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INVESTOR IN PEOPLE

STUDENT LOANS FOR HIGHER EDUCATION IN SCOTLAND, FINANCIAL YEAR 2011-12

INTRODUCTION

Statistics on student loans for higher education in Scotland are today published by the Student Loans Company.

This publication provides information on outlay and repayments of student loans and borrower activity, for Scottish domiciled students and EU students studying in Scotland during financial year 2011-12. Comparable data for financial years 2009-10 and 2010-11 is also included.

KEY POINTS

- The amount lent to eligible HE students for Maintenance Loans during financial year 2011-12 was £235.9m, an increase of 4% when compared with 2010-11 (*Table 1*).
- Repayments posted to customer accounts amounted to £114.6m in financial year 2011-12, an increase of 14% compared to 2010-11. Repayments included £12.3m paid earlier than required, a decrease of 8% compared with 2010-11. £105.2m of the repayments relate to Income Contingent Loans, an increase of 17% compared with 2010-11 (*Table 1*).
- During the 2011-12 financial year, 3,300 mortgage style borrowers repaid at least one of their accounts in full, this represents 7% of all mortgage style borrowers at the beginning of the financial year (*Table 2(i)*).
- During 2011-12, 2,400 ICR borrowers repaid in full compared to 3,400 in 2010-11. By the end of financial year 2011-12 there were also 38,200 ICR borrowers who had fully repaid with the account closure in progress (*Table 2(iii)*).
- The balance outstanding (including loans not yet due for repayment) at the end of financial year 2011-12 was £2.68 billion, an increase of 6% compared with 2010-11. The balance outstanding on income contingent loans was £2.55 billion, an increase of 6% compared with 2010-11 (*Table 1*).

- At the end of 2011-12 there were 449,300 borrowers; of these, 352,500 (78%) had accounts liable for repayment, increases of 5% and 7%, respectively, compared with 2010-11 (*Table 2(i)*).

RELATED STATISTICAL PUBLICATIONS

Student Loans Company are also today releasing 'Income Contingent Loans by Repayment Cohort and Tax Year 2000/01 to 2010/11' This Official Statistics publication gives more detailed analyses of income contingent borrowers who are liable for repayment by tax year and by the repayment cohort to which they belong. This publication can be found at:

[http://www.slc.co.uk/statistics/official-statistics-\(slc\)](http://www.slc.co.uk/statistics/official-statistics-(slc))

Scotland's Chief Statistician annually releases statistics on higher education student support provided/assessed through the Student Awards Agency for Scotland (SAAS) on an academic year basis in '[Higher Education Student Support in Scotland](#)'. This National Statistics publication includes information on awards and fees paid by SAAS and loans assessed by SAAS and subsequent take-up of those loans from the SLC ([Table 8](#)).

FACTORS AFFECTING THE TIME SERIES

- 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 in the figures shown in tables 2(iii) under the category 'Number of borrowers with accounts cancelled because of death' in financial year 2008-09. 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 Sequestration and Trust Deed 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 Trust Deed, this will be at the point the borrower has honoured the arrangement by repaying the agreed proportion of loan balance. For sequestration, this will be the point where SLC has obtained evidence of the concluded sequestration from the borrower's elected legal practitioner. A cancellation due to Sequestration or to a Trust Deed will therefore not necessarily appear in the year the Sequestration or Trust Deed took place. For this reason it is not possible to assume a trend in these cancellation figures. Legislation has changed to make student loans exempt from Sequestration and Trust Deed so there will be a trend to zero as outstanding cases are concluded.
- Backlog of accounts sitting within the systems which should have been written off due to Sequestration, Trust Deed and others have all been cleared. This led to an increase on the amount otherwise cancelled or written off during financial year 2011/12.

