be liable to pay 60% of the full value of the loan. In addition, it will be a condition of your entry to the course that you sign a separate learning agreement with the College. This will specify your agreement to our policy in relation to any fees still owed to the College following your withdrawal from the course.

### **Can I get independent financial advice?**

If you're unsure about taking out a loan and want to seek advice, you could try the Money Advice Service. This is a free and independent advice service established by the Government. Visit their website at [www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)

### **Can I get independent careers advice?**

If you're unsure whether the course you'd like to take is the right one for you, then you can contact the National Careers Service website at [www.nationalcareersservice.direct.gov.uk](http://www.nationalcareersservice.direct.gov.uk) or call the helpline on 0800 100 900 for advice.

## **Fees**

### **How much loan can I take out?**

There is a maximum amount of loan available to you based on the type of qualification that you're doing and we can tell you what this is when you enquire about a specific course.

## How much of the course costs will the loan cover?

It's expected that the loan would cover the tuition fee for the course plus the costs of any necessary equipment etc. that would be provided by the College as being essential to how the course is run. The loan is paid to the College in order to cover the costs that we would normally build into the tuition fee for the course. The loan does not therefore come to you, but to the College. Of course there may be other items that would be beneficial to you on the course (such as particular books or other resources) but if these would be regarded as optional rather than essential, we as a Centre cannot build them into the fee structure. The costs of such items would not therefore be built into the amount of loan that you can take out.

## Can I get additional help with the costs of childcare and travel?

Taking out a loan to pay for your course does not mean that you are ineligible to apply the Mary Ward bursary, but whether or not you can receive support through this fund depends very much on your individual circumstances.

## Repayment of the Loan

### How will I pay back the loan?

Repayments will be automatically deducted through the tax system once you've left the course and your income is more than £21,000 per year. If you are self-employed, you will be responsible for making student loan repayments as part of your annual self-assessment tax return. If you stop working, or your income falls below £21,000 per year, your repayments will stop and will only start again once your income is above that £21,000 threshold.

Loan repayments through the tax system will not start until April 2016, although you can make voluntary payments before this date if you wish (see below for more on voluntary payments).

### How much will the repayment be?

You will only pay back the cost of the course fee that you took out the loan for, plus the interest that is payable on the loan (for more on interest, see below). The amount that you pay each month is based on your income, not on how much you borrowed. You'll only start making repayments when your income is more than £404 per week, £1,750 per month or £21,000 per year.

Once you reach these thresholds you will pay the loan back at 9% of any income above £21,00 per year. For example, if your income is £25,000 a year then your loan repayments would be around £360 per year or £30 per month. The table below gives some more examples of repayment rates:

<b>Income each year before tax</b>	<b>Monthly salary</b>	<b>Monthly loan repayment</b>
Up to £21,000	Up to £1,750	£0
£22,000	£1,833	£7
£25,000	£2,083	£30
£30,000	£2,500	£67
£35,000	£2,917	£105
£40,000	£3,333	£142

### **What happens if I have more than one student loan?**

You will make a single payment and deduction at 9% of your income over the £21,000 threshold, regardless of how large or how many student loans you have, including HE and 24+Advanced Learning Loans.

### **Can I make voluntary payments?**

Yes. You can make voluntary payments at any time to pay off your loans more quickly. There are no charges made for early repayment.

### **What happens if I can't repay the entire loan?**

You'll only ever have to make repayments in line with your income if you earn more than £21,000. If you have any outstanding loan balances after 30 years these will be written off.

### **What if I declare bankruptcy?**

Loans are excluded from your bankruptcy debts, so that during or upon discharge from bankruptcy you remain liable to pay this loan.

### **What happens when I retire?**

Loans repayments aren't taken from Pension Income, so if you retire and are paid a pension then you will only repay if you have other taxable income that is over £21,000

### **Do I pay interest on a 24+ Advanced Learning Loan?**

Yes, the Student Loans company charges interest on these loans to cover its administration costs, but these are set below the rates of commercial loans. Interest on your loan will be based on inflation (Retail Price Index (RPI)). The table below shows how interest is calculated:

	Interest Rate
While you're studying until the April after you finish or leave your course	Retail Price Index (RPI) plus 3%
If you finish or leave your course before April 2016	RPI plus 3% until the April after you leave your course, then RPI thereafter
	The interest you pay will be on a sliding scale depending upon your income: £21,000 or less – RPI; £21,000 to £41,000 – RPI plus up to 3%, on a sliding scale
From April 2016	
£41,001 and over – RPI plus 3%	

## Other Questions About Loans

### **Will I be able to get a loan if I've already achieved a similar qualification to the one I'm taking a loan out for?**

Yes. Previous qualifications you've achieved won't affect your ability to take out one of these loans. However, once you've received a loan to undertake a course you won't be able to take out another loan to do the same type of course at the same level. You'll be able to take out further loans to complete different types or levels of eligible courses. There is no requirement to progress through the qualification levels.

### **How many loans can I take out?**

You can take out a maximum of four 24+ Advanced Learning Loans. This means that if you already have a loan with Student Finance England to cover tuition costs for a degree or other similar level of study, this loan does not count as one of your four loans. However, you cannot take out another loan to repeat the same type of course at the same level. You are advised to check with Student Finance England to see if this would apply to a further loan funded course that you might be considering taking.

### **What happens if I change my mind about the course and want to do something different?**

It will depend on how much of the course you've undertaken. If you've done less than 2 weeks you can simply cancel the loan and this will not count against the total number of loans available to you. If you've undertaken more than two weeks then the loan will count as one of your four.

However, there is flexibility to allow for a single repeat of the same type of course where you did not complete the first one. You'd still be required to repay the original loan but in this case you would be able to take out another loan to complete a course at the same level.

Before making any such decisions, it would be best to speak with a member of the department that runs your course as, in some rare circumstances, it may be possible to transfer you to the new course under the same loan rather than having to apply for a new one.

### **What happens if I'm unable to complete my course and I'm forced to withdraw?**

Where there are compelling personal reasons preventing you from completing your course this won't count as one of your four loans. You will still be expected to repay any loan paid in connection with the course, but you will be able to take out a loan to complete the course again. The decision as to whether or not your circumstances fit into this category would be taken by Student Finance England, not the Mary Ward Centre.