



26 June 2012

**Correction Notice**

**Statistical First Release "STUDENT LOANS FOR HIGHER EDUCATION IN ENGLAND, FINANCIAL YEAR 2011-12"**

A production error has been corrected in this release. Originally published on 19 June 2012, the figures in Table 1 for amounts cancelled in 2011-12 due to disability included incorrect data. The amount for Income Contingent Loans should have been £0.5m instead of £0.4m; the amount for Mortgage Style Loans should have been £0.2m instead of £0.4m; the Total should have been £0.7m instead of £0.4m.

This revision has no impact on the overall totals.

The Student Loans Company and the Department for Business, Innovation and Skills apologise for any inconvenience.

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## **STUDENT LOANS FOR HIGHER EDUCATION IN ENGLAND, FINANCIAL YEAR 2011-12**

### **INTRODUCTION**

This statistical first release provides statistics on loan outlays, repayments of loans and borrower activity for English domiciled students studying in Higher Education (HE). It covers English Domiciled students studying in the UK and EU students studying in England and shows figures for financial years 2009-10 to 2011-12. Figures are provided for two different student loan arrangements: mortgage style loans which were in place until academic year 1997/98 and income contingent loans that were introduced in 1998/99. The student support system changed significantly in 2006/07 with the introduction of variable tuition fees and tuition fee loans. All the figures cover publicly owned debt only.

### **KEY POINTS**

- Repayments posted to customer accounts amounted to more than £1.3bn in the financial year 2011-12 (including £229.5m repaid earlier than required). £218.6m of the early repayments relates to Income Contingent Loans. (*Table 1*).
- The balance outstanding (including loans not yet due for repayment) at the end of the financial year 2011-12 was £40.3bn of which £39.6bn relates to Income Contingent Loans. (*Table 1*).
- At the end of 2011-12 there were 3.8m borrowers; of these, 2.5m had accounts liable for repayment. These figures represent an increase of 9% and 11% respectively compared to the position at the end of 2010-11. (*Table 2(i)*).

## FACTORS AFFECTING TIME SERIES

- Regulations were changed in 2004 to exclude student loans debt from bankruptcy arrangements. The vast majority of loan cancellations due to bankruptcy prior to the regulation change were processed by financial year 2009-10. However, in 2011 a further review identified some pre-2005 bankruptcy cases which required student loan cancellations to be processed. This has led to a peak in cancellations due to bankruptcy in financial year 2011-12.
- Regulations were changed in 2010 to exclude Student Loans debt from Individual Voluntary Agreement (IVA) arrangements. A review of the IVA case list in 2011 identified a backlog of customers who have complied with their IVA arrangements i.e. completed reduced repayments over a 5 or 6 year period. This led to a peak in the student loan write off due to IVA arrangements in financial year 2011-12. There will continue to be further write off of loans for IVA customers who complete their IVA repayment schedules (set up before 2010) over future years.
- In financial year 2009-10 a new system for managing the Repayment of Teachers Loans (RTL) was implemented. The result was that some Repayment of Teachers loan accounts which could not previously be closed could have repayments posted and closed. This resulted in a significant increase in the Table 1 category 'Amount repaid in respect of the Repayment of Teachers' Loans scheme' in 2009-10. From 2010-11 onward, repayments via RTL have reverted to the amounts expected for a single year without the backlog.
- The number of borrowers receiving refunds in 2011-12 was lower than in 2010-11 but the figure in 2010-11 was artificially high because a backlog relating to 2009-10 was processed in that year as well as the normal volume of refunds. The figures in 2011-12 provide a new baseline.

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**Table 1** - The amounts paid out in loans and repaid during financial year 2011-12 and makes comparisons to figures for financial years 2009-10 and 2010-11

**Table 2(i)** - The change in the number of borrowers each year from 31/3/2009 to 31/3/2012 broken down between those with Mortgage Style loans and those with Income Contingent loans, and with the year end numbers further broken down between those liable to repay and those not yet liable to repay.

**Table 2(ii)** - Detailed breakdown of figures for Mortgage Style Loan borrower repayment activity and repayment status for 2011-12, and makes comparisons to figures for financial years 2009-10 and 2010-11.

**Table 2(iii)** - Detailed breakdown of figures for Income Contingent Loan borrower repayment activity for 2011-12 and makes comparisons to figures for financial years 2009-10 and 2010-11.