- Amounts lent for Graduate Endowment in financial year 2009-10 (see Table 1) represents the notification of amounts advanced in respect of earlier academic years (prior to abolition of the graduate endowment) which have been adjusted in the borrowers loan balance in financial year 2009-10 (which is period in which SLC has been notified of this from SAAS).
- 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.
- Amounts lent during 2011-12 financial year for Tuition Fee Loans (for Scottish domiciled students in rest of UK) was reported as nil. This was as a result of delay in receipt of notification from Student Award Agency Scotland (SAAS) to SLC. This figure will now be included in the 2012-13 publication, along with that for the 2012-13 financial year because of this delay.

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Table 1 : Student Loan outlay and repayments: financial years 2009-10 to 2011-12 [1][2] : amounts (£m)

Key Points:

- The total amount lent to eligible HE students was £235.9 million during financial year 2011-12
- Repayments posted to customers accounts amounted to £114.6 million in the financial year 2011-12, including £12.3 million repaid earlier than required.
- The balance outstanding (including loans which are not yet due for repayment) at the end of financial year 2011-12 was £2.68 billion, an increase of 5.8% when compared with 2010-11. The balance outstanding on income contingent loans was £2.55 billion, an increase of 6.4% when compared with 2010-11.

Financial years	£million								
	2009-10			2010-11			2011-12		
	£million except where otherwise stated								
	Income Contingent Loans [4]	Mortgage Style Loans	Total Public Debt	Income Contingent Loans [4]	Mortgage Style Loans	Total Public Debt	Income Contingent Loans [4]	Mortgage Style Loans	Total Public Debt
Total amount outstanding (including loans not yet due for repayment) at start of financial year, including interest	2,070.9	156.5	2,227.4	2,240.8	143.5	2,384.3	2,398.3	134.3	2,532.7
Reversal of previous year end timing adjustments	-	-	-	-	-	-	-	-	-
Opening balance after adjustments	2,070.9	156.5	2,227.4	2,240.8	143.5	2,384.3	2,398.3	134.3	2,532.7
PLUS									
Amount lent during financial year	201.2	-	201.2	227.2	-	227.2	235.9	-	235.9
of which:									
Maintenance Loans	191.4	-	191.4	216.9	-	216.9	235.9	-	235.9
Tuition Fee Loans (for Scottish domiciled students in rest of UK)	9.6	-	9.6	10.1	-	10.1	-	-	-
Graduate Endowment Loans[5]	0.2	-	0.2	0.1	-	0.1	0.1	-	0.1
Amount of interest added to loans [6] during the financial year [7]	50.3	2.1	52.3	21.7	3.0	24.8	29.3	6.0	35.3
Administration charges applied during the financial year	-	-	-	-	-	-	-	-	-
Balance transfers [8]	-	-	-	-	0.1	0.1	-	-	-
MINUS									
Amount repaid, including interest, during the financial year	79.6	13.0	92.6	90.1	10.6	100.7	105.2	9.5	114.6
of which:									
Repaid by customer to SLC	11.2	13.1	24.3	12.7	10.7	23.3	12.3	9.5	21.9
Reported by HMRC as collected via PAYE and Self Assessment	70.7	-	70.7	81.7	-	81.7	97.3	-	97.3
Refunded by SLC to customer	-2.3	-0.1	-2.4	-4.3	-0.1	-4.3	-4.4	-0.1	-4.5
of which:									
amount repaid earlier than required [9]	10.6 [r]	1.8 [r]	12.4	11.5	1.9	13.4	10.4	2.0	12.3
Amount repaid in respect of the Repayment of Teachers' Loans scheme during the financial year	-	0.1	0.1	-	-	-	-	-	-
Amount otherwise cancelled or written off during the financial year	2.0	2.0	4.0	1.3	1.7	3.0	6.1	3.6	9.6
of which:									
Because of death[10]	0.8	0.2	0.9	0.9	0.1	1.0	0.9	0.1	1.0
Because of age	0.1	1.5	1.5	0.1	1.5	1.6	0.6	1.7	2.3
Because of disability[10]	0.1	0.1	0.2	0.1	0.1	0.2	-	-	0.1
Because of sequestration [11]	0.7	0.2	0.9	0.1	-	0.1	4.2	1.5	5.7
On completion of Trust Deed [11]	0.4	0.1	0.5	-	-	0.1	0.4	0.2	0.7
Trivial balances	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total amount outstanding at the end of the financial year, including loans not yet due for repayment [7][12]	2,240.8	143.5	2,384.3	2,398.3	134.3	2,532.6	2,552.3	127.3	2,679.6
Year-end reconciling adjustments [13]	-	-	-	-	-	-	-	-	-
Balance after adjustments	2,240.8	143.5	2,384.3	2,398.3	134.3	2,532.7	2,552.3	127.3	2,679.6
of which:									
(a) balance of loans in deferment [14]	-	81.6	81.6	-	76.2	76.2	-	71.1	71.1
(b) balance of loans in arrears status [15]	3.4	39.4	42.8	5.6	41.1	46.8	7.6	41.4	48.9
of which: arrears value	0.2	29.8	30.0	0.7	31.0	31.8	1.6	31.0	32.6
(c) balance of loans deferred with arrears [16]	-	3.9	3.9	-	3.5	3.5	-	3.3	3.3
of which: arrears value	-	0.8	0.8	-	0.7	0.7	-	0.6	0.6
Administration charges owed to SLC at the end of the financial year [17]	-	1.7	1.7	-	1.8	1.8	-	1.8	1.8
Balance including debt to SLC	2,240.8	145.3	2,386.1	2,398.3	136.1	2,534.4	2,552.3	129.0	2,681.3

