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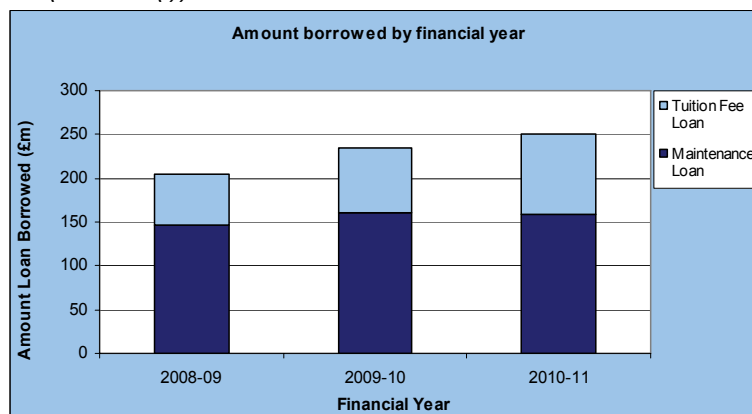
STUDENT LOANS FOR HIGHER EDUCATION IN WALES, FINANCIAL YEAR 2010-11

INTRODUCTION

This statistical first release provides statistics on loan outlay and repayments of loans and borrower activity, for all Welsh domiciled students and those EU students studying in Wales during financial year 2010-11, and also shows comparable data for financial years 2008-09 and 2009-10. Figures are provided for the publicly owned debt only.

KEY POINTS

- The total amount lent to eligible HE students during financial year 2010-11 was £251.1m (*Table 1*), of which:
 - £159.5m relates to Maintenance Loans, a decrease of 0.3% compared to 2009-10;
 - £89.4m relates to Tuition Fee Loans for Welsh domiciled students, and £2.2m to non UK European Union Students – an overall increase of 24% compared to 2009-10.
- Repayments posted to customer accounts amounted to £61.0m (including £11.6m paid earlier than required) in the financial year 2010-11. £57.1m of these repayments relates to Income Contingent Loans (post 1998/99), the remaining £3.9m relates to Mortgage Style Loans (pre 1998/99) (*Table 1*).
- The balance outstanding (including loans not yet due for repayment) at the end of financial year 2010-11 was £1.94bn of which £1.89bn relates to Income Contingent Loans (*Table 1*).
- During the 2010-11 financial year, 3,000 borrowers repaid at least one of their loan accounts in full (compared with 2,800 during 2009-10) (*Table 2(i)*).
- At the end of 2010-11 there were 208,700 borrowers; of these, 144,700 had accounts in repayment status (*Table 2(i)*).



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RELATED STATISTICAL PUBLICATIONS

This statistical first release provides statistics on loan outlay and repayments of loans and borrower activity, for all Welsh domiciled students and those EU students studying in Wales. A related statistic published by the Student Loans Company for Wales is: 'Income Contingent Repayments by Repayment Cohort and Tax Year'. This official statistic covers Income Contingent borrowers who are liable for repayment by tax year of repayment and by repayment cohort to which the borrower belongs. SLC publishes equivalents of these two publications for all of the other three Government Administrations.

SLC also produces the National Statistic: 'Student Support for Higher Education in Wales'. This publication provides statistics on Welsh Domiciled and EU Domiciled applicants studying in Wales, which have been approved for student support by academic year of application.

All of these publications can be found on the SLC web site:
http://www.slc.co.uk/statistics/national_statistics.html

For information on student support arrangements in place for Welsh domiciled students and non UK European Union students who study in Wales, visit Student Finance Wales web site:

<http://www.studentfinancewales.co.uk>

Table 1 : Student Loan outlay and repayments: financial years 2008-09 to 2010-11 [1][2] : amounts (£000s)

Key Points:

- Repayments posted to customers accounts amounted to more than £61.0 million in the financial year 2010-11, including £11.6 million repaid earlier than required.
- The balance outstanding (including loans which are not yet due for repayment) at the end of financial year 2010-11 was £1.9 billion.