**Appendix A** contains footnotes for table 1, 2(i), 2(ii) and 2(iii).

**Appendix B** contains definitions of terms used in this publication

**Appendix C** contains notes to editors

## RELATED STATISTICAL PUBLICATIONS

This statistical first release covers the repayment of loans in financial year 2011-12. Related statistics published by the Student Loans Company include:

- Statistics on loans and grants awarded to students in HE in England in academic year 2011/12 (provisional) were published in SLC SFR 06/2011 on 29 November 2011. These can be found at <http://www.slc.co.uk/statistics/national-statistics>
- Official statistics on income contingent repayments by repayment cohort and tax year 2000/01 to 2010/11 inclusive were published on 19 June 2012 in SLC OSP 01/2012. These can be found at [http://www.slc.co.uk/statistics/official-statistics-\(slc\)](http://www.slc.co.uk/statistics/official-statistics-(slc))
- For information on student support arrangements in place for England domiciled students and non UK European Union students who study in England, visit Direct Gov:  
<http://www.direct.gov.uk/en/EducationAndLearning/UniversityAndHigherEducation/StudentFinance/index.htm>

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

Highlights:

- Repayments posted to customers accounts amounted to more than £1.3 billion in the financial year 2011-12, including £229.5 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 £40.3 billion.

English domiciled students studying in the UK and EU students studying in England

