

# Frequently Asked Questions (FAQs) – Learners

24+ Advanced Learning Loans are being introduced by the UK government for learners aged 24 and over studying at Level 3, Level 4 or Advanced and Higher Apprenticeships from 1 August 2013. In this document we answer questions you might have. If you need more information speak to your college or training organisation.

## Eligibility

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

To be eligible for one of these loans you must:

- be aged 24 or over at the start of your course;
- be undertaking an eligible course at an approved college or training organisation in England. See below for more details on which type of courses are eligible. Your college or training organisation will be able to confirm exactly which courses are eligible and if they're an approved organisation.
- be living in the UK on the first day of your course
- have been living in the UK for 3 years before starting your course
- be a UK national or have 'settled status' (this means there's no restrictions on how long you can stay). You may also be eligible if you:
  - are an EU national or a family member of one
  - are a refugee
  - have humanitarian protection (as a result of a failed application for asylum)
  - are a migrant worker
  - are the child of a Swiss national
  - are the child of a Turkish worker

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

No. Getting a loan doesn't depend on your income and credit checks aren't carried out.

Repayments are based on your income and won't begin 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's no upper age limit.

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### **Which qualifications and Apprenticeship Frameworks can I get a loan for?**

You'll need to be doing a Level 3 or Level 4 qualification or an Advanced or Higher Apprenticeship which is approved for public funding. Level 3 and Level 4 qualifications include A Levels, Access to HE Diplomas and other Diplomas and Certificates. These loans don't cover Degrees or other forms of Higher Education where separate student support arrangements exist.

You can get further advice on which qualifications are eligible for loans from your college or training organisation.

For advice on your future skills, career, work and life choices you can contact the National Careers Service at [nationalcareersservice.direct.gov.uk](http://nationalcareersservice.direct.gov.uk) or call an advisor on **0800 100 900**.

### **Can I still apply for a loan for a qualification that's not approved for public funding?**

No. Only qualifications approved for public funding are eligible for loans.

If you want to undertake a qualification that's not eligible for a loan then you'd need to agree another method of funding the course with the college or training organisation.

## **Application Process**

### **When can I apply for a loan?**

You can apply for a loan from April 2013, for courses that start on or after 1 August 2013.

### **How do I apply for a loan?**

Once you've identified the qualification you'd like to study you should contact the college or training organisation who can provide it. That college or training organisation will confirm whether there are places available on the course and provide you with the information you'll need to make a loan application. Use this information from the college or training organisation to complete an application and submit this to Student Finance England.

### **Can I apply online?**

Yes, applying online is quick and easy. If you don't have online access you can download and fill in an application form. If you need help, contact your college or training organisation.

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

If you're unsure about taking out a loan and want to seek advice then you'll have the opportunity to do so. The Money Advice Service, established by the UK government, can offer free, impartial money advice. Visit their website at [moneyadvice.service.org.uk](http://moneyadvice.service.org.uk)

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

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

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

You'll need to provide details of the:

- course you wish to study;
- college or training organisation you wish to study at;
- fee you're being charged; and
- amount of loan you want to take out.

The college or training organisation will give you these details.

You'll also be required to provide your personal details (name, address, etc) and evidence to confirm your identity. For UK passport holders this will just be your valid UK passport details (not a physical passport).

If you're a UK national but don't have a passport you'll be asked to provide another form of evidence such as a UK birth certificate, which will be returned to you.

If you're not a UK national you'll need to provide physical identity evidence, as well as evidence that you're a permanent resident inside the UK.

You'll also need to provide a valid National Insurance number so that the loan can be paid to the college or training organisation on your behalf.

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

A National Insurance number is required so that the loan can be paid to the college or training organisation on your behalf. If you don't have a National Insurance number you can still apply for a loan. Student Finance England will contact you if you need to do anything to obtain one. This may mean that you'll need to arrange an appointment with your local Job Centre to have one assigned to you.

