

# Statistics Publication Notice

*Lifelong Learning Series*

**A National Statistics Publication for Scotland**  
**STUDENT LOANS FOR HIGHER EDUCATION IN SCOTLAND**  
**FINANCIAL YEAR 2008-09 (PROVISIONAL)**



**25 June 2009**

## **INTRODUCTION**

Statistics on student loans for higher education in Scotland are today published jointly by Scotland's Chief Statistician and the Students Loans Company.

This statistical first release 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 2008-09. Comparable data for financial years 2006-07 and 2007-08 is also included.

This is the third year that figures for Scotland have been published separately.

## **KEY POLICY CHANGES**

The Graduate Endowment Abolition (Scotland) Act 2008 came into effect on 1 April 2008. All students who graduated on or after 1 April 2007 will no longer be liable to pay the graduate endowment. As the majority of students who were liable had previously taken a student loan to pay the graduate endowment this has had an effect on the totals for the 2008-09 financial year.

A part-time grant for those studying 50% or more of a full-time course was introduced in academic session 2008-09, replacing the part-time loan. It provides a flat-rate grant of £500 a year towards the fee costs of part-time study and is delivered through a simplified Individual Learning Account model (ILA500). From July 2009 new ILA500 criteria will apply to eligible individuals and eligible courses. Courses must be at SCQF levels 7-11 and must be at least 40 SCQF credits. Individuals must have individual gross earned annual income of £22,000 or less.

## KEY POINTS

- The amount lent to eligible HE students for Maintenance Loans during financial year 2008-09 was £179.8m, a decrease of 7% when compared with 2007-08 and a decrease of 2% when compared with 2006-07. 2007-08 figures were higher than expected due to the introduction of monthly loan payments.
- The amount lent to eligible HE students for Graduate Endowment loans during financial year 2008-09 was £2.8m, a decrease of 81% when compared with 2007-08. This decrease is a result of the abolition of the graduate endowment.
- The total amount lent to eligible HE students during financial year 2008-09 was £191.3m.
- Repayments posted to customer accounts amounted to £77.5m in financial year 2008-09, an increase of 28% compared to 2007-08. Repayments included £16.4m paid earlier than required, an increase of 38% compared with 2007-08. £60.6m of the repayments relates to Income Contingent Loans, an increase of 52% compared with 2007-08.
- During the 2008-09 financial year almost 5,900 mortgage style borrowers repaid their accounts in full, this represents 9% of all mortgage style borrowers at the beginning of the financial year. This is a decrease of 2 percentage points when compared with 2007-08.
- During 2008-09, over 1,200 ICR borrowers repaid in full compared to over 900 in 2007-08. By the end of financial year 2008-09 there was also 16,000 ICR borrowers who have fully repaid with the account closure in progress.
- The balance outstanding (including loans not yet due for repayment) at the end of financial year 2008-09 was £2,227.4m, an increase of 9% compared with 2007-08. The balance outstanding on income contingent loans was £2,070.9m, an increase of 10% compared with 2007-08.
- At the end of 2008-09 there were 386,800 borrowers; of these, 289,500 (75%) had accounts liable for repayment, increases of 5% and 7%, respectively, compared with 2007-08.
- The average outstanding balance is £5,765. This includes all customers with an outstanding balance; from those starting HE with low balances, through those finished HE but not yet in repayment with high balances, to those who have been in repayment for several years with low balances.

## TABLES

Table 1 shows the amounts paid out in loans and repaid during financial year 2008-09 and makes comparisons to financial years 2006-07 and 2007-08.

Table 2(i) shows the change in the number of borrowers each year from 31/3/2006 to

31/3/2009 broken down between those with Mortgage Style loans and those with Income Contingent loans, and with the numbers further broken down between liable to repay and those not yet liable to repay.

Table 2(ii) shows a detailed breakdown of Mortgage Style Loan borrower repayment activity and repayment status for 2008-09, and makes comparisons to financial years 2006-07 and 2007-08.

Table 2(iii) shows a detailed breakdown of Income Contingent Loan borrower repayment activity and repayment status for 2008-09 and makes comparisons to financial years 2006-07 and 2007-08.