. = not applicable - = nil or negligible .. = not available

Source: Student Loans Company

[r] The amount repaid earlier than required in the financial year 2009-10 was revised in the previous year's publication from the originally published figure as it did not take into consideration the effect of repayment reversals. The original figures in the previous year's publication were £10.7m and £1.7m with the total the same at £12.4m.

Footnotes in Appendix A

This table represents the amount of student loans paid out to Scottish domiciled students in financial years 2009-10 to 2011-12.

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.

The total amount lent to eligible HE students was £235.9 million during financial year 2011-12. This is an increase of 4% when compared with 2010-11 and an increase of 17% when compared with 2009-10. The increase in amounts paid is partially explained by an increase in the number of borrowers (see Table 2(i)). In academic year 2010-11, the additional loan (an additional payment available to students on low incomes) was increased, and the eligibility rules were extended, this is also likely to have impacted on the total amounts extended by SLC. Official statistics from Student Awards Agency Scotland, who authorise student loans, have also shown increasing amounts of money being authorised through academic years 2008-09 to 2010-11, therefore the increasing loan payments from the SLC has been expected.

Table 2(i) : Student Loan outlay and repayments [2]: Financial years 2009-10 to 2011-12: borrower activity

Key Points:

- By the end of financial year 2011-12, there were 449,300 student loan borrowers, of which 352,500 were liable to repay.
- At the end of 2011-12, there were 121,900 student loan borrowers (current students and those who will become liable to repay in April 2012) who were not yet liable to repay at 31/03/2012.