£million

Financial years	2009-10			2010-11			2011-12		
	Income Contingent Loans	Mortgage Style Loans	Total Public Debt	Income Contingent Loans	Mortgage Style Loans	Total Public Debt	Income Contingent Loans	Mortgage Style Loans	Total Public Debt
<b>Total amount outstanding (including loans not yet due for repayment) at start of financial year, including interest</b>	<b>25,090.0</b>	<b>873.7</b>	<b>25,963.8</b>	<b>29,696.0</b>	<b>792.5</b>	<b>30,488.5</b>	<b>34,446.4</b>	<b>739.3</b>	<b>35,185.8</b>
Start of year adjustments	-0.7	-	-0.7	-	-	-	-	-	-
<b>Opening balance after adjustments</b>	<b>25,089.3</b>	<b>873.8</b>	<b>25,963.1</b>	<b>29,696.0</b>	<b>792.5</b>	<b>30,488.5</b>	<b>34,446.4</b>	<b>739.3</b>	<b>35,185.7</b>
<b>PLUS</b>									
Amount lent during financial year	5,049.0	-	5,049.1	5,578.2	-	5,578.2	5,965.9	-	5,965.9
of which:									
Maintenance Loans	2,875.0	-	2,875.0	3,116.1	-	3,116.1	3,229.4	-	3,229.4
Tuition Fee Loans to English domiciled students	2,105.3	-	2,105.3	2,377.0	-	2,377.0	2,636.8	-	2,636.8
Tuition Fee Loans to EU students	68.8	-	68.8	85.1	-	85.1	99.7	-	99.7
Amount of interest added to loans-during the financial year	512.6	10.9	523.5	274.2	16.2	290.5	430.7	32.3	463.0
Administration charges applied-during the financial year	-	-	-	-	-	-	-	-	-
Balance transfers[3]	-	0.2	0.2	-	0.6	0.6	-	-	-
<b>MINUS</b>									
Amount repaid, including interest, during the financial year	928.7	81.0	1,009.7	1,081.3	61.7	1,143.0	1,254.9	51.0	1,305.9
of which:									
Repaid by customer to SLC	220.6	81.5	302.2	264.4	62.1	326.5	243.1	51.5	294.6
Reported by HMRC as collected via PAYE and Self Assessment	726.4	-	726.4	850.0	-	850.0	1,044.9	-	1,044.9
Refunded by SLC to customer	-18.3	-0.5	-18.8	-33.2	-0.4	-33.6	-33.1	-0.5	-33.6
of which:									
amount repaid earlier than required [4] [r]	214.2 [r1]	11.4 [r1]	225.6 [r1]	250.9	12.3	263.2	218.6	10.9	229.5
Amount repaid in respect of the Repayment of Teachers' Loans scheme during the financial year	22.5	2.4	24.9	13.1	0.3	13.4	11.8	0.3	12.1
Amount otherwise cancelled or written off during the financial year	7.7	9.0	16.7	7.7	8.1	15.8	15.1	10.2	25.2
of which:									
Because of death [5]	5.4	0.7	6.1	5.5	0.5	6.0	6.6	0.6	7.2
Because of age	0.4	7.3	7.6	1.1	7.3	8.4	2.8	8.0	10.9
Because of disability [5]	0.7	0.4	1.1	1.0	0.2 [r2]	1.2	0.5 [r3]	0.2 [r3]	0.7 [r3]
Because of bankruptcy [5]	0.8	0.6	1.4	0.1 [r2]	-	0.1 [r2]	3.3	0.9	4.2
On completion of Individual Voluntary Arrangement (IVA) [5]	0.4	0.1	0.5	-	-	-	0.5	0.4	0.9
Trivial balances	-	-	-	-	-	-	-	-	-
Losses through phishing [6]	-	-	-	-	-	-	1.4	-	1.4
Other	-	-	-	-	-	-	-	-	0.1
<b>Total amount outstanding at the end of the financial year, including loans not yet due for repayment [7][8]</b>	<b>29,692.1</b>	<b>792.5</b>	<b>30,484.7</b>	<b>34,446.4</b>	<b>739.3</b>	<b>35,185.7</b>	<b>39,561.4</b>	<b>710.1</b>	<b>40,271.5</b>
Year-end reconciling adjustments [9]	3.8	-	3.8	0.1	-	0.1	-	-	-
<b>Balance after adjustments</b>	<b>29,696.0</b>	<b>792.5</b>	<b>30,488.5</b>	<b>34,446.4</b>	<b>739.3</b>	<b>35,185.8</b>	<b>39,561.4</b>	<b>710.1</b>	<b>40,271.5</b>
of which:									
(a) balance of loans in deferment [10]	-	445.0	445.0	-	414.8	414.8	-	393.0	393.0
(b) balance of loans in arrears status [11]	42.3	227.9	270.2	75.4	235.7	311.1	103.8	243.3	347.1
of which: arrears value	4.0	180.1	184.0	10.4	185.2	195.6	19.6	189.7	209.4
(c) balance of loans deferred with arrears [12]	-	21.1	21.1	-	18.8	18.8	-	17.6	17.6
of which: arrears value	-	4.8	4.8	-	3.7	3.7	-	3.4	3.4
of which: debt held by EU students for Tuition Fee Loans	167.1	-	167.1	250.5	-	250.5	349.1	-	349.1
(d) balance of EU Fee loans liable for repayment [13]	12.2	-	12.2	48.0	-	48.0	110.3	-	110.3
(e) balance of EU Fee loans not yet liable for repayment [14]	154.9	-	154.9	202.5	-	202.5	238.8	-	238.8
Administration charges owed to SLC at the end of the financial year [15]	-	8.5	8.5	-	8.4	8.4	-	8.4	8.4
<b>Balance including debt to SLC</b>	<b>29,696.0</b>	<b>801.0</b>	<b>30,496.9</b>	<b>34,446.4</b>	<b>747.8</b>	<b>35,194.2</b>	<b>39,561.4</b>	<b>718.5</b>	<b>40,279.9</b>

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

Source: Student Loans Company

[r1] 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 early repayments from EU domiciled borrowers and did not consider the effect of repayment reversals. The original total in the previous year's publication for 2009-10 was £223.8m.

[r2] Cancellation amounts less than £0.5 million were reported in 2010-11 as negligible. This was caused by an error in the significance check for that section of the figures.

[r3] Financial Year 2011-12 included incorrect data for the amounts cancelled due to disability. The amount for Income Contingent Loans should have been £0.5m instead of £0.4m; the amount for Mortgage Style Loans should have been £0.2m instead of £0.4m; the Total should have been £0.7m instead of £0.4m - figures were revised on 26th June 2012

Footnotes in Appendix A

This table shows the amount of student loans paid out to England domiciled students and non UK EU domiciled students in financial year 2009-10 to 2011-12, and the resultant total amount outstanding which also includes the effect of loans paid out before 2009-10. Students who are normally domiciled in the EU outside of the UK are eligible for Tuition Fee Loans only which are paid directly to the university or college which they attend.

