**Understanding Student Finance and Postgraduate Loans**

**2023-2024**

# **Introduction**

# A postgraduate maintenance loan can help with course fees and living costs while you study a Master’s programme. It is paid directly to the student and is not based on their income or household income. Payments are made after you start the programme and once the institution confirms the student has registered. **All postgraduate students must pay their course tuition fees directly to The University of East London. There is NO tuition fee loan.**

The loan may be taken into account when working out any benefits you receive. If you apply for a postgraduate loan, you won’t be eligible for an Adult Dependants’ Grant, a Childcare Grant or a Parents’ Learning Allowance. You have to repay your postgraduate loan at the same time as any other student loans you have. You’ll be charged interest from the day you get the first payment.

You can also get extra support if you have a disability ([https://www.gov.uk/postgraduate­loan/extra­help](https://www.gov.uk/postgraduateloan/extrahelp)).

**Eligibility**

Whether a student can qualify for a postgraduate loan depends on:

* University - Must be studying at a UK university or college;
* Programme - Must be a postgraduate Masters programme;
* **Nationality or residency status - Must be a UK or EU national or have settled status;**
* Age - A student must be under 60 on the first day of the first academic year;
* Previous study - If a student already holds a Master’s level or higher level qualification, then they won’t be eligible for a postgraduate loan.

**How much will I get?**

The loan is paid directly to you. You can use it for your programme fees and living costs. The Department for Work and Pensions (DWP) may take account of the loan when working out any benefits you receive. The amount you’ll get depends on when you started your course. It is not based on you or your family’s income.

If your programme starts on or after 1st August 2023, you can get up to £12,167.00 maintenance loan only for a full-time one-year or online course. Part-time programmes spread the cost over the length of the course. (ie -: £12,167.00 @ 2 = £6,083.50 a year)

You get the first payment after your programme start date, once your university or college confirms that you have registered. It will be paid in three instalments throughout the year. (Usually September, January and May) Unless you start your course in January when payments dates are different.

**Repayments**

Repayments on postgraduate loans depend wholly on the amount you earn; if you earn under £21,000 you’ll never repay a penny. HMRC takes all repayments directly from your salary, meaning you’ll never need to worry about making or missing a payment. If you earn over £21,000 per year and your income changes to below £21,000, repayments will automatically stop. You will repay 6% of any amount over £21,000. See the example below: **PLEASE NOTE THESE ARE ESTIMATED FIGURES. CHECK THE** [**www.gov.uk**](http://www.gov.uk) **website for more information.**

# **If I earn £22,000 a year, how much will I repay?**

£22,000 is £1,000 above the threshold meaning you will repay 6% of £1,000. This equates to £60.00 a year or £5.00 a month.

## **If I earn £31,000 a year, how much will I repay?**

£31,000 is £10,000 above the threshold meaning you will repay 6% of £10,000. This equates to £600.00 a year or £50.00 per month.

## **If I earn £40,000 per year, how much will I repay?**

£40,000 is £19,000 above the threshold meaning you will pay 6% of £19,000. This equates to £1,140 per year or £95.00 per month.

**I’ll be repaying this for the rest of my life!**

Not true – after 30 years any amount you currently owe is wiped out, so if for 30 years you earn £21,000 a year you won’t have repaid a penny and your debt will be clear. The reality is that only high incomes will repay their loans in full. It’s important to note that not repaying much because you’re just over the threshold isn’t a bad thing. These loans are designed as more of a graduate tax rather than a loan. **(THIS COULD BE CHANGING TO 40 YEARS)**

**How much interest will I pay?**

The interest rate is set at the rate of inflation (RPI) plus 3%. The interest rates are as follows:

## **While studying** – Your loan accrues inflation plus 3% of the outstanding balance. This continues until the first of April after graduation.

* **After studying and earning under £21,000** – Your loan accrues inflation only.
* **After studying and earning between £21,000 & £41,000** – The interest rate will gradually rise from RPI to RPI plus 3%. The interest rate rises at 0.00015% per every pound earnt. Or to put it another way, if you earn £1,000 more, you accrue 0.15% interest.
* **After studying and earning over £41,000** – Your loan accrues the full RPI inflation plus 3%.

Please note that all the above scenarios assume that inflation is positive (prices rising). It’s not yet known what would happen in a period of deflation.

**Deadlines to apply for postgraduate loans**

To make sure the loan is in place for your first semester in September 2023, students need to apply as soon as the forms are available, normally in May/June 2023 at [www.gov.uk/postgraduateloan](http://www.gov.uk/postgraduateloan) Do not delay applying.

**WHEN SUBMITTING COURSE DETAILS ON THE APPLICATION FORM, YOU NEED TO STATE THE INSTITUTE NAME YOU ARE ATTENDING AS THE UNIVERSITY OF EAST LONDON, NOT UCFB. THEN CHOOSE THE CORRECT CAMPUS FOR YOUR COURSE. (WEMBLEY OR ETIHAD OR ONLINE).**

**Can I repay my loans early?**

Yes. In the early days of student loans, the government consulted on penalties to stop people from repaying early and avoiding interest – thankfully the mass of feedback they received was against the idea and it was scrapped.

**Further questions?**

If you have any further questions please do not hesitate to contact us at **fees@ucfb.com** 0333 241 7426 Wembley (John Forde) or

0333 241 7371 Etihad (Saqab Rashid).

**Other useful contacts and links**

Student Finance England Postgraduate Loan student support line - 0300 100 0031, Monday to Friday 8.00am to 6.00pm. [www.gov.uk/postgraduateloan](http://www.gov.uk/postgraduateloan)

**Student Awards Agency Scotland (SAAS)**

**0300 555 0505 www.saas.gov.uk**

****Student Finance Wales****

**0300 100 0494 www.studentfinancewales.co.uk**

****Student Finance Northern Ireland****

0300 100 0493 www.studentfinanceni.co.uk

**GOV.UK:**

This website provides detailed information about postgraduate loans written specifically for students and those considering study. You can also apply online or download an application form from [www.gov.uk/postgraduateloan](http://www.gov.uk/postgraduateloan)

<https://studentfinance.campaign.gov.uk/>

**Student loan repayment information:**

[www.gov.uk/postgraduateloan/repayment](http://www.gov.uk/postgraduateloan/repayment)

**Disabled students:**

[www.gov.uk/postgraduateloan/extrahelp](http://www.gov.uk/postgarduateloan/extrahelp)

**Change of circumstances information:**

Any changes in a student’s circumstances can affect their eligibility for funding. Further advice and information are available at [www.gov.uk/postgraduate-loan/how-to-apply](http://www.gov.uk/postgraduate-loan/how-to-apply)

**Additional means of funding:**

[www.lendwise.com](http://www.lendwise.com) Offer funding for Postgraduate Students only

**Funding for International Students and those living abroad doing Online courses**

* All students living abroad (including UK and EU citizens) would have to see if they qualify for any financial support to help with course fees from the country they live in as they will not be eligible for support from UK sources.
* All students would be expected to submit proof of how they will pay course tuition fees as part of the enrolment process, or will be asked to pay the first term fees at the time of enrolling. For USA Miami-based students we are looking into providing a link to a US Bank to transfer payments. Further details can be obtained by contacting the Fees Team. [fees@ucfb.com](mailto:fees@ucfb.com)

Revised March 2023