## **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.

4. In financial year 2008-09, improved automated system capabilities were introduced to enable loan balances to be cancelled for Income Contingent loan accounts for reasons of death or disability. This also allowed a backlog of cancellations to be processed. Cancellations for death and disability in future years will be lower than in 2008-09 because they will cover a single year and will not include a backlog.

5. During financial year 2008-09 SLC and HMRC (Her Majesty's Revenue and Customs) implemented a monthly borrower re-matching process to constantly check for employment records at HMRC rather than relying on the initial match only. This now causes customers who have been initially matched and recorded in the category of "awaiting first year HMRC return" to be moved into the category of "below earnings threshold" in the figures for the position at the end of the financial year if the re-match shows that there is no longer a live employment.

6. Section C of table 2 (iii) has been revised for financial year 2008-09 due to a refinement in the rules to determine borrower repayment status. The revision is specific to those borrowers who have indicated that they intend to reside overseas yet have not completed the overseas assessment process required by SLC to determine a repayment schedule. The revision determines the likelihood of the borrower being

overseas by analysing subsequent data provided by HMRC which would then supersede the overseas data. This revision has resulted in a drop in the numbers in the non-repayment categories. These figures are therefore not directly comparable with those shown for previous years.

7. The introduction of monthly payments to Scottish customers, which was introduced in the 2007-08 financial year, has caused the maintenance loan amount lent figures (see Table 1) to be artificially high for the 2007-08 financial year. Financial year 2008-09 represents the expected amount lent within a financial year and is comparable with 2006-07.

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

8. 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 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.

9. 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.

10. 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 may be able to apply for deferment of repayments for a year at a time if they have a gross monthly income of £2,161 or less (equivalent to £25,936 per year). The amount owed by each student is adjusted annually in line with the annual inflation rate.

## **STUDENT SUPPORT ARRANGEMENTS FROM 1998/1999**

11. 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.

12. 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.

13. 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.

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 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.

## **ANNUAL INTEREST RATE**

23. The annual Retail Price Index from March to March is used as the interest rate for all types of student loan from the following September to August. In financial year 2008-09 the interest rates used to adjust the outstanding balances were 4.8% (as measured by the March 2007 RPI) up to the end of August and 3.8% (as measured by the March 2008 RPI) from the beginning of September. There is an extra clause in the regulations for ICR loans which states that the interest rate cannot be more than 1% higher than the base rate of major banks. This caused the interest rate for ICR loans to drop to 3% from 4 December 2008 and then it dropped by a further 0.5% each month becoming 1.5% from 6 March 2009.

SLC will for the forthcoming academic year (1 September 2009 to 31 August 2010) charge the following interest rates – Income Contingent Loans 0%; Mortgage Style Loans -0.4% and Graduate Endowment Loans -0.4%. These are the same rates as for the rest of the UK with the exception of Graduate Endowment Loans which relate to Scotland only.

## DEFINITIONS

24. The following is a glossary of terms:

In deferment	For Mortgage Style Loans only, the borrower's gross monthly income is £2,161 or less (equivalent to £25,936 per year) 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.
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).
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).
Accounts paid in full	All repayments have been made for a specific loan account.
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.
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"> <li>• On the death of the borrower;</li> <li>• When, in the case of post-2007 student loans, the 35<sup>th</sup> anniversary of the date on which the borrower became liable to repay the student loan; or</li> <li>• Where the student loan is not a post-2007 student loan, the borrower reaches the age of 65; or</li> <li>• If/when the borrower is disabled and permanently unfit for work</li> </ul> <p>A Mortgage Style Loan borrower's liability shall be cancelled:</p> <ul style="list-style-type: none"> <li>• When the borrower dies;</li> <li>• 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</li> <li>• If the borrower was over 40 years of age when they entered the loan agreement, when they reach the age of 60.</li> </ul>
Written off loan	The borrower remains liable to repay but recovery is deemed unlikely by the loan administrator or not possible by legal judgement.

## NATIONAL STATISTICS

25. 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.

## PUBLICATION AND CONTACT DETAILS

This Statistical First Release is a joint publication by the Student Loans Company and Scotland's Chief Statistician. The contact details for both parties are given below.