Scottish domiciled students; EU students [3] studying in Scotland

Financial years	2009-10			2010-11			2011-12		
	Figures are quoted in thousands								
	Income Contingent Loans [18]	Mortgage Style Loans[19]	Total Public Debt [20]	Income Contingent Loans [18]	Mortgage Style Loans[19]	Total Public Debt [20]	Income Contingent Loans [18]	Mortgage Style Loans[19]	Total Public Debt [20]
Number of borrowers at the beginning of the financial year	334.2	55.7	386.8	359.6	51.1	407.7	383.7	46.7	427.8
Number of borrowers with accounts paid in full in financial year [21]	2.1	4.5	6.6	3.4	3.9	7.3	2.4	3.3	5.6
of which									
paid off before liability has arisen [22]	0.5	-	0.5	0.4	-	0.4	0.3	-	0.3
Number of borrowers with accounts cancelled or written off in financial year [23]	0.4	0.9	1.3	0.2	0.7	0.9	0.9	1.2	2.1
of which:									
because of death [24]	0.1	0.1	0.2	0.1	0.1	0.2	0.1	-	0.1
because of age	-	0.5	0.5	-	0.5	0.5	0.1	0.5	0.6
because of disability[24]	-	-	-	-	-	-	-	-	-
because of sequestration [25]	0.1	0.1	0.2	-	-	-	0.6	0.5	1.1
on completion of Trust Deed [25]	0.1 [r]	-	0.1 [r]	-	-	-	0.1	0.1	0.1
other	0.1 [r]	0.2 [r]	0.3 [r]	-	0.1	0.1	-	0.1	0.1
New borrowers in financial year [26]	27.2	-	27.1	27.2	-	27.2	27.8	-	27.8
Number of borrowers with accounts liable for repayment at the end of financial year[27]	262.2	51.0	310.5	286.8	46.7	330.9	312.2	42.6	352.5
Number of borrowers with accounts not yet in repayment at the end of financial year[27][28]	121.1	-	121.1	121.3	-	121.3	121.9	-	121.9
Number of borrowers at the end of financial year	359.6	51.1	407.7	383.7	46.7	427.8	409.1	42.7	449.3

. = not applicable - = nil or negligible .. = not available

Source: Student Loans Company

[r] The number of borrowers with accounts cancelled or written off in financial year 2009-10 was revised in the previous year's publication from the originally published figures as some figures had been incorrectly transcribed and 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 borrowers at the beginning differs from the the number at the end of the financial year. This is because the number 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 a mortgage style (available to students until 1997/98) and Income Contingent loan (available to students from 1998/99) therefore the total number of borrowers shown above is lower than the sum of the mostage style and Income contingent borrower columns.

By the end of financial year 2011-12, there were 449,300 student loan borrowers, of which 352,500 were liable to repay, a 5% and 7% increase since 2010-11. These increases are in line with other statistics which have been showing growth in the higher education sector (e.g. Higher Education Student Support in Scotland, Scottish participation in Further and Higher Education).

Table 2(ii) : Student Loan outlay and repayments [2]: Financial years 2009-10 to 2011-12: borrower activity

Key Points:

- **During the 2011-12 financial year, 3,300 mortgage style loan borrowers repaid at least one of their loan accounts in full.**

Mortgage Style Loans
Scotland

Financial years	2009-10	2010-11	2011-12
	Figures are quoted in thousands		
	Mortgage Style Loans	Mortgage Style Loans	Mortgage Style Loans
Number of borrowers at the beginning of the financial year	55.7	51.1	46.7
Number of borrowers with accounts paid in full in financial year[21]	4.5	3.9	3.3
Number of borrowers with accounts cancelled or written off in financial year [23] of which:	0.9	0.7	1.2
because of death [24]	0.1	0.1	-
because of age	0.5	0.5	0.5
because of disability [24]	-	-	-
because of sequestration [25]	0.1	-	0.5
on completion of Trust Deed [25]	-	-	0.1
other	0.2 [r]	0.1	0.1
New borrowers in financial year	-	-	-
All borrowers at the end of financial year	51.1	46.7	42.7
of which:			
(A) Borrowers with accounts liable for repayment [30] of which	51.0	46.7	42.6
(a) ahead with repayments	4.7	4.1	3.8
(b) up to date with repayments	9.4	7.1	6.0
(c) owing less than 2 months' repayments	0.8	0.8	0.3
(d) owing 2 or more months' repayments	3.7	3.4	2.9
(e) overdue with no repayment schedule owing <£100 [30]	0.3	0.3	0.3
(f) overdue with no repayment schedule owing >=£100 [30]	10.6	11.1	11.5
(g) deferring repayments	21.3	19.4	17.4
(h) deferring repayments with arrears	1.1	1.0	0.8
(B) Borrowers with accounts not yet in repayment status [30] of which	-	-	-
who have made one or more repayments	-	-	-
who have made no repayments	-	-	-

. = not applicable - = nil or negligible .. = not available

Source: Student Loans Company Loans Company

[r] The number of borrowers with accounts cancelled for the reason 'Other' in financial year 2009-10 was revised in the previous year's publication from the originally published figures as some figures had been incorrectly transcribed and categorised. Total Cancellation and write off figures remain unchanged.