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

Up until July 2004 for Mortgage Style and September 2004 for ICR, student loans could be written off as a result of the customer becoming bankrupt. After these dates student loans are no longer covered by bankruptcy. From April 2010, student loans are exempt from Individual Voluntary Arrangements (IVA). The amount of loan written off in the table above for financial years 2009-10 to 2011-12 for bankruptcy and 2011-12 for IVA, are for those customers who petitioned for their loans to be written off prior to the change in regulations. A further tranche of old bankruptcy and IVA cases was cleared during FY 2011-12.

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

**Highlights:**

- By the end of financial year 2011-12, there were 3.8 million student loan borrowers, of which 2.5 million were liable to repay.
- At the end of financial year 2011-12, there were almost 1.4 million 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.

English domiciled borrowers studying in the UK and EU students studying in England

000s

Financial years	2009-10			2010-11			2011-12		
	Income Contingent Loans	Mortgage Style Loans [16]	Total Number of Borrowers [17]	Income Contingent Loans	Mortgage Style Loans [16]	Total Number of Borrowers [17]	Income Contingent Loans	Mortgage Style Loans [16]	Total Number of Borrowers [17]
<b>Number of borrowers at the beginning of the financial year</b>	<b>2,641.9</b>	<b>298.2</b>	<b>2,916.5</b>	<b>2,936.5</b>	<b>271.4</b>	<b>3,185.5</b>	<b>3,233.2</b>	<b>244.3</b>	<b>3,456.7</b>
<b>Number of borrowers at the end of financial year</b>	<b>2,936.5</b>	<b>271.4</b>	<b>3,185.5</b>	<b>3,233.2</b>	<b>244.3</b>	<b>3,456.7</b>	<b>3,561.5</b>	<b>224.6</b>	<b>3,766.5</b>
Number of borrowers with accounts liable for repayment or in the process of being closed at the end of financial year[18]	1,816.4	271.2	2,067.2	2,062.4	244.3	2,287.3	2,327.2	224.6	2,533.3
Number of borrowers with accounts cancelled or written off in financial year [8]	1.2	3.7	4.9	1.0	2.8	3.8	1.7	3.5	5.2
of which:									
because of death [5]	0.6	0.2	0.8	0.6	0.2	0.7	0.7	0.2	0.8
because of age	-	2.1	2.1	0.1	2.1	2.2	0.4	2.1	2.5
because of disability [5][r]	0.1[r]	0.2	0.2 [r]	0.1	0.1	0.2	-	0.1	0.1
because of bankruptcy [5]	0.1	0.2	0.3	-	-	-	0.4	0.3	0.6
on completion of Individual Voluntary Arrangement (IVA) [5][r]	0.1 [r]	0.1	0.1	-	-	-	0.1	0.1	0.2
other [r]	0.3 [r]	1.1	1.4 [r]	0.2	0.5	0.6	0.2	0.8	1.0
Number of borrowers with accounts not yet liable to repay at the end of financial year[18][19]	1,216.2	0.2	1,216.4	1,278.8	-	1,278.8	1,351.7	-	1,351.7

. = 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 have been revised from previous published figures.

The overall numbers of cancellations in each year are unchanged.

In 2009-10 the number under Other has reduced from 0.5, the number under Disability has increased from "negligible" and the number under IVA has increased from "negligible".

The error was caused because new cancellation reasons were added into the administrative system and by default these fell into "other".

Footnotes in Appendix A

**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 mortgage style and Income contingent borrower columns.**

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

**Highlights:**

- During the 2011-12 financial year, 18,700 mortgage style loan borrowers repaid at least one of their loan accounts in full.