### For the Student Loans Company:

<b>Reference:</b>	SLC SFR 03/2009
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<b>Media enquiries:</b>	Press Office 0141 306 2120 Email: <a href="mailto:press_office@slc.co.uk">press_office@slc.co.uk</a>
<b>Further information and non-media enquiries:</b>	Statistician: Dave Cartwright Telephone: 0141 243 3209 Email: <a href="mailto:information_office@slc.co.uk">information_office@slc.co.uk</a>

### For the Scottish Government:

<b>Internet:</b>	<a href="http://www.scotland.gov.uk/llstatistics">www.scotland.gov.uk/llstatistics</a>
<b>Issued by:</b>	Scottish Government Education Analytical Services ASU LLL Lifelong Learning Statistics 3 <sup>rd</sup> Floor, Meridian Court 5 Cadogan Street GLASGOW G2 6AT
<b>Media enquiries:</b>	<a href="#">Communications Education and Lifelong Learning</a> Telephone: 0141 244 2910 Email: <a href="mailto:CommunicationsEducationAndLifelongLearning@scotland.gsi.gov.uk">CommunicationsEducationAndLifelongLearning@scotland.gsi.gov.uk</a>
<b>Policy:</b>	Zoe Holliwood Telephone: 0141 242 0235
<b>Further information and non-media enquiries:</b>	Statistician: Debbie Amabile Telephone: 0141 242 0271 Email: <a href="mailto:fhestatistics@scotland.gov.uk">fhestatistics@scotland.gov.uk</a>

Table 1 : Student Loan outlay and repayments - Publicly Owned Debt : financial years 2006-07 to 2008-09 [1] : amounts (£m)