See Appendix A for footnotes

This table shows the repayment status of mortgage style loans 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 2009-10 to 2011-12: borrower activity

Key Points:

- By the end of financial year 2011-12, there were over 409,100 Income Contingent loan borrowers, of which 312,200 were liable to repay.

Income Contingent Loans

Scottish domiciled students; EU students [3] studying in Scotland

Financial years	2009-10				2010-11				2011-12			
	Figures are quoted in thousands											
	Maintenance Loans [33]	Fee Loans (Scottish domiciled in rest of UK)	Graduate Endowment Loans [33]	Total IC Loans [27]	Maintenance Loans [33]	Fee Loans (Scottish domiciled in rest of UK)	Graduate Endowment Loans [33]	Total IC Loans [27]	Maintenance Loans [33]	Fee Loans (Scottish domiciled in rest of UK)	Graduate Endowment Loans [33]	Total IC Loans [27]
Number of borrowers at beginning of the financial year	332.6	3.6	15.1	334.2	357.9	4.8	15.2	359.6	381.9	6.0	15.3	383.7
Number of borrowers with accounts closed due to full repayment in the financial year [21]	2.1	-	-	2.1	3.4	-	-	3.4	2.4	-	0.1	2.4
of which:												
paid off before liability for repayment had arisen [22]	0.5	-	-	0.5	0.4	-	-	0.4	0.3	-	-	0.3
Number of borrowers receiving refunds of repayments in financial year	4.1	-	0.2	4.3	8.0	-	0.3	8.1	7.0	-	0.5	7.1
Number of borrowers with accounts cancelled or written off in financial year [23]	0.4	-	-	0.4	0.2	-	-	0.2	0.9	-	-	0.9
of which:												
because of death[24]	0.1	-	-	0.1	0.1	-	-	0.1	0.1	-	-	0.1
because of age	-	-	-	-	-	-	-	-	0.1	-	-	0.1
because of disability[24]	-	-	-	-	-	-	-	-	-	-	-	-
because of sequestration [25]	0.1	-	-	0.1	-	-	-	-	0.6	-	-	0.6
on completion of Trust Deed [25]	0.1 [r]	-	-	0.1 [r]	-	-	-	-	0.1	-	-	0.1
other	0.1 [r]	-	-	0.1 [r]	-	-	-	-	-	-	-	-
New borrowers in financial year [26]	27.1	1.3	0.2	27.2	27.1	1.3	0.1	27.2	27.8	-	-	27.8
All borrowers at the end of financial year [32][29]	357.9	4.8	15.2	359.6	381.9	6.0	15.3	383.7	407.4	6.0	15.2	409.1
of which:												
(A) Borrowers with accounts not yet liable for repayment	120.7	4.4	-	121.1	120.8	4.9	-	121.3	121.6	3.7	-	121.9
of which												
who have made one or more repayments	1.5	0.1	-	1.5	1.4	0.1	-	1.4	1.4	0.1	-	1.4
who have made no repayments	119.2	4.3	-	119.6	119.5	4.8	-	119.9	120.2	3.6	-	120.5
(B) Borrowers with accounts being closed	23.4	-	0.6	23.7	29.6	-	1.1	30.0	38.2	0.1	1.8	38.8
of which												
who have fully repaid [33]	22.9	-	0.6	23.2	29.1	-	1.1	29.4	37.6	0.1	1.8	38.2
who are having their account cancelled [34]	0.5	-	-	0.5	0.5	-	-	0.5	0.6	-	-	0.6
(C) Borrowers with accounts liable for repayment	237.6	0.7	14.6	238.6	285.4	1.3	15.3	286.8	310.7	2.4	15.2	312.2

. = not applicable - = nil or negligible .. = not available

Source: Student Loans Company

[r] The number of borrowers with accounts cancelled or written off in financial year 2009-10 was revised in the previous year's publication from the originally published figures as some figures had been incorrectly transcribed and 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 loan borrowers at the end of the last three financial years. Income Contingent loans have been available to UK domiciled borrowers from 1998/99. The table shows the numbers of Scottish domiciled borrowers with a maintenance loan, a fee loan, a Scottish Graduate Endowment and the total with any of these loans.

