

Student Finance 2006

Fees

From September 2006, universities and colleges will be able to charge new students up to £3,000 a year for their courses. So depending on what you study and where, you may have to pay a contribution up to a maximum of £3,000 a year. Amounts charged will vary between courses, as well as between different universities and colleges.

Don't worry though – this money does not have to be paid whilst you are studying. You will be able to take out a [student loan](#) for fees to cover the tuition fees charged by your university or college. And you only start [repaying](#) this loan once you have finished studying and are earning more than £15,000 a year.

Loans

There are two types of student loan available – one for fees to cover the tuition fees charged for your course and one for maintenance to cover your living expenses.

How much can you get?

- Student Loan for fees – you can apply for the exact amount your university or college charges for your course and the money will be paid direct to your university or college to cover the cost of your fees.
- Student Loan for maintenance - The maximum loan amount for maintenance is being raised above the rate of inflation from September 2006, with the biggest increase for students in London. The exact rates will be announced nearer the time, and will be available to both new and existing students. How much you get will depend on how much of the new maintenance grant you are entitled to. To give you a guide, the maximum annual loan you could get as a student in 2004 is shown in the table below.

Maximum student loans for maintenance 2004	Maximum annual loan available	75% available to all students*
If you live away from your parents' home and you study in London	£5,050	£3,790
If you live away from your parents' home and study outside London	£4,095	£3,071

If you live at your parents' home	£3,240	£2,430
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* Students who are eligible can receive 75% of the maximum loan regardless of any other income they have or how much maintenance grant they receive. Whether you can get any or all of the remaining 25% depends on your income and that of your household, where you live and study and the amount of maintenance grant you are receiving. Loans are payable in three instalments – one at the start of each term.

For students starting their course in September 2006 or later, the Government will write off student loan balances which are left unpaid 25 years after you finished your course.

Visit the [Student Support website](#) for the latest news or contact your Local Education Authority (LEA) nearer the time. You can find their contact details from the Student Support website

Grants

From September 2006, new full-time students from lower income households will be able to apply for a non-repayable maintenance grant of up to £2,700 a year.

How much you get will depend on your income and that of your household. If that income is around £15,000 or less you are likely to be eligible for a full grant worth £2,700 a year.

Partial grants are likely to be available for those with a household income of between around £15,000 and around £33,000.

Around half of all new full-time students are likely to be eligible for a full or partial grant.

Grants are payable in three instalments – one at the start of each term.

Repayments

This isn't as hard as it sounds. Your student loan for maintenance and student loan for fees (if you take this element) will be combined together and you don't have to start paying anything back until the April after you have left your course.

Even then, you only start repaying them when you earn more than £15,000 a year and then at a rate linked to your income. That means the more you earn, the more you pay back; the less you earn, the less you pay back. And if you stop working, or you do not earn over £15,000 then you do not pay back a penny. They also only attract an interest rate linked to inflation. So what you repay will be broadly the same, in real terms, as what you borrowed.

Repayments will usually be made automatically through the tax system. You will repay a percentage of your income above £15,000. This percentage is currently set at 9%. So someone earning £20,000 a year will only have to repay £8.65 a week, or someone earning £25,000 a year will only have to repay £17.30 a week.

Don't forget for students starting their course in September 2006 (with exception of those who took a gap year in 2005) or later, the Government will write off any of your student

loan balances which are left unpaid 25 years after you finished your course.

Your LEA will send you more details about the terms and conditions of student loans when you apply for financial help. Take some time to read these so that you understand your responsibilities – you can get a copy of the *Terms and Conditions guide* from the *Student Support website*, by calling 0800 731 9133 or from your Local Education Authority.

Part-time students

There is also financial help available if you study part time. Part-time students are able to get the following:

Help with fees - You can get a non repayable grant for fees of up to around £575.

Help with course costs - A non-repayable grant of up to £250 is available to help meet the cost of books, travel and course expenditure. Both of these grants are available to students from lower income households who are studying the equivalent of at least 50% of a full-time course.

Extra help - Part time students who meet the criteria may apply for additional help from the Access to Learning Fund for help with costs such as childcare. In addition, for certain students on a low income studying between 10% and 50% of a full-time course, a discretionary fee waiver may be available through their Higher Education Institution as well as help towards the other costs of study.

Help for disabled students - If you are a part-time student with a disability and are studying at least 50% of a full-time course, you may qualify for help with a Disabled Students Allowance.

To find out more, check out the guide *Childcare Grant and Other Support for Part-time Students in Higher Education* which is available from your LEA, by calling 0800 731 9133, or from the *Student Support website*

Bursaries

Universities and colleges wishing to charge the maximum fee of £3,000 a year for a course will have to provide at least £300 a year in non-repayable financial support, such as bursaries, to students on these courses who are receiving the full £2,700 maintenance grant.

This means that students who receive the full maintenance grant and who are on courses charging £3,000 will get a package of non-repayable support of at least £300 a year. Some students will get more than this, as many universities and colleges are expected to offer financial help worth more than £300.

It will be important to speak to the university or college that you're interested in and find out what it offers. Contact their student advice service for information.

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