Scottish domiciled students; EU students [2] studying in Scotland

Financial years	2006-07			2007-08			2008-09 (provisional)		
	Emillion except where otherwise stated								
	Income Contingent Loans [3]	Mortgage Style Loans	Total Public Debt	Income Contingent Loans [3]	Mortgage Style Loans	Total Public Debt	Income Contingent Loans [3]	Mortgage Style Loans	Total Public Debt
Academic Year interest rate (APR) [4]	2.4%	2.4%	2.4%	4.8%	4.8%	4.8%	1.5%	3.8%	
<b>Total amount outstanding (including loans not yet due for repayment) at start of financial year, including interest</b>	<b>1,457.3</b>	<b>201.6</b>	<b>1,658.9</b>	<b>1,661.6</b>	<b>184.2</b>	<b>1,845.7</b>	<b>1,883.2</b>	<b>169.3</b>	<b>2,052.5</b>
<b>PLUS</b>									
Amount lent during financial year [5]	197.6	-	197.6	212.7	-	212.8	191.3	-	191.3
of which:									
Maintenance Loans [5]	183.0	-	183.0	192.8	-	192.8	179.8	-	179.8
Tuition Fee Loans (for Scottish domiciled students in rest of UK)	2.6	-	2.6	5.5	-	5.5	8.7	-	8.7
Graduate Endowment Loans[6]	12.1	-	12.1	14.4	-	14.4	2.8	-	2.8
<b>MINUS</b>									
Amount repaid, including interest, during the financial year	29.8	21.7	51.5	39.8	19.2	59.0	60.6	16.9	77.5
of which:									
Repaid by customer to SLC	8.7	21.9	30.5	9.0	19.3	28.4	13.8	17.0	30.9
Reported by HMRC as collected via PAYE and Self Assessment	22.0	-	22.0	32.1	-	32.1	49.2	-	49.2
Refunded by SLC to customer	-0.9	-0.1	-1.0	-1.4	-0.1	-1.5	-2.5	-0.1	-2.6
of which:									
amount repaid earlier than required [7]	8.6	3.6	12.2	8.8	3.1	11.9	13.5	2.9	16.4
<b>MINUS</b>									
Amount cancelled in respect of the Repayment of Teachers' Loans scheme during the financial year	-	0.1	0.1	-	0.1	0.1	-	-	-
<b>MINUS</b>									
Amount otherwise cancelled or written off during the financial year	0.1	0.7	0.8	-	2.6	2.7	4.4	2.2	6.6
of which:									
Because of death[8]	0.1	0.2	0.3	-	0.2	0.2	2.3	0.2	2.5
Because of age	-	0.5	0.5	-	0.8	0.8	-	1.1	1.1
Because of disability[8]	-	0.1	0.1	-	0.1	0.1	0.2	-	0.3
Because of sequestration [9]	-	-	-	-	1.5	1.5	1.0	0.7	1.7
On completion of Trust Deed [9]	-	-	-	-	0.1	0.1	0.8	0.2	1.1
Trivial balances	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>PLUS</b>									
Amount of interest added to loans [10] during the financial year [11]	36.6	5.0	41.6	48.7	7.1	55.8	61.4	6.4	67.8
<b>PLUS</b>									
Administration charges applied [12] during the financial year	-	-	-	-	-	-	-	-	-
<b>PLUS</b>									
Balance transfers [13]	-	-	-	-	-	-	-	-	-
<b>GIVES</b>									
<b>Total amount outstanding at the end of the financial year, including loans not yet due for repayment [11][14]</b>	<b>1,661.6</b>	<b>184.2</b>	<b>1,845.7</b>	<b>1,883.2</b>	<b>169.3</b>	<b>2,052.6</b>	<b>2,070.9</b>	<b>156.5</b>	<b>2,227.4</b>
Year-end reconciling adjustments [15]	-	-	-	-	-	-	-	-	-
<b>Balance after adjustments</b>	<b>1,661.6</b>	<b>184.2</b>	<b>1,845.7</b>	<b>1,883.2</b>	<b>169.3</b>	<b>2,052.5</b>	<b>2,070.9</b>	<b>156.5</b>	<b>2,227.4</b>
of which:									
(a) balance of loans in deferment [16]	-	108.5	108.5	-	97.5	97.5	-	89.3	89.3
(b) balance of loans in arrears status [17]	0.4	39.0	39.4	0.5	40.1	40.6	1.0	39.7	40.7
of which: arrears value	-	28.0	28.0	-	28.5	28.5	-	28.9	28.9
(c) balance of loans deferred with arrears [18]	-	5.1	5.1	-	4.6	4.6	-	4.6	4.6
of which: arrears value	-	1.0	1.0	-	0.9	0.9	-	1.0	1.0
Administration charges owed to SLC at the end of the financial year [19]	-	1.9	1.9	-	1.8	1.8	-	1.8	1.8
<b>Balance including debt to SLC</b>	<b>1,661.6</b>	<b>186.0</b>	<b>1,847.6</b>	<b>1,883.2</b>	<b>171.2</b>	<b>2,054.4</b>	<b>2,070.9</b>	<b>158.3</b>	<b>2,229.2</b>

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

[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 2008-09 are mainly for tax year 2007/08.

Also the interest added for customers in repayment in 2007-08 is mainly for tax year 2006/07.

[2] EU Students are eligible for Graduate Endowment loans so are therefore included.

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

[4] IC Interest rate from 06/03/2009 was 1.5%. Prior to this, the IC Interest rate fell to 3% at 05/12/2008, then to 2.5% at 09/01/2009, then to 2% at 06/02/2009.

[5] The introduction of monthly payments to Scottish students has resulted in an artificially high figure for maintenance loan amount lent in financial year 2007-08. Financial Year 2008-09 represents the expected level of lending in a financial year which is comparable with the 2006-07 financial year.

[6] The Graduate Endowment was abolished in 2008 for all those who would become liable on 1 April 2008 or later, with the exception of some postgraduate students who had previously deferred payment. Loans for such students have carried over into financial year 2008-09.

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

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

[9] 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 2007-08 and 2008-09 figures.

[10] Interest which was added to the existing loan debt which was neither repaid or cancelled during the financial year.

[11] For PAYE or self employed repayers, 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.

[12] A non-interest bearing penalty imposed on accounts where extra administration is required (e.g. in cases of arrears, default).

[13] 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.

[14] Constituent parts may not add to totals due to roundings.

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

[16] 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).