All Welsh domiciled students and those EU students studying in Wales

£000s

Financial years	2008-09			2009-10			2010-11		
	Income Contingent Loans	Mortgage Style Loans	Total Public Debt	Income Contingent Loans	Mortgage Style Loans	Total Public Debt	Income Contingent Loans	Mortgage Style Loans	Total Public Debt
Total amount outstanding (including loans not yet due for repayment) at start of financial year, including interest	1,258,235	62,103	1,320,338	1,463,880	56,989	1,520,868	1,680,506	51,773	1,732,279
Reversal of previous year end timing adjustments				-21	*	-20	143	0	143
Opening balance after adjustments	1,258,235	62,103	1,320,338	1,463,859	56,989	1,520,848	1,680,649	51,773	1,732,422
PLUS									
Amount lent during financial year	204,440	0	204,440	233,840	0	233,840	251,067	0	251,067
of which:									
Maintenance Loans	146,310	0	146,310	159,980	0	159,980	159,493	0	159,493
Tuition Fee Loans	56,953	.	56,953	72,321	.	72,321	89,402	.	89,402
Tuition Fee Loans to EU students	1,177	.	1,177	1,539	.	1,539	2,173	.	2,173
Amount of interest added to loans during the financial year [3]	43,081	2,314	45,395	31,795	717	32,512	15,592	1,078	16,670
Administration charges applied during the financial year	*	.	.	1	.	1	2	.	2
Balance transfers [4]	0	*	*	.	3	3	.	56	56
MINUS									
Amount repaid, including interest, during the financial year	39,647	6,669	46,316	46,425	5,070	51,494	57,081	3,931	61,013
of which:									
Repaid by customer to SLC	13,790	6,710	20,500	9,342	5,100	14,442	11,742	3,971	15,713
Reported by HMRC as collected via PAYE and Self Assessment	26,797	.	26,797	37,872	.	37,872	46,763	.	46,763
Refunded by SLC to customer	-940	-40	-980	-790	-30	-820	-1,423	-40	-1,464
of which:									
amount repaid earlier than required [5][r]	13,580 [r]	1,084 [r]	14,664 [r]	8,993 [r]	643 [r]	9,636 [r]	10,922	658	11,580
Amount repaid in respect of the Repayment of Teachers' Loans scheme during the financial year	1,245	125	1,370	1,982	157	2,139	1,121	9	1,130
Amount otherwise cancelled or written off during the financial year	1,016	574	1,590	522	709	1,231	533	626	1,160
of which:									
Because of death[6]	826	43	869	410	63	473	338	36	375
Because of age	0	390	390	12	573	585	94	561	655
Because of disability[6]	90	10	100	57	25	82	82	26	108
Because of bankruptcy [7]	82	118	200	27	45	72	19	-2	16
On completion of Individual Voluntary Arrangement (IVA) [7]	18	10	29	15	3	18	0	3	3
Trivial balances	0	0	0	*	*	*	*	0	0
Other	0	3	3	*	*	*	*	3	3
Total amount outstanding at the end of the financial year, including loans not yet due for repayment [3][8]	1,463,849	56,988	1,520,838	1,680,566	51,773	1,732,339	1,888,576	48,340	1,936,915
Year-end reconciling adjustments [9]	30	*	31	-60	*	-60	2	*	2
Balance after adjustments	1,463,880	56,989	1,520,868	1,680,506	51,773	1,732,279	1,888,578	48,340	1,936,918
of which:									
(a) balance of loans in deferment [10]	.	34,715	34,715	.	31,789	31,789	.	29,676	29,676
(b) balance of loans in arrears status [11]	783	12,442	13,225	2,140	12,342	14,482	3,703	12,835	16,539
of which: arrears value	28	9,243	9,272	156	9,419	9,575	421	9,734	10,154
(c) balance of loans deferred with arrears [12]	.	1,433	1,433	.	1,313	1,313	.	1,170	1,170
of which: arrears value	.	324	324	.	298	298	.	236	236
of which: debt held by EU students for Tuition Fee Loans	2,084	.	2,084	3,528	.	3,528	5,538	.	5,538
(d) balance of EU Fee loans liable for repayment [13]	158	.	158	348	.	348	1,091	.	1,091
(e) balance of EU Fee loans not yet liable for repayment [14]	1,926	.	1,926	3,180	.	3,180	4,447	.	4,447
Administration charges owed to SLC at the end of the financial year [15]	.	497	497	.	491	491	.	490	490
Balance including debt to SLC	1,463,880	57,486	1,521,365	1,680,506	52,264	1,732,770	1,888,578	48,830	1,937,408

. = not applicable * = negligible .. = not available 0 = nil

Source: Student Loans Company

[r] The amounts repaid earlier than required in the financial years 2008-09 and 2009-10 have been revised from previous published figures as they did not take into consideration early repayments from EU domiciled borrowers and did not consider the effect of repayment reversals. The previous total for 2008-09 was £14.6m and for 2009-10 was £9.6m

See Appendix A for Footnotes

This table represents the amount of student loans paid out to Welsh domiciled students and non UK EU domiciled students in financial year 2008-09 to 2010-11. Students who are normally domiciled in the EU outside of the UK are eligible for Tuition Fee Loans only which are paid directly to the university or college to which they attend.

This table also shows the amount of loans repaid in each of the financial years by former students who are now liable to repay their student loan debt. Students become liable to repay their loans from the April after graduation, or for those who do not graduate, the April following the date the student withdraws from the course.

Up until July 2004 for Mortgage Style and September 2004 for ICR, student loans could be written off as a result of the customer becoming bankrupt. After this point, student loans are no longer covered by bankruptcy. From April 2010, student loans are exempt from Individual Voluntary Arrangements (IVA). The amount of loan written off in the table above for financial years 2008-09 to 2010-11 for bankruptcy and 2010-11 for IVA, are for those customers who petitioned for their loans to be written off prior to the change in regulations.

Table 2(i) : Student Loan outlay and repayments[2]: Financial years 2008-09 to 2010-11: borrower activity

Key Points:

- By the end of financial year 2010-11, there were 208,700 student loan borrowers, of which 144,700 (69.3%) were liable to repay.
- At the end of financial year 2010-11, there were 71,000 student loan borrowers (current students and those who will be become liable to repay in April 2011) who were not yet liable to repay at 31/03/2011.