The number of borrowers at the beginning differs from the the number 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 FOR TABLES 1, 2(i), 2(ii) and 2(iii)

[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 2011-12 are mainly for tax year 2010/11. Also the interest added for customers in repayment in 2011-12 is mainly for tax year 2010/11. The interest added for customers not yet in repayment in 2011-12 will be for tax year 2011/12.

[2] Refer to definitions section of this publication.

[3] EU Students are eligible for Graduate Endowment loans so are therefore included. Amounts lent for Graduate Endowment in financial years 2010-11 and 2011-12 represent the notification of amounts advanced in respect of earlier academic years (prior to abolition of the graduate endowment) which have been adjusted in the borrowers loan balance in these financial years.

[4] Includes debt from hardship loans (which ceased to be paid after academic year 2003/04) and part-time loans (which were no longer available from academic year 2008/09)

[5] The Graduate Endowment was abolished in 2008 for all those who were due to pay it on or after 1 April 2008, with the exception of some postgraduate students who had previously deferred payment. Loans for such students were carried over into financial year 2008-09. Amounts lent for Graduate Endowment shown on table 1 represents the notification of amounts advanced in respect of earlier academic years (prior to abolition of the graduate endowment) which have been adjusted in the borrowers loan balance in financial year 2010-12 (which is period in which SLC has been notified of this from SAAS).

[6] Interest which was added to the existing loan debt which was neither repaid nor cancelled during the financial year.

[7] For PAYE or self employed re-payers, interest is not applied to income contingent loan accounts until 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.

[8] 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.

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

[10] A backlog of loan cancellations was processed in financial year 2008-09 for the reasons of Death and Disability.

[11] The functionality for processing write-offs due to sequestration and on completion of a Trust Deed was 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 2011-12 figures.

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

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

[14] 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).

[15] 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).

[16] 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).

[17] 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 financial year.

[18] The number of borrowers with Income Contingent Repayment (ICR) Loans represents those with one or more open loan accounts of the following type: ICR maintenance loans; hardship loans; part time loans; graduate endowment loans (all students who graduated on or after 1 April 2007 will no longer be liable to pay the graduate endowment, with the exception of postgraduate students who deferred liability); 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 2011-12 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.

[19] 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.

[20] 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.

[21] 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.

[22] 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.

[23] 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 as they are also included in accounts paid in full.

[24] 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 being processed from previous years to be processed in financial year 2008-09.

[25] The functionality for processing write-offs due to sequestration and on completion of a Trust Deed was 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 2011-12 figures.

[26] Borrowers who had no loans at the beginning of the financial year and who took out new loans during the financial year. The total for new Income Contingent borrowers may be higher than total public debt figures due to a small number of new Income Contingent borrowers who previously had mortgage style loans.

[27] Each borrower has a loan account for each academic year of study in which they take out a loan. The repayment activity may be different for each loan account. Numbers in the Total IC loans column count each borrower once only, even where borrowers have loan accounts belonging to more than one product type. Therefore the totals in this column will not necessarily reconcile to the total of the component parts.

[28] 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.

[29] 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.

[30] 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.

[31] 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.

[32] 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 2009-10 but this will not be reported until the latest repayment notification is received from HMRC. Income contingent loans include hardship loans and part-time loans.