[17] 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).

[18] 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).

[19] 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.

**Table 2(i) : Student Loan outlay and repayments - Publicly Owned Debt : Financial years 2006-07 to 2008-09: borrower activity**

**Scottish domiciled students; EU students [1] studying in Scotland**

Financial years	2006-07			2007-08			2008-09 (provisional)		
	Figures are quoted in thousands								
	Income Contingent Loans [2]	Mortgage Style Loans[3]	Total Public Debt [4]	Income Contingent Loans [2]	Mortgage Style Loans[3]	Total Public Debt [4]	Income Contingent Loans [2]	Mortgage Style Loans[3]	Total Public Debt [4]
<b>Number of borrowers at the beginning of the financial year</b>	<b>258.3</b>	<b>79.2</b>	<b>333.9</b>	<b>284.8</b>	<b>71.1</b>	<b>352.4</b>	<b>311.0</b>	<b>62.5</b>	<b>370.1</b>
Number of borrowers with accounts paid in full in financial year [5]	0.9	7.7	8.7	0.9	7.7	8.6	1.2	5.9	7.1
of which									
paid off before liability has arisen [6]	0.3	-	0.3	0.3	-	0.3	0.4	-	0.4
Number of borrowers with accounts cancelled or written off in financial year [7]	-	0.6	0.7	-	1.3	1.4	0.7	1.0	1.7
of which:									
because of death [8]	-	0.1	0.1	-	0.1	0.1	0.4	0.1	0.5
because of age	-	0.2	0.2	-	0.3	0.3	-	0.4	0.4
because of disability[8]	-	-	-	-	-	-	-	-	-
because of sequestration (9)	-	-	-	-	0.5	0.5	0.2	0.3	0.4
on completion of Trust Deed (9)	-	-	-	-	-	-	-	0.1	0.1
other	-	0.3	0.3	-	0.4	0.4	0.2	0.2	0.4
New borrowers in financial year [10]	27.0	-	26.8	26.7	-	26.6	25.9	-	25.8
Number of borrowers with accounts in repayment at the end of financial year[11][12]	180.5	71.1	248.7	211.3	62.4	270.8	236.6	55.7	289.5
Number of borrowers with accounts not yet liable for repayment at the end of financial year[11][13]	127.5	-	127.5	123.3	-	123.3	120.7	-	120.7
<b>Number of borrowers at the end of financial year</b>	<b>284.8</b>	<b>71.1</b>	<b>352.4</b>	<b>311.0</b>	<b>62.5</b>	<b>370.1</b>	<b>334.2</b>	<b>55.7</b>	<b>386.8</b>

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

[1] EU Students are eligible for Graduate Endowment loan so are therefore included.

[2] 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 2008-09 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.

[3] 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.

[4] 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.

[5] 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.

[6] 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.

[7] 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.

[8] 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.

[9] 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 both the 2007-08 and 2008-09 figures.

[10] 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.

[11] Each borrower has a loan account for each academic year of study in which they take 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.

[12] Borrowers with at least one open loan account that has passed into repayment and has not subsequently been fully repaid or cancelled.

[13] 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.

**Table 2(ii) : Student Loan outlay and repayments - Publicly Owned Debt : Financial years 2006-07 to 2008-09: borrower activity**