All Welsh domiciled students and those EU students studying in Wales

000s

Financial years	2008-09			2009-10			2010-11		
	Income Contingent Loans [16]	Mortgage Style Loans [17]	Total Public Debt [18]	Income Contingent Loans [16]	Mortgage Style Loans [17]	Total Public Debt [18]	Income Contingent Loans [16]	Mortgage Style Loans [17]	Total Public Debt [18]
Number of borrowers at the beginning of the financial year	145.2	22.7	166.3	160.8	20.0	179.3	178.1	18.2	194.9
Number of borrowers with accounts paid in full in financial year [19]	0.7	2.4	3.0	0.9	1.9	2.8	1.4	1.6	3.0
of which									
paid off before liability has arisen [20]	0.3	0.0	0.3	0.3	0.0	0.3	0.3	*	0.3
Number of borrowers with accounts cancelled or written off in financial year [21]	0.1	0.3	0.4	0.1	0.3	0.4	0.1	0.2	0.3
of which:									
because of death [6]	0.1	*	0.1	*	*	0.1	*	*	0.1
because of age [6]	0.0	0.1	0.1	* [r]	0.2	0.2	0.0	0.2	0.2
because of disability	*	*	*	* [r]	*	*	0.0	*	*
because of bankruptcy [7]	*	*	*	*	*	*	*	0.0	*
on completion of Individual Voluntary Arrangement (IVA) [7]	* [r]	*	*	* [r]	*	*	0.0	*	*
other	*	0.1	0.1	*	0.1	0.1	*	*	0.1
New borrowers in financial year [22]	16.4	0.0	16.4	18.0	0.0	17.9	16.5	0.0	16.5
Number of borrowers with accounts liable for repayment at the end of financial year [23]	100.9	19.9	119.6	115.2	18.2	132.1	129.4	16.4	144.7
Number of borrowers with accounts not yet in liable for repayment at the end of financial year [23][24]	66.0	*	66.0	69.5	*	69.5	71.0	0.0	71.0
Number of borrowers at the end of financial year	160.8	20.0	179.3	178.1	18.2	194.9	193.5	16.4	208.7

. = not applicable * = negligible .. = not available 0.0 = nil

Source: Student Loans Company

[r] The number of borrowers with accounts cancelled or written off in financial years 2008-09 and 2009-10 have been revised from previous published figures as some cancellation types were incorrectly categorised in the table above. Income Contingent Loan cancellations for reasons of Age, Disability and IVA had previously been classified as 'Other'. These are now classified correctly into the respective categories shown above. The overall numbers of cancellations in each year are unchanged.

See Appendix A for footnotes.

This table shows the number of student loan borrowers in each financial year. It excludes those borrowers who have now fully repaid their loans. The number of borrower at the beginning differs from the the numbers at the end of the financial year. This is because the numbers at the end of the financial year excludes borrowers who have fully repaid their loan during the financial year, and will also include new, first time borrowers during the financial year. It will also exclude those borrowers who had their loans cancelled during the financial year for reasons of death , disability etc.

Some borrowers have both Mortgage Style (available to students until 1997/98) and Income Contingent Loans (available to students from 1998/99) therefore the total number of borrowers shown above is lower than the sum of the Mortgage Style and Income Contingent Loans borrower columns.

Table 2(ii) : Student Loan outlay and repayments [2]: Financial years 2008-09 to 2010-11: borrower activity

Key Points:

- During the 2010-11 financial year, 1,600 Mortgage Style Loans borrowers (8.7% of those at the start of the financial year) repaid at least one of their loan accounts in full.

Mortgage Style Loans
All Welsh domiciled students

000s

Financial years	2008-09	2009-10	2010-11
	Mortgage Style Loans	Mortgage Style Loans	Mortgage Style Loans
Number of borrowers at the beginning of the financial year	22.7	20.0	18.2
Number of borrowers with accounts paid in full in financial year[19]	2.4	1.9	1.6
Number of borrowers with accounts cancelled or written off in financial year [21] of which:	0.3	0.3	0.2
because of death	*	*	*
because of age	0.1	0.2	0.2
because of disability	*	*	*
because of bankruptcy [7]	*	*	0.0
on completion of Individual Voluntary Arrangement (IVA) [7]	*	*	*
other	0.1	0.1	*
All borrowers at the end of financial year	20.0	18.2	16.4
of which:			
(A) Borrowers with accounts liable for repayment [25]	19.9	18.2	16.4
of which			
(a) ahead with repayments	2.4	1.8	1.6
(b) up to date with repayments	3.8	3.6	2.7
(c) owing less than 2 months' repayments	0.2	0.2	0.2
(d) owing 2 or more months' repayments	1.2	1.1	1.0
(e) overdue with no repayment schedule owing <=£100 [26]	0.1	0.1	0.1
(f) overdue with no repayment schedule owing >£100 [27]	3.1	3.1	3.2
(g) deferring repayments	9.1	8.3	7.5
(h) deferring repayments with arrears	0.4	0.3	0.3
(B) Borrowers with accounts not yet liable for repayment [25]	*	*	0.0
of which			
who have made one or more repayments	*	*	0.0
who have made no repayments	*	*	0.0

. = not applicable * = negligible .. = not available 0.0 = nil

Source: Student Loans Company

See Appendix A for footnotes.

This table shows the repayment status of Mortgage Style Loan borrowers at the end of the last three financial years. Mortgage Style Loans were available to UK domiciled borrowers until 1998/99 when Income Contingent Loans became available for the first time. The number of borrowers is in decline due to a proportion becoming fully repaid every year and because this form of student support is no longer available to students.

