

# QEH Guide to Student Finance 2012

*Please note that all figures quoted are per annum and relate to full-time English students studying in the UK.*

Everyone who plans to start university in 2012 or beyond faces a new system of grants loans and fees. Over the last year or so the new regime has received a barrage of criticism but it has its supporters - once you've investigated it thoroughly you may not think it's quite as dreadful as some say.

## The main points are these:

- Universities now charge tuition fees of up to £9,000
- Maintenance Grants are available for those with a household income of less than £42,600
- Loans don't need to be repaid until earnings exceed £21,000
- A small number of scholarships and bursaries may be available, directly from Universities.
- The amount repayable depends on earnings and not the amount of debt.

## Tuition Fee Loan

Tuition Fee Loans cover the full costs of fees. These will be paid directly to universities and cover the full amount charged, unless the University is a private one (e.g. Buckingham, AIU, BPP or UCH) in which case there is a cap of £6000, or if the university is abroad (e.g. Trinity College Dublin) no Government backed loan is available.

## Maintenance Loans

Maintenance Loans cover living costs like rent. Remember that students are only funded for their time at university - about 33 weeks a year. The amount of Maintenance Loan available depends on personal circumstances:

- £5,500 for students who live away from home and study outside London
- £7,675 for students who live away from home and study in London
- £4,375 for students who live at home

*Both loans and grants are paid into the student's bank account at the start of each term.*

## Maintenance Grants

These are means tested and do not need to be repaid:-

- £3,250pa if your household income is £25,000 or under
- £50-£3250pa if your household income is between £25,000 and £42,600
- Families who earn over £42,600 are ineligible for Maintenance Grants

## Scholarships and Awards

These are provided at the discretion of individual universities and once issued do not have to be paid back. At QEH we don't encourage boys to investigate scholarships until after they have received offers – they are sometimes used to market less prestigious courses. After offers have been received it may be worth enquiring about the availability of possible awards, but they are few, far between and meagre. The most generous awards are in shortage subjects and for low income families.

## The Admin Process

Remember that completing this process is a student's job– it is a contract with legal responsibilities and parents are not required!!

Go to **[www.direct.gov.uk/studentfinance](http://www.direct.gov.uk/studentfinance)** and click on the link for 2012/3. You will be taken to the DiectGov site with a clear link allowing you to “register and apply for full-time student finance”. You will now be directed to the UCAS track system where you will be asked for a UCAS Personal ID, Username and Password. The rest is up to you!

Forms can be completed on-line or printed off and posted. Unusually many students report that the latter is preferable.

Information needed includes:-

- UCAS details
- Birth cert. details,
- Passport number
- Household income records

## Timescales

- January 2012 onwards – register for student finance  
**[www.direct.gov.uk/studentfinance](http://www.direct.gov.uk/studentfinance)**
- 9 May 2012 - university offers to be held or rejected by today
- 31 May 2012 - Student Finance application deadline. Applications for finance received after this date is not guaranteed the issue of loans being by the start of term.
- Shortly after the deadline date above you will receive a Financial Entitlement letter which tells you what finance you'll get. Sign and return the declaration without delay.
- 16 August 2012 - A-level results day.  
If course, place of study, income or family circumstance has changed, details can be updated online at **[www.direct.gov.uk/studentfinance](http://www.direct.gov.uk/studentfinance)**
- September 2012. Register at university, Student Finance England won't pay you until you do!
- April 2016 and beyond – after earnings exceed £21,000 graduates are required to begin repayments. The amount payable will depend on earnings not the amount of debt. For more information visit **[www.studentloanrepayment.co.uk](http://www.studentloanrepayment.co.uk)**

## Q and A

**Q** *I understand that fees are paid automatically so I don't need to worry about them. I'm not going to be eligible for a grant or bursary so the only important figure I need to think about is the £5,500 (Maintenance Loan for students for who live away from home and study outside London). Will that be enough?*

**A** The cost of accommodation varies widely from city to city, as do living expenses. Transport costs depend on where you need to go and how often. Most students should allow for an academic year of 33 weeks which provides £166 per week, excluding holidays. Catered Halls in Manchester (for example) average about £125 per week; Self-Catered Halls average about £100. Other costs to plan for include transport home, phone and internet and lunch. Most students are likely to overspend, so keeping on the right side of parents and planning a few holiday jobs should be the norm!

**Q** *When I leave university I'm likely to have a debt of at least £45,000. Will that affect my ability to get a mortgage?*

**A** The Council of Mortgage lenders says not. The amounts repayable are smaller than you might think – in fact lower than for current students, although the amounts are payable for longer...

<i>Earnings</i>	<i>Annual Repayment</i>	<i>Monthly pay reduction</i>
£15,000	Nothing	Nothing
£16,000	Nothing	Nothing
£21,000	Nothing	Nothing
£22,000	£90	£7.50
£30,000	£810	£67.50
£40,000	£1,710	£142.50
£50,000	£2,610	£217.50

**Q** *I've seen that some Universities have reduced their fees. I'm kicking myself for not applying to them...*

**A** Regardless of whether you attend a course that costs £6,000 or £9,000 you will repay the same amount each month - it only depends on what you earn. However much you repay, the debt will cease after 30 years and the Government expect that the majority of graduates will never repay the full amount borrowed. Courses should be chosen on their merits – not on the basis of their fees.

**Q** *What if my first job has a salary of above £21,000 but I leave the job for one that is less well paid?*

**A** Loan repayments cease during any period when your salary is below the £21,000 threshold.

**Q** *What is the rate of interest payable?*

**A** 3% plus inflation.