[33] All students who graduated on or after 1 April 2007 will no longer be liable to pay the graduate endowment, with the exception of postgraduate students who had previously deferred liability. Amounts lent for Graduate Endowment shown on table 1 represents the notification of amounts advanced in respect of earlier academic years (prior to abolition of the graduate endowment) which have been adjusted in the borrowers loan balance in financial year 2011-12 (which is period in which SLC has been notified of this from SAAS).

[34] 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	All repayments have been made for a specific loan account.
Cancelled loan	<p>The borrower no longer has any liability to repay as provided for in the loans regulations.</p> <p>An ICR borrower's liability shall be cancelled:</p> <ul style="list-style-type: none"> • On the death of the borrower; • When, in the case of post-2007 student loans, the 35th anniversary of the date on which the borrower became liable to repay the student loan; or • Where the student loan is not a post-2007 student loan, the borrower reaches the age of 65; or • If/when the borrower is disabled and permanently unfit for work <p>A Mortgage Style Loan borrower's liability shall be cancelled:</p> <ul style="list-style-type: none"> • When the borrower dies; • If/when the borrower is not in breach of any obligation in relation to any loan and, if they were under 40 years of age when they last entered the loan agreement, when they reach the age of 50 or when the loan has been outstanding for not less than 25 years (whichever is the sooner); or • If the borrower was over 40 years of age when they entered the loan agreement, when they reach the age of 60.
Deferment	For Mortgage Style Loans only, the borrower has deferred repayment in the most recent year because their earnings are below 85% of national average earnings. From September 2011 they were able to defer repayment if they had a gross monthly income of £2,311 or less (equivalent to £27,734 per year).
Deferred with arrears	For Mortgage Style Loans only, borrowers who have at least one loan in deferment status with arrears of repayment.
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.
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 academic year 2003/04.
In arrears	Borrowers who have at least one loan on which repayments are owed.
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.
Refunds of income contingent repayments	The HMRC system ICR deduction process generates a certain amount of over-repayment. Where over-repayment is identified, a refund is provided to the customer by SLC.
Written off loan	The borrower remains liable to repay but recovery is deemed unlikely by the loan administrator or not possible by legal judgement.

Appendix C

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. A portfolio of UK student loans to the value of just over £1bn was sold to the private sector in March 1998. A second tranche to the value of £1.03bn was sold in March 1999. In each of these sales a portion of around £110m related to loans to Scottish students. The loans sold were mortgage style; none of the income contingent loans available from the 1998/99 academic year were involved in either sale. This publication does not include statistics on the sold debt portfolios.
3. 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 the Department for Business, Innovation and Skills). 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.

REVISIONS

4. Revisions within the data are denoted with an [r]. Some of these revisions are carried over from the previous year's publication and are, therefore, not revisions to this year's publication.
5. Revision to Table 1, Student Loan outlay and repayments (amounts £m). The amount repaid earlier than required in the financial year 2009-10 was revised in the previous year's publication from the originally published figure as it did not take into consideration the effect of repayment reversals. The original figures in the previous year's publication were £10.7m and £1.7m with the total the same at £12.4m.
6. Revision to Table 2 (i) and 2(iii). The number of borrowers with loans cancelled or written off for reasons of disability, age or IVA in the financial year 2009-10 was revised in the previous year's publication from the originally published figures which were incorrectly transcribed and understated. The borrowers who had loans cancelled for these reasons had been categorised as 'Other'. 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)

7. 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 the Student Awards Agency for Scotland (SAAS) 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.
8. 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.

9. 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. Mortgage Style borrowers may apply for deferment of repayments for a year at a time if their income is below 85% of national average earnings. From September 2011 they were able to defer if their gross monthly income was £2,311 or less (equivalent to £27,734 per year). The amount owed by each student is adjusted annually in line with the annual inflation rate.

STUDENT SUPPORT ARRANGEMENTS FROM 1998/1999

10. 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.

11. Tuition fees were abolished for Scottish students studying in Scotland from autumn 2000. The Student Awards Agency for Scotland (SAAS) pays tuition fees for full-time eligible students studying at publicly funded institutions in Scotland.