Table 2(iii) : Student Loan outlay and repayments[2]: Financial years 2008-09 to 2010-11, borrower activity

Key Points:

- By the end of financial year 2010-11, there were 193,500 Income Contingent student loan borrowers, of which 129,400 were liable to repay.
- During financial year 2010-11, 12,400 Income Contingent borrower repaid at least one of their accounts in full.

Income Contingent Loans

All Welsh domiciled students and those EU students studying in Wales

000s

Financial years	2008-09					2009-10					2010-11				
	Maintenance Loans [28]	Fee Loans (Welsh domiciled)	Total Wales Loans	Fee Loans (EU in Wales)	Total IC Loans[23]	Maintenance Loans [28]	Fee Loans (Welsh domiciled)	Total Wales Loans	Fee Loans (EU in Wales)	Total IC Loans[23]	Maintenance Loans [28]	Fee Loans (Welsh domiciled)	Total Wales Loans	Fee Loans (EU in Wales)	Total IC Loans[23]
Number of borrowers at beginning of the financial year	143.1	36.5	144.2	0.9	145.2	157.7	52.2	159.3	1.5	160.8	174.0	69.5	176.0	2.2	178.1
Number of borrowers with accounts closed due to full repayment in the financial year of which:	0.6	0.1	0.6	*	0.7	0.8	0.2	0.9	*	0.9	1.3	0.3	1.4	0.1	1.4
paid off before liability for repayment had arisen [20]	0.2	0.1	0.3	*	0.3	0.3	0.1	0.3	*	0.3	0.3	0.2	0.3	*	0.3
Number of borrowers receiving refunds of repayments in financial year	1.9	0.0	1.9	0.0	1.9	1.4	0.0	1.5	0.0	1.5	2.6	0.1	2.6	*	2.6
Number of borrowers with accounts cancelled or written off in financial year[21] of which:	0.1	3.0	0.1	0.0	0.1	0.1	*	0.1	0.0	0.1	0.1	*	0.1	*	0.1
because of death [6]	0.1	3.0	0.1	0.0	0.1	*	*	*	0.0	*	*	*	*	0.0	0.1
because of age [r]	0.0	0.0	0.0	0.0	0.0	* [r]	0.0	* [r]	0.0	* [r]	0.0	0.0	0.0	0.0	0.0
because of disability[6][r]	*	0.0	*	0.0	*	* [r]	0.0	* [r]	0.0	* [r]	0.0	0.0	0.0	0.0	0.0
because of bankruptcy [7]	*	0.0	*	0.0	*	*	0.0	*	0.0	*	*	0.0	*	0.0	*
on completion of Individual Voluntary Arrangement (IVA) [7][r]	* [r]	0.0	* [r]	0.0	* [r]	* [r]	0.0	* [r]	0.0	* [r]	0.0	0.0	0.0	0.0	0.0
other	*	0.0	*	0.0	*	*	0.0	*	0.0	*	*	*	*	*	*
New borrowers in financial year [22]	15.4	16.0	15.8	0.6	16.4	16.8	17.8	17.3	0.7	18.0	15.2	15.8	15.9	0.6	16.5
All borrowers at the end of financial year [23][25]	157.7	52.2	159.3	1.5	160.8	174.0	69.5	176.0	2.2	178.1	188.1	84.9	190.9	2.7	193.5
of which:															
(A) Borrowers with accounts not yet liable for repayment of which	63.0	46.9	64.6	1.4	66.0	65.7	57.3	67.7	1.8	69.5	66.6	61.3	69.0	2.1	71.0
who have made one or more repayments	1.5	0.6	1.6	*	1.6	1.1	0.6	1.2	*	1.2	1.0	0.7	1.2	*	1.2
who have made no repayments	61.5	46.3	63.0	1.3	64.3	64.7	56.7	66.5	1.8	68.2	65.6	60.6	67.8	2.0	69.7
(B) Borrowers with accounts being closed of which	8.0	0.1	8.0	*	8.0	10.3	0.3	10.3	0.1	10.4	12.3	0.6	12.4	0.1	12.5
who have fully repaid [29]	7.9	0.1	7.9	*	7.9	10.1	0.3	10.2	0.1	10.3	12.2	0.5	12.3	0.1	12.4
who are having their account cancelled [30]	0.1	0.0	0.1	0.0	0.1	0.1	*	0.1	0.0	0.1	0.1	*	0.1	0.0	0.1
(C) Borrowers with accounts liable for repayment	92.8	7.4	92.9	0.1	93.1	104.4	15.1	104.7	0.3	105.0	128.0	26.5	128.8	0.7	129.4

. = not applicable * = negligible .. = not available 0.0 = nil

Source: Student Loans Company

[r] The number of borrowers with accounts cancelled or written off in financial years 2008-09 and 2009-10 have been revised from previous published figures as some cancellation types were incorrectly categorised in the table above.

Income Contingent Loan cancellations for reasons of Age, Disability and IVA had previously been classified as 'Other'. These are now classified correctly into the respective categories shown above. The overall numbers of cancellations in each year are unchanged.

See Appendix A for footnotes.