**Mortgage Style Loans  
Scotland**

Financial years	2006-07	2007-08	2008-09 (provisional)
	Figures are quoted in thousands		
	Mortgage Style Loans	Mortgage Style Loans	Mortgage Style Loans
<b>Number of borrowers at the beginning of the financial year</b>	<b>79.2</b>	<b>71.1</b>	<b>62.5</b>
Number of borrowers with accounts paid in full in financial year[1] of which:	7.7	7.7	5.9
paid off before liability for repayment had arisen [2]	-	-	-
Number of borrowers with accounts cancelled or written off in financial year [3] of which:	0.6	1.3	1.0
because of death	0.1	0.1	0.1
because of age	0.2	0.3	0.4
because of disability	-	-	-
because of sequestration [4]	-	0.5	0.3
on completion of Trust Deed [4]	-	-	0.1
other	0.3	0.4	0.2
New borrowers in financial year [5]	-	-	-
<b>All borrowers at the end of financial year</b>	<b>71.1</b>	<b>62.5</b>	<b>55.7</b>
of which:			
(A) Borrowers with accounts liable for repayment [6] of which	71.1	62.4	55.7
(a) ahead with repayments	6.6	6.0	6.3
(b) up to date with repayments	16.3	13.4	9.8
(c) owing less than 2 months' repayments	0.5	0.4	0.4
(d) owing 2 or more months' repayments	6.3	5.4	4.2
(e) overdue with no repayment schedule owing <£100 [7]	0.3	0.4	0.3
(f) overdue with no repayment schedule owing >=£100 [8]	10.1	10.3	10.7
(g) deferring repayments	30.7	26.2	23.4
(h) deferring repayments with arrears	1.5	1.3	1.3
(B) Borrowers with accounts not yet liable for repayment [6] of which	-	-	-
who have made one or more repayments	-	-	-
who have made no repayments	-	-	-

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

- [1] 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.
- [2] 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.
- [3] 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 these are also included in amounts paid in full.
- [4] 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 2007-08 and 2008-09 figures.
- [5] Borrowers who had no loans at the beginning of the financial year and who took out new loans during the financial year. Mortgage style loans are only available to those subject to pre-1998-99 student support arrangements.
- [6] 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.
- [7] 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.
- [8] 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.

Table 2(iii) : Student Loan outlay and repayments - Publicly Owned Debt : Financial years 2006-07 to 2008-09: borrower activity

Income Contingent Loans

Scottish domiciled students; EU students [1] studying in Scotland

Financial years	2006-07				2007-08				2008-09 (provisional)			
	Figures are quoted in thousands											
	Maintenance Loans [2]	Fee Loans (Scottish domiciled in rest of UK)	Graduate Endowment Loans	Total IC Loans[4]	Maintenance Loans [2]	Fee Loans (Scottish domiciled in rest of UK)	Graduate Endowment Loans [3]	Total IC Loans[4]	Maintenance Loans [2]	Fee Loans (Scottish domiciled in rest of UK)	Graduate Endowment Loans [3]	Total IC Loans[4]
<b>Number of borrowers at beginning of the financial year</b>	<b>258.3</b>	-	..	<b>258.3</b>	<b>284.3</b>	<b>0.9</b>	<b>6.5</b>	<b>284.8</b>	<b>309.8</b>	<b>2.0</b>	<b>13.7</b>	<b>311.0</b>
Number of borrowers with accounts paid in full in financial year [5]	0.9	-	-	0.9	0.9	-	-	0.9	1.2	-	-	1.2
of which:												
paid off before liability for repayment had arisen [6]	0.3	-	-	0.3	0.3	-	-	0.3	0.4	-	-	0.4
Number of borrowers receiving refunds of repayments in financial year [7]	1.7	-	-	1.7	2.5	-	-	2.5	5.1	-	0.1	5.2
Number of borrowers with accounts cancelled or written off in financial year [8]	-	-	-	-	-	-	-	-	0.7	-	-	0.7
of which:												
because of death[9]	-	-	-	-	-	-	-	-	0.4	-	-	0.4
because of age	-	-	-	-	-	-	-	-	-	-	-	-
because of disability[9]	-	-	-	-	-	-	-	-	-	-	-	-
because of sequestration [10]	-	-	-	-	-	-	-	-	0.2	-	-	0.2
on completion of Trust Deed [10]	-	-	-	-	-	-	-	-	-	-	-	-
other	-	-	-	-	-	-	-	-	0.2	-	-	0.2
New borrowers in financial year [11]	26.5	0.9	6.1	27.0	25.9	1.1	7.2	26.7	25.6	1.6	1.4	25.9
<b>All borrowers at the end of financial year [2][12]</b>	<b>284.3</b>	<b>0.9</b>	<b>6.5</b>	<b>284.8</b>	<b>309.8</b>	<b>2.0</b>	<b>13.7</b>	<b>311.0</b>	<b>332.6</b>	<b>3.6</b>	<b>15.1</b>	<b>334.2</b>
of which:												
(A) Borrowers with accounts not yet liable for repayment	127.4	0.9	-	127.5	123.1	2.0	0.1	123.3	120.3	3.4	-	120.7
of which												
who have made one or more repayments	2.0	-	-	2.0	1.9	-	-	1.9	2.2	-	-	2.2
who have made no repayments	125.4	0.9	-	125.5	121.1	2.0	0.1	121.3	118.1	3.4	-	118.5
(B) Borrowers with accounts being closed	8.6	-	-	8.6	11.9	-	0.1	11.9	16.3	-	0.3	16.4
of which												
who have fully repaid [13]	8.3	-	-	8.3	11.5	-	0.1	11.6	15.9	-	0.3	16.0
who are having their account cancelled [14]	0.3	-	-	0.3	0.4	-	-	0.4	0.4	-	-	0.4
(C) Borrowers with accounts where repayments are still due	171.6	-	6.5	172.1	198.5	0.1	13.6	199.6	219.2	0.3	14.9	220.3
of which												
(a) awaiting first year HMRC return [15]	37.1	-	5.0	37.4	35.1	-	6.4	35.6	24.5	0.1	1.2	24.7
(b) above earnings threshold [16]	28.2	-	0.1	28.3	43.5	-	1.9	43.6	54.0	-	5.1	54.2
(c) below earnings threshold [17]	90.2	-	0.9	90.3	104.3	0.1	4.6	104.5	127.7	0.2	8.0	128.1
of which												
(i) Below earnings threshold- no repayments made [18]	..	..	..	..	..	..	..	..	105.6	0.2	5.8	105.9
(ii) Earnings In Tax Year Below Threshold - Repaid Something[19]	..	..	..	..	..	..	..	..	22.1	-	2.2	22.2
(d) non-repayment categories [20]	16.0	-	0.4	16.1	15.5	-	0.7	15.8	12.9	-	0.6	13.2
(e) overseas repayers - in arrears [21]	-	-	-	-	0.1	-	-	0.1	0.1	-	-	0.1