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

You should apply as early as possible to make sure Student Finance England can pay your college or training organisation at the start of your course. However, you can apply for a loan at any time during your course, but not after you've completed it.

If you wish to apply for a loan during your course, you'll need to agree this with your college or training organisation in advance, as you'll already have discussed with them how you're going to pay your fees. Deciding to take out a loan will change this arrangement.

The college or training organisation will also need to provide you with information so you can complete your application.

## **How long will it take 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) will be processed quickly and you should hear from us within two weeks. If you don't apply online or you don't send us the evidence we ask for at the time of application it will take longer.

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### **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 when that course 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 your course you no longer want to undertake your course or you don't want to take out a loan for the course then you can simply contact Student Finance England. Student Finance England will be able to cancel your loan application and you won't have any loan to repay.

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

No loan payments will be made to your college or training organisation on your behalf until you've attended the course for at least two weeks. If you leave the course after more than two weeks then you'll be liable to repay the loan payments that have been made to the provider on your behalf, for the time you have been on the course.

## **Fees**

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

There's a maximum amount of loan available to you based on the type of qualification you're doing. Your college or training organisation will be able to advise you of this amount.

The fee charged by the college or training organisation may be less than the maximum loan amount available - so in this case you'd only need to take out a loan to cover the fee being charged.

If you're undertaking an Apprenticeship Framework the amount of loan available will take account of the contribution your employer will be expected to make towards the costs of your training.

You can take out a loan for the maximum amount to cover your fee or you can pay all or part of the course fee yourself.

### **Will I have to repay the full loan amount if I leave part way through the course?**

No. Your loan will be paid to your college or training organisation in line with your attendance on the course. When you stop attending, payments will stop and you'll only be liable to repay the amount (including any interest accrued on that amount) that's already been paid to the college or training organisation.

### **If I leave my course part of the way through will I be required to pay the remainder of the fee to my college or training organisation even if my loan payments have stopped?**

Before you enrol on the course you'll need to enter into an agreement with your college or training organisation. This agreement should include the fee they're charging you and what you'll be required to pay if you don't complete the course.

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

The loan should cover the fee charged by the college or training organisation. You'll need to agree with the college or training organisation upfront, all of the costs associated with the course and that the loan will be able to cover these costs.

### **Can I get additional support to help with childcare and travel?**

The 24+ Advanced Learning Loan only covers the fee you're being charged by the college or training organisation for your course. However, it's possible the college or training organisation will be able to provide financial support for course related costs for those facing financial hardship. Your college or training organisation will be able to provide you with more information on the help and support they can make available to you.

### **If my Higher Apprenticeship has a HE element in the framework, will I have the option to apply for an HE loan?**

Yes. If your Higher Apprenticeship framework is made up of both FE and HE elements, you can apply for separate loans to cover both of these elements.

## **Loans**

### **Will I be able to get a loan if I've already achieved a similar qualification (i.e. I already have A Levels)?**

Yes. Previous qualifications you've achieved won't affect your ability to apply for your first loan. 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's no requirement to progress through qualification levels.

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

This depends on the type of qualification you're studying. If you're doing A Levels, please see below.

For non A Level courses you can only take out one loan out at a time. For example, an Electrical Engineering programme may involve studying a Level 3 Certificate in Electrical Installation and a Level 4 Diploma in Electrical Engineering at the same time, but only one could be funded by a loan.

You can have up to a maximum of four loans in total, but you cannot take out another loan to repeat the same type of course at the same level.

For example: if you'd taken out a loan to do a Level 3 Certificate in Plumbing, you could then take out a second loan to do a Level 4 Certificate in Tiling, which would be a different type of qualification. However, having undertaken a Level 3 Certificate in Plumbing you couldn't take out a second loan to do a Level 3 Certificate in Construction, as it would be a second loan for the same type and level of course.

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### **How many loans can I take out? (cont.)**

If you're studying A Levels (including A Level, AS and A2 qualifications) you can apply for up to four loans to cover the costs of your A Level programme.