This table shows the repayment status of Income Contingent Loans borrowers at the end of the last three financial years. Income Contingent Loans were available to UK domiciled borrowers from 1998/99. The table shows the numbers of Welsh domiciled borrower with a Maintenance Loan , a Fee Loan and the total with either or both types of loan. The table also shows the number of borrowers who are normally domiciled in the EU (outwith UK) who have borrowed a Fee Loan which is paid directly to the university or college attended to cover the cost of tuition.

The number of borrower at the beginning differs from the the numbers at the end of the financial year. This is because the numbers at the end of the financial year excludes borrowers who have fully repaid their loan during the financial year, and will also include new, first time borrowers during the financial year. It will also exclude those borrowers who had their loans cancelled during the financial year for reasons of death , disability etc.

Appendix A

FOOTNOTES

[1] Repayments of Income Contingent Loans are shown in the financial year when they are posted to customer accounts. The SLC are notified of repayments by HMRC usually within one year of the end of the tax year to which they relate. Hence, the repayments shown in 2010-11 are mainly for tax year 2009/10. The interest added for customers in repayment in 2010-11 is mainly for tax year 2009/10. The interest added for customers not yet in repayment in 2010-11 will be for tax year 2010/11.

[2] Refer to definitions section of this publication in Appendix B.

[3] For PAYE or self employed repayers, interest is not applied to Income Contingent Loan accounts until the SLC have received notification of the amounts collected by HMRC, which is usually within one year of the tax year the repayments relate to. Interest is then applied retrospectively to individuals' accounts by the SLC.

[4] Balance transfers can occur between the private debt portfolios and the Government portfolios, between the Government administrations and as a one off in 2005-06 with the SLC.

[5] Early repayments include those which do not necessarily settle the account in full.

[6] System capabilities introduced in financial year 2008-09 to improve the processing of loan cancellations for the reason of death and disability have resulted in the backlog of those loans awaiting to be processed from previous years to be processed in financial year 2008-09.

[7] The functionality for processing write-offs due to bankruptcy and on completion of an IVA has been put in place in financial year 2007-08. A number of such write-offs dating back to previous financial years have been processed and are included in the 2008-09 figures.

[8] Constituent parts may not add to totals due to rounding.

[9] The adjustments indicate transactions in the year affecting customer balances that has not been accounted for in the transaction lines above.

[10] The cumulative balance of loans in deferment with no arrears at end of financial year (i.e. the amount of deferment and the sum not yet due for repayment but excluding any amount repaid).

[11] The cumulative balance of loans which are in arrears status at the end of financial year. The arrears value is the overdue amount and does not include administration charges; the balance is the outstanding amount of the account on which there are arrears (including the overdue amount).

[12] The cumulative balance of loans in deferment with arrears at end of financial year. The arrears value is the overdue amount; the balance is the outstanding amount of the account on which there are arrears (including the overdue amount).

[13] The debt for those EU borrowers who have reached their Statutory Repayment due date and are now liable to repay their debt.

[14] The debt for those EU borrowers who are yet to reach their statutory repayment due date (i.e. those who are still in study or those due to commence repayment in April 2012).

[15] All movements in the Mortgage Style Loans Administration Charges balances from the beginning

of 2005-06 onwards belong to the SLC. This results in a new outstanding balance to be carried forward to the next FY.

[16] The number of borrowers with Income Contingent Loans represents those with one or more open loan accounts of the following type: ICR Maintenance Loans; Hardship Loans; part time loans; and Fee Loans. The SLC are notified of borrowers' repayments by HMRC usually within one year of the end of the tax year they relate to, e.g. there will be some borrowers who have repaid their accounts in full in financial year 2010-11 but this will not be reported until the reconciliation has been made with SLC records. Hence, they remain in the borrower numbers until the HMRC return is processed and any resultant refund is returned to the borrower.

[17] The number of borrowers with Mortgage Style Loans represents those with one or more open loan accounts awarded under the pre 1998/99 arrangements. The status of these borrowers is "real time" because all the repayments are made directly to SLC.

[18] The total number of borrowers is not simply the sum of the ICR borrowers and the Mortgage Style Loan borrowers because some borrowers have both loan types.

[19] Borrowers who have repaid at least one loan account in full during the financial year. This covers those accounts that have a status of fully paid; and those accounts with small balance write-offs of less than or equal to £5. Includes accounts closed under the Repayment of Teacher Loans (RTL) scheme.

[20] Borrowers in payment status who have repaid at least one loan account in full in the financial year prior to the loan's statutory repayment due date.

[21] Borrowers who have at least one loan account cancelled or written off during the financial year. Note that small balance write-offs are included in accounts paid in full. Excludes borrowers with accounts closed under the RTL scheme.

[22] Borrowers who had no loans at the beginning of the financial year and who took out new loans during the financial year.

[23] Each borrower has a loan account for each academic year of study in which they take out a loan. The repayment status may be different for each loan account. Hence, a borrower may be counted in more than one repayment status and the total of the breakdown by repayment status will be higher than the total number of borrowers.

[24] Borrowers with at least one open loan account that has not yet passed into repayment because the Statutory Repayment Due Date has not yet been reached. This number includes a whole cohort of borrowers who are just about to go into repayment in the following April.

[25] Constituent parts may not sum to the totals because individual borrowers may be counted in more than one category if they have loan accounts in more than one status.

[26] Borrowers who have no current repayment schedule but an amount less than £100 is still due. This often indicates that the last few repayments only have been missed and will be collected in the short term.