12. The graduate endowment was introduced for higher education students who commenced studying in 2001. The graduate endowment was a one-off payment made in recognition of the benefits of higher education and the income generated will be used to contribute to student support for future generations. Some students were not liable to pay the graduate endowment as a result of personal circumstances during their course. These included mature students, lone parents, students with a disability and those students who do not progress beyond a Higher National Certificate or Higher National Diploma qualification. The Graduate Endowment could be paid in three ways, by paying the full amount in cash, by taking a student loan or by a combination of paying part cash and part by student loan. Amounts lent for Graduate Endowment shown on table 1 represents the notification of amounts advanced in respect of earlier academic years (prior to abolition of the graduate endowment) which have been adjusted in the borrowers loan balance in financial year 2009-10 (which is period in which SLC has been notified of this from SAAS).

13. On the 13 June 2007 the Scottish Executive announced plans to publish a bill for parliament to remove the graduate endowment fee for students who graduated from 2007 onwards and would therefore have been liable to pay the endowment on 1 April 2008. The Graduate Endowment Abolishment (Scotland) Act 2008 came into force on 1 April 2008 for all students who graduated on or after the 1 April 2007. Therefore financial year 2007-08 will be the last year that student loans for graduate endowment will be taken out, with the small exception of postgraduate students who had previously deferred payment of the graduate endowment. These loans carry over into financial year 2008-09.

14. The Young Students Bursary (YSB), introduced in 2001/02, is a non-repayable bursary and is provided to young Scottish students from low-income backgrounds who study higher education in Scotland. It is paid instead of part of the loan and so reduces the amount of loan taken by the young student.

15. The Young Students Outside Scotland Bursary (YSOB) introduced in 2002/03 is a non repayable bursary available to young students who are studying outside Scotland. This was replaced in 2006/07 by the Students' Outside Scotland Bursary (SOSB) which is available to young and mature students from low-income households who choose to study outside Scotland. (The YSOB may continue to be paid to existing students who entered higher education prior to the creation of the SOSB)

16. The YSB was increased by 11% in 2005/06 and the parental income threshold which determines eligibility to receive the bursary was also increased.

17. Students with additional costs such as those with dependants, or those 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 Lone Parent's Childcare Grant, Care Leaver's Grant and Disabled Students Allowances are not.

18. Discretionary Hardship Loans, introduced in 1998/99 as part of the new arrangements and available to students in financial difficulty, were increased to a maximum of £500 in 1999/00. These ceased to be paid in academic year 2003/04 and were replaced by other forms of support.

19. From 2000/01 students on low incomes and on certain benefits in part-time higher education, provided they were studying at least 50% of an equivalent full-time course, were eligible for a loan of £500, repayable on an income contingent basis, to cover the additional expenses of studying. From academic year 2008/09 onwards part-time loans are no longer available. They have been replaced with the ILA (Individual Learning Account) 500 scheme which provides part-time higher education students on low incomes or on benefits with a grant of up to £500 pounds towards the cost of their tuition fees.

TUITION FEE LOANS

20. From academic year 2006/07 Scottish students studying in the rest of the UK can defer payment of tuition fees by taking out a tuition fee loan. Students can take out as much or as little fee loan as they choose, up to the maximum amount of fees being charged. These loans are not income assessed. 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.

REPAYMENT OF INCOME CONTINGENT LOANS

21. 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.

22. 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 can be 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.

23. 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

24. 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%).

25. In financial year 2011-12 the interest rate used to adjust the outstanding balances on Mortgage-style loans was 4.4% (as measured by the March 2010 RPI) up to the end of August 2011, and 5.3% (as measured by the March 2011 RPI) from the 1 September 2011. The interest rate directly affects the monthly repayment amount of Mortgage-style loans.

26. The interest rate on Income Contingent loans was 1.5% from 1 September 2010 to the end of August 2011 (the March 2010 RPI capped at the bank base rate +1%). It was the same again from 1 September 2011 until the end of August 2012 unless the bank base rate changes before then. 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

27. 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 from any political interference.