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

Footnotes overleaf

- [1] EU Students are eligible for Graduate Endowment loans so are therefore included.
- [2] 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 2008-09 but this will not be reported until the reconciliation has been made with SLC records. Income contingent loans include hardship loans and part-time loans.
- [3] 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.
- [4] 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.
- [5] 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.
- [6] 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.
- [7] 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.
- [8] 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, as are accounts closed under the Repayment of Teacher Loans Scheme.
- [9] 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.
- [10] 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 2007-08 and 2008-09 figures.
- [11] Borrowers who had no loans at the beginning of the financial year and who took out new loans during the financial year.
- [12] 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.
- [13] 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.
- [14] 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.
- [15] Borrowers who have been matched with Student Loans records at HMRC but the first tax year return has not yet been received by SLC. Hence, the repayment status cannot yet be determined. The introduction of a monthly matching process between HMRC and SLC has resulted in this figure dropping in the 2008-09 financial year as we identify employment status of the borrower on a monthly basis.
- [16] Borrowers for whom the latest tax year return from HMRC indicates that they are above the earnings threshold. This category also includes those borrowers who are having their loan repaid via the Repayment of Teacher Loans scheme. This category also includes those borrowers who are now resident overseas, are above the earnings threshold for their country of residence, and are repaying on schedule.
- [17] Borrowers who are currently known to be under the earnings threshold.
- [18] Borrowers who are currently known to be under the earnings threshold and who have never made a repayment to their loan account.
- [19] Borrowers who are currently known to be under the earnings threshold but who have made repayments to their loan accounts in the past.
- [20] SLC unable to determine repayment status as records yet to be matched and information to be collected. Financial year 2008-09 figures are based on refined methodology to determine the status of those borrowers who have indicated that they intend to reside overseas yet have not completed the overseas assessment process required by SLC to determine a repayment schedule. The revision to methodology determines the likelihood of the borrower actually being overseas by analysing subsequent data provided by from HMRC which contradicts overseas indicators. These figures are therefore not directly comparable with those shown for previous years.
- [21] UK and non UK national borrowers known to be currently overseas.