[27] Borrowers who have no current repayment schedule and an amount equal to or greater than £100 is still due. This group generally comprises those in a long term arrears position, many of whom are in litigation.

[28] Borrowers with Income Contingent Loans are shown in the table by their known status at the end of the financial year. The SLC are notified of borrowers' repayments by HMRC usually within one year

of the end of the tax year they relate to, e.g. there will be some borrowers who have repaid their accounts in full in financial year 2010-11 but this will not be reported until the latest repayment notification is received from HMRC.

[29] Borrowers who have fully repaid their loans but the account cannot be closed until the final HMRC return is received and/or the final refund is paid.

[30] Borrowers who have had their loans cancelled but the account cannot be closed until the final HMRC return is received and/or the final refund is paid.

Appendix B

DEFINITIONS

Accounts paid in full	The borrower has repaid the account in full without it being cancelled or written off. It includes accounts with small balance write-offs of less than or equal to £5. Also includes accounts closed under the Repayment of Teacher Loans (RTL) Scheme.
Administration charges	A non-interest bearing penalty imposed on accounts where extra administration is required (e.g. in cases of arrears or default).
Cancelled loan	The borrower no longer has any liability to repay as provided for in the loans regulations. A borrower's liability shall be cancelled: <ul style="list-style-type: none"> • On the death of the borrower; • On reaching the age cancellation criteria for their loan (age 50, age 60 or after 25 years depending on the type of loan and year taken out); or • If borrower is in receipt of a disability related benefit and permanently unfit for work.
Deferred with arrears	For Mortgage Style Loans only, borrowers who have at least one loan in deferment status with arrears of repayment excluding those granted time and indulgence (which is in single figures).
Entered repayment status / in repayment status	The borrower has reached the point where repayment is scheduled to commence, that is, the April after he/she graduates or leaves his/her studies.
In arrears	Borrowers who have at least one loan on which repayments are owed excluding those granted time and indulgence (which is in single figures).
In deferment	For Mortgage Style Loans only, the borrowers gross income is 85% or less of the National Average Earnings or he or she has taken out a further mortgage style student loan in relation to a subsequent course. The borrower's obligation to make repayments is therefore deferred for one year at a time, or until the end of the course if granted on grounds of continuing study. Borrowers must apply for deferment.
Income Contingent Loan	Also known as Income Contingent Repayment (ICR) Loan. Introduced in 1998, repayment is 9% of income above the repayment threshold. Includes ICR maintenance loans, tuition fee loans, hardship loans and part-time loans. Hardship loans and part-time loans ceased to be issued after 2003/04.
Mortgage Style Loans	Also known as fixed term loans, repayment in 60 monthly instalments for up to 4 loans, 84 months for 5 or more loans.
New borrowers	Borrowers who had no loans at the beginning of the financial year and took out new loans during the financial year.

Refunds of income contingent repayments	Where over-repayment is identified, a refund is provided to the customer by SLC.
Statutory Repayment Due Date (SRDD)	The point a borrower becomes liable to begin repaying a loan, the April after graduating or otherwise leaving their course. After the SRDD borrowers are required to make repayments if their income is above the threshold.
Written off loan	<p>The borrower remains liable to repay but recovery is deemed unlikely by the loan administrator or not possible by legal judgement.</p> <p>Up until July 2004 for Mortgage Style and September 2004 for ICR, student loans could be written off as a result of the customer becoming bankrupt. After these dates student loans are no longer covered by bankruptcy. Student loans continue to be subject to Individual Voluntary Arrangements (IVA) whereby part of the debt is written off once the customer completes the repayment schedule in the IVA.</p>

Appendix C

COMPARIBILITY

- In financial year 2008-09, improved automated system capabilities were introduced to enable loan balances to be cancelled for Income Contingent Loan accounts where the borrower died or became permanently disabled and unable to work. This also allowed a backlog of cancellation to be processed. These changes contributed to an increase on the figures shown in tables 2(iii) under the category 'Number of borrowers with accounts cancelled because of death' compared to the previous financial year. From 2009-10 onward, cancellations for death and disability have reverted to the amounts expected for a single year without a backlog.
- Cancellations due to Bankruptcy and Individual Voluntary Arrangement do not occur at the point the borrower has notified SLC of this action but at the point SLC has been able to process the cancellation. For IVA, this will be at the point the borrower has honoured the arrangement by repaying the agreed proportion of loan balance. For bankruptcy, this will be the point where SLC has obtained evidence of the concluded bankruptcy from the borrowers elected legal practitioner. For this reason it is not possible to assume a trend in these cancellation figures. Legislation has changed to make student loans exempt from Bankruptcy and IVA so there will be a trend to zero as outstanding cases are concluded.
- In financial year 2009-10 a new improved system for managing the repayment of Teachers Loans was implemented. The result was that some RTL loan accounts which could not previously be closed could now have repayments posted and closed. This resulted in a significant increase in the Table 1 category 'Amount repaid in respect of the Repayment of Teachers' Loans scheme' in 2009-10. From 2010-11 onward, repayments via RTL have reverted to the amounts expected for a single year without the backlog.
- The number of borrowers contacted by SLC to advise a refund was due was lower than usual in financial year 2009-10 because of other demands on the Company associated with processing academic year 2009/10 loan applications, and handling enquiries from students for this academic year. This has caused a shift in the number of refunds and amount refunded which would have been issued during financial year 2009-10 to financial year 2010-11.