You can apply for more than one loan to study the A Levels at the same time. You should complete a separate form for each qualification.

You can also get three more loans for non A Level courses.

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

It'll depend on how much of the course you've undertaken. If you've done less than two weeks you can simply cancel the loan and this won't count against the total number of loans available to you. After two weeks on a course, the college will confirm your attendance and you'll become liable for the loan. It will count against the total number of loans available to you.

However, there's flexibility to allow for a single repeat of the same type of course where you did not complete the original. You'd still be required to repay the original loan but you could take out another loan.

Before making this decision you should speak to your college or training organisation, as it may be possible to transfer 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'll still be expected to repay any loan paid in connection with the course, but you'll be able to take out a loan to complete the course again.

## **Repayments**

### **How will I pay back the loan?**

Repayments will be automatically deducted from your income through the tax system from the April after you complete or compete or leave the course and your income is more than £21,000 a year.

### **When will repayments start?**

Repayments via the tax system will start from April 2016 and there's no need to repay until then. You can make voluntary repayments direct to SLC at any time and before April 2016 in order to accrue less interest and pay off your loan more quickly.

If you leave your course after April 2016 then repayments will start from the following April and when your income is more than £404 a week, £1,750 a month or £21,000 a year.

### **How much will the repayment be?**

Repayments will be made at 9 per cent of your income over £404 a week, £1,750 a month or £21,000 a year. For example, if your income is £25,000 a year then your loan repayments would

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be around £360 a year or £30 a month. The repayments are based purely on income, not on the amount borrowed or number of loans. So, regardless of how much you owe, the repayments will be the same. If your income falls below £21,000, repayments will stop and only re-start when your income increases to more than £21,000.

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

You'll make a single payment and deduction at 9 per cent of your income over the threshold above, regardless of how large or how many student loans you have, including HE and 24+ Advanced Learning Loans.

### **How do I repay the loan early?**

Voluntary repayments can be paid to the Student Loans Company at any point after you finish your study. You do not need to wait until you earn over £21,000. Any early repayment, either partial or fully, will reduce the interest that will accrue. You should seek independent advice regarding your finances if you plan to offset a substantial amount against your loan balance in one or a few transactions.

### **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. Any loan balances which remain after 30 years will be written off.

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

Loans are excluded from your bankruptcy debts. This means that during and upon discharge from bankruptcy you remain liable to repay 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 above £21,000.

### **What happens when I die?**

If you die then your loan will be written off.

### **Is this the best value loan?**

You'll need to consider whether it's the best thing for you in your circumstances. You may wish to seek impartial advice, for example from the Money Advice Service at [moneyadviceservice.org.uk](http://moneyadviceservice.org.uk).

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## If I am undertaking an Apprenticeship and my employer makes me redundant, would I still be required to repay the loan?

Any apprentice who has been made redundant will be fully supported to find alternative employment and continue their programme by the National Apprenticeship Service. If this isn't possible you'll be expected to repay any loan payments (including accrued interest) made on your behalf to the college or training organisation during your course. You would only repay when your income is more than £21,000.

## If I move to another country following my course and my income is more than £21,000 do I still have to repay the loan?

Yes. If you go abroad we'll make arrangements with you to collect repayments while you're outside of the UK tax system. Your repayment threshold may vary according to price level indices for that country. You'll be required to pay a fixed instalment to be calculated by SLC.

## Interest

### How much interest will I be charged on the loan?

Some of the 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 and 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
From April 2016	Interest will be based on your income. £21,000 or less – RPI £21,001 to £41,000 – RPI plus up to 3%, depending on income £41,001 and over – RPI plus 3%

### What is RPI, and what happens if it changes?

The Retail Price Index, RPI, is a measure of UK inflation. It measures changes to the cost of living in the UK. The UK government uses the rate of RPI for many purposes, including setting the interest rate charged on student loans.

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