

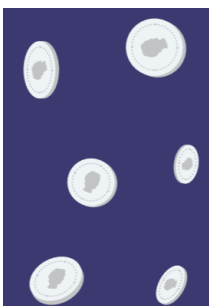
Parent and Carer Guide to Student Finance

TAKE YOUR PLACE

If your young person has submitted their UCAS application and is starting to receive offers from Universities and Colleges, the next job to tick off is the Student Finance Application. Did you know that the majority of students applying to study an undergraduate degree will be eligible for financial support from the Student Loans Company? The amount available depends on several factors including personal circumstances, the choice to study at and their chosen course. In this guide we'll explore the different support your young person may be eligible for during their time at university or college and the repayment process. We recognise that Student Finance debt can seem scary or overwhelming but unlike other loans, it is safe and affordable. Your young person can apply for Student Finance from February in the same year they are due to begin their studies. We recommend your young person applies as early as possible.

TUITION FEES—(not income related)

For each academic year of study at university, your young person can be charged up to £9,250—This figure might be lower if studying at a Further Education College. Tuition Fees will cover the cost of teaching, facilities on the course (e.g. lab equipment, licenses for journals), 24 hour library, support services, accommodation, facilities etc. The Tuition Fee is paid termly, directly to the university or college by the Student Loans Company. Your young person can apply for a Tuition Fee Loan for up to four years of undergraduate study.



MAINTENANCE LOAN—(income related)

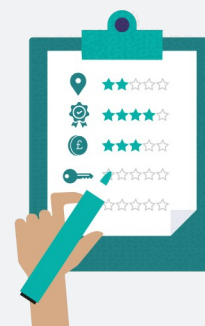
Your young person can apply for financial support to help with living costs while studying at University or College. The amount of support available is known as being 'means-tested' and takes into account where they are living during their studies and the household income. Consequently you will be asked to provide additional information to support your young person's Student Finance Application. The Maintenance Loan is paid directly to the young person's bank account at the start of each term.

ELIGIBILITY FOR STUDENT FINANCE

Your young person's eligibility for student finance will depend on the following:

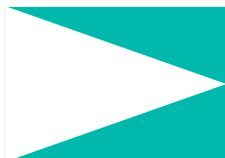
- University or College they will be studying at.
- The course they will be studying (All Bachelors and Foundation Degrees, Higher National Certificates and Higher National Diplomas qualify).
- Whether your young person has previously studied a Higher Education Course. If so, this may count towards some of their four year quota.
- Your young person's age.
- Your young person's nationality or their residency status.

You can find more information at www.gov.uk/student-finance/who-qualifies



PARENTAL HOME	£7,987
LIVING AWAY FROM HOME (STUDYING OUTSIDE LONDON)	£9,488
LIVING AWAY FROM HOME (STUDYING INSIDE LONDON)	£12,382

This table shows the maximum amount of Maintenance Loan your young person may be eligible to receive per academic year. Figures correct as of March 2021.



Student Loan Repayment

In recent years, Student Finance has received its fair share of negative press: Therefore it's no surprise that concerns relating to money often top the list of worries parents and carers have ahead of their young person going to university. Student loan debt can seem scary or overwhelming but it is not like other debts. It is safe and the repayment process is designed to be affordable and reflective of your young person's situation. In fact, with student loan debt being written off 30 years after graduation, a large proportion of young people will never pay back the full amount of their student loan.



Did you Know?

- * Your young person does not pay their tuition fees in advance of starting their course and will not start paying back their student loan until the earliest of the next tax year after graduation
- * Student Loan repayments only begin once your young person earns above a certain threshold (see below).
- * Student loan repayments stop whenever your young person's income falls below the threshold.
- * Student Finance takes into account the household income from 2 tax years ago (i.e. Sept-21 entry will review the 19.20 tax year).
- * If you are divorced /separated, Student Finance is means tested against the household the young person lives with. Household income will include a parent's partner if living in the same household.
- * Student Loan debt will not prevent your young person being eligible for a mortgage.



Understanding Student Loan Repayments

The Student Finance repayment threshold for students starting their university course in Autumn 2021 is **£27,295** (£2,274 per month or £524 per week). Once your young person is earning above this threshold, their monthly Student Loan repayment is calculated on 9% of their annual earnings. If earnings drop below this threshold, Student Loan repayments will be stopped and only resumed once earnings increase above the threshold.

Annual Income	Approximate
£27, 295	£0
£29,000	£12
£32,000	£35
£35,500	£61
£40,000	£95

Useful Links

- Student Finance England www.gov.uk/student-finance
- Take Your Place <http://www.takeyourplace.ac.uk>
- Money Saving Expert <https://www.moneysavingexpert.com/students/student-loans-repay/>