Appendix D

NOTES FOR EDITORS

1. The statistics on student loans in this release were compiled by the Student Loans Company (SLC). They include public sector loans only, which are made and repaid on both an income contingent basis and a mortgage style basis.
2. Statistics in this publication do not include the Mortgage Style Loans sold to the private sector in 1998 and 1999.
3. These statistics cover both Income Contingent Loans as well as the old 'Mortgage Style' Loans. Responsibility for the Income Contingent Loan book was transferred to the Welsh Government in 2006 but responsibility for the Mortgage Style Loan book remains with the Department for Business Innovation and Skills (BIS), formerly DIUS.
4. At the beginning of financial year 2005-06, the administration charges balance (otherwise known as the non interest bearing balance) on Mortgage Style Loans was transferred to SLC on the advice of DfES (now BIS). In order to provide a complete picture of the outstanding customer debt for comparison with previous years, the administration charges debt outstanding to SLC is also shown in the statistics.
5. Sub sections of Section C of table 2 (iii) have been removed from this publication as this has now been superseded by Table 1 of related official statistics: 'Income Contingent Repayments by Repayment Cohort and Tax Year'.

REVISIONS

6. Revisions within the data are denoted with an [r].
7. Revision to Table 1, Student Loan outlay and repayments (amounts £m). The amounts repaid earlier than required in the financial years 2008-09 and 2009-10 have been revised from previous published figures as they did not take into consideration early repayments from EU domiciled borrowers and did not consider the effect of repayment reversals. The previous total for 2008-09 was £14.6m and for 2009-10 was £9.6m.
8. Revision to Table 2 (i) and 2(iii). The number of Income Contingent borrowers with loans cancelled or written off for reasons of disability, age or IVA in the financial years 2008-09 and 2009-10 have been revised from previous published figures were understated. The borrowers who had loans cancelled for these reasons had been categorised as 'Other' - this category was overstated. The tables now correctly show the correct cancellation reason. The overall numbers of cancellations are unchanged.

PRE- 1998/99 STUDENT SUPPORT ARRANGEMENTS (FOR STUDENTS ENTERING HIGHER EDUCATION UP TO AND INCLUDING 1997/98)

9. The financial support arrangements for students on courses which began before 1 August 1998 also applied to some new students who entered higher education in 1998/99 but were treated exceptionally as existing award holders for the purposes of the Mandatory Awards Regulations (e.g. gap year students). Tuition fees were paid in full by Local Authorities where the student was eligible for a mandatory award and such students also received a grant towards their maintenance, depending on income, for the duration of their course. Eligible students were able to apply for loans repayable on a Mortgage-Style basis.

10. Mortgage-Style Loans were available to most 'home' students in full-time non-postgraduate higher education (and students on full-time and part-time postgraduate courses of initial teacher training) who were aged less than 50 when their course started. They were available to eligible students whether or not they received a mandatory award, although their course had to be designated for mandatory awards purposes. These loans were not income-assessed.

11. Borrowers start to repay their loans in the April after they complete, or otherwise cease to attend, their course, unless they qualify for deferment because of low income. Borrowers are able to apply for deferment of repayments for a year at a time if their gross income is less than 85 per cent of national average earnings, i.e. less than £2,254 per month from 1 September 2009. The amount owed by each student is adjusted annually in line with the annual inflation rate.

STUDENT SUPPORT ARRANGEMENTS FROM 1998/99

12. New student support arrangements came into effect from the start of the 1998/99 academic year. Students are, with certain specified exceptions, expected to contribute towards the cost of their tuition up to £1,000 a year in 1998/99 (£1,310 in 2010/11). The amount depended on their own and, if appropriate, their parents' or spouse's income.

13. Students receive support for living costs through loans which are partly income-assessed. Most students in the final year of a course receive a lower rate of loan because the loan does not cover the summer vacation following the end of the course. There are different rates of loan based on whether the student is living at home, and, if not, on whether the student is studying in London or elsewhere. Repayment of these loans is linked to income after leaving university or college so that leavers only repay as and when they can afford to. From 1999/2000 student loans have been made available to those aged 50 to 54 who plan to return to work after studying. From 2006/07 the age limit has been raised to 60 for all students. Students aged 50 and over no longer have to prove that they intend to return to work following their course.

14. For new entrants to higher education, 1998/99 was a transitional year. For the first year of the new scheme eligible new entrants received support for living costs through both grants and loans. Grants, which were assessed against family income, on average formed about a quarter of the support available. Students were entitled to apply for a non income assessed loan, which comprised the remaining three quarters of support available, and which is repayable on an income contingent basis. Those borrowers who took out Income Contingent Loans in 1998/99 who left their studies before April 1999 and who would normally enter repayment status at the start of the 1999-00 financial year were granted a repayment holiday until April 2000.

15. Students with additional costs such as those with dependants, or who have a disability, may be eligible for specific grants on top of other student support. Grants for students with dependants and single parent students are income assessed but the Care Leaver's Grants, School Meals Allowances and Disabled Students Allowances are not.

16. The Repayment of Teachers Loans scheme was introduced in September 2002. It was open to newly qualified teachers, teaching one of the priority subjects for at least half of their time in a state school or Further Education establishment in England and Wales. Priority subjects include Mathematics, Science, English (including drama), ICT, Modern Languages (including Welsh), Technology and Basic skills. The RTL scheme was closed to new entrants in 2005, those already in the scheme will be unaffected. For Mortgage Style Loans the debt is repaid on behalf of the borrower by the Department for Education (formerly DCSF) over 5 or 7 years, depending on the original credit agreement. For Income Contingent Loans the debt is repaid on behalf of the borrower by the Department for Education over 10 years. Those who leave teaching before this period expires become responsible for the remaining debt. As at 31/3/2010 there are approximately 16,000 ICR UK Student Loans borrowers on the RTL scheme. SLC administers the RTL scheme on behalf of the Department

for Education.

STUDENT SUPPORT ARRANGEMENTS FROM 2006/07

17. A new Maintenance Grant or Assembly Learning Grant has been introduced for new entrants students who started their course in September 2006. The new Maintenance Grant replaces the HE Grant. In 2010/11 the maximum amount of support available to academic year 2010/11 entrants is £5,000 a year.

18. How much a student receives depends on their income and that of their household and the year the student entered Higher Education (HE). Students who entered HE in 2010/11 with a household income up to £18,370 will receive the full £5,000 grant. For those entering higher education prior to 2010/11 the maximum is £2,906.

19. Students with household incomes above £18,370 receive a partial grant, with a minimum grant of £50 payable once household income reaches £50,020 (for 2010/11 new entrants) or £39,329 (for students who entered higher education prior to 2010/11).

20. No grant is payable for students with a household income above £50,020 (new entrants), or £39,329 (prior year entrants).

21. The Maintenance Grant is non-repayable. The equivalent Special Support Grant of up to £5,000 (2010/11 entrants), £2,906 (prior year entrants) ensures that students in the DWP vulnerable groups have their grant disregarded when entitlement to benefits is calculated.

22. Students from lower-income households will have part of their maintenance met through the new Maintenance Grant, their entitlement to repayable support through a maintenance loan will be reduced by 60p for every £1 of Maintenance Grant entitlement up to a maximum of £2,844 for 2010/11 new entrants and £1 for every £1 of Maintenance Grant entitlement up to a maximum of £1,288 for prior year entrants.

TUITION FEE LOANS

23. From 2006/07 students can defer payment of tuition fees by taking out a Tuition Fee Loan. As well as being available to new system students, this option is also available to pre-2006/07 entrants if they make a full or partial contribution to their fixed fees. Students can take out as much or as little Fee Loan as they choose, up to the maximum amount of fees being charged. The repayment of Tuition Fee Loans debt is no different to that for Maintenance Loans debt. When the borrower goes into repayment they effectively have a single combined debt balance to be repaid according to the Income Contingent repayment regulations. In 2010/11 new system Welsh and EU domiciled students studying in Wales who entered HE prior to 2010/11 were subject to variable tuition fees of up to £3,290. With the introduction of the non means-tested Tuition Fee Grant (of up to £1,980 for these students in 2010/11) effectively limited the fees they are charged to £1,310. Welsh students entering higher education in 2010/11 and Welsh domiciled students studying in England were subject to variable tuition fees of up to £3,290.

24. Tuition Fee Loans became available to EU students studying in Wales in academic year 2006/07. Prior to this year EU students were not entitled to any form of Student Loan.

REPAYMENT OF INCOME CONTINGENT LOANS

25. Repayments are at the rate of 9% of income above the income threshold (which has been £15,000 since April 2005 and was previously £10,000). Apart from a few exceptions, where borrowers live overseas or have small balances, SLC does not collect monies from borrowers with income contingent loans – this is done through the taxation system.

26. Over-repayments can occur due to the fact that the employer does not know the loan balance and simply makes the 9% deduction in the pay period. The employer is instructed to stop deductions once the SLC knows that the customer has fully repaid. Hence, with this process there is always a residual over-repayment by the customer which is refunded by the SLC. Another type of refund is where deductions were made in one or more pay period but the total earnings over the tax year are less than £15,000.

27. From December 2009 a new repayment option was introduced which would allow those borrowers who were nearing end of repayment to switch to direct debit repayments. In doing so, borrowers could avoid the possibility of over repaying their loan.

ANNUAL INTEREST RATE

28. The annual Retail Price Index from March to March is normally used as the basis for the interest rate for both types of student loan from the following September to August. However, additionally for ICR loans, the interest rate cannot be more than 1% higher than the base rate of major banks, or alternatively the Government may choose not to set an interest rate (effectively 0%).

29. In financial year 2010-11 the interest rate used to adjust the outstanding balances on Mortgage-Style Loans was -0.4% (as measured by the March 2009 RPI) up to the end of August 2010, and 4.4% (as measured by the March 2010 RPI) from the 1 September 2010. The interest rate directly affects the monthly repayment amount of Mortgage-Style Loans.

30. The interest rate on Income Contingent Loans was not set up to the end of August 2010 (effectively 0%), and an interest rate of 1.5% - which is the bank base rate +1% has been applied since 1 September 2010. The interest rate does not affect the monthly repayment amount of Income Contingent loans; it will affect the time taken to repay.

NATIONAL AND OFFICIAL STATISTICS

31. This is a National Statistics publication. National Statistics are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure they meet customer needs. They are produced free of any political interference.