**Mortgage Style Loans  
England**

000s

Financial years	2009-10	2010-11	2011-12
	Mortgage Style Loans	Mortgage Style Loans	Mortgage Style Loans
<b>Number of borrowers at the beginning of the financial year</b>	<b>298.2</b>	<b>271.4</b>	<b>244.3</b>
Number of borrowers with accounts paid in full in financial year[21]	29.6	25.4	18.7
Number of borrowers with accounts cancelled or written off in financial year [22] of which:	3.7	2.8	3.5
because of death[5]	0.2	0.2	0.2
because of age	2.1	2.1	2.1
because of disability[5]	0.2	0.1	0.1
because of bankruptcy [5]	0.2	-	0.3
on completion of Individual Voluntary Arrangement (IVA) [5]	0.1	-	0.1
other	1.1	0.5	0.8
<b>All borrowers at the end of financial year</b>	<b>271.4</b>	<b>244.3</b>	<b>224.6</b>
of which:			
(A) Borrowers with accounts liable for repayment [20] of which	271.2	244.3	224.6
(a) ahead with repayments	28.2	24.9	23.5
(b) up to date with repayments	55.5	39.8	32.2
(c) owing less than 2 months' repayments	3.7	3.6	1.3
(d) owing 2 or more months' repayments	16.1	14.5	12.3
(e) overdue with no repayment schedule owing <£100 [23]	1.8	2.0	2.0
(f) overdue with no repayment schedule owing >=£100 [24]	55.5	57.7	60.4
(g) deferring repayments	109.5	100.2	91.2
(h) deferring repayments with arrears	5.1	4.6	4.1
(B) Borrowers with accounts not yet in repayment status [20] of which	0.2	-	-
those who have made one or more repayments	0.2	-	-
those who have made no repayments	0.1	-	-

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

Source: Student Loans Company

Footnotes in Appendix A

**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: Financial years 2009-10 to 2011-12 [2][25]: borrower activity

Highlights:

- By the end of financial year 2010-11, there were 3.6 million Income Contingent loan borrowers, of which 2.0 million were liable to repay.

Income Contingent Loans

English domiciled students studying in UK and EU students studying in England

000s

Financial years	2009-10					2010-11					2011-12				
	Maintenance Loans	Fee Loans (English domiciled)	Total England Loans	Loans (EU in England)	Total IC Loans [26]	Maintenance Loans	Fee Loans (English domiciled)	Total England Loans	Fee Loans (EU in England)	Total IC Loans [26]	Maintenance Loans	Loans (English domiciled)	Total England Loans	Loans (EU in England)	Total IC Loans [26]
<b>Number of borrowers at beginning of the financial year</b>	<b>2,568.1</b>	<b>934.1</b>	<b>2,614.9</b>	<b>28.2</b>	<b>2,641.9</b>	<b>2,840.9</b>	<b>1,217.2</b>	<b>2,899.6</b>	<b>39.0</b>	<b>2,936.5</b>	<b>3,114.3</b>	<b>1,507.2</b>	<b>3,184.5</b>	<b>51.7</b>	<b>3,233.2</b>
Number of borrowers with accounts closed due to full repayment in the financial year [21]	18.1	3.7	19.0	0.3	19.4	25.4	5.4	26.8	0.5	27.2	19.4	3.8	20.5	0.4	20.8
of which:															
paid off before liability for repayment had arisen [27]	5.9	3.1	6.8	0.2	6.9	5.4	3.6	6.4	0.1	6.5	3.9	2.5	4.6	0.1	4.7
Number of borrowers receiving refunds of repayments in financial year [2]	26.9	0.9	27.7	-	27.8	49.2	1.4	49.6	0.1	49.7	42.9	2.5	43.5	-	43.5
Number of borrowers with accounts cancelled or written off in financial year	1.2	0.2	1.2	-	1.2	1.0	0.2	1.0	-	1.0	1.7	0.3	1.7	-	1.7
of which:															
because of death [5]	0.6	0.1	0.6	-	0.6	0.5	0.2	0.6	-	0.6	0.6	0.2	0.7	-	0.7
because of age	-	-	-	-	-	0.1	-	0.1	-	0.1	0.4	-	0.4	-	0.4
because of disability [5][r]	0.1 [r]	-	0.1 [r]	-	0.1 [r]	0.1	-	0.1	-	0.1	-	-	-	-	-
because of bankruptcy [5]	0.1	-	0.1	-	0.1	-	-	-	-	-	0.4	-	0.4	-	0.4
on completion of Individual Voluntary Arrangement (IVA) [5][r]	0.1 [r]	-	-	-	0.1 [r]	-	-	-	-	-	0.1	-	0.1	-	0.1
other [r]	0.3 [r]	-	0.3 [r]	-	0.3 [r]	0.2	-	0.2	-	0.2	0.2	-	0.2	-	0.2
New borrowers in financial year [28]	285.3	295.6	296.9	11.4	307.4	293.0	300.0	304.4	13.3	316.9	314.2	321.2	326.8	14.4	340.4
<b>All borrowers at the end of financial year [26][20]</b>	<b>2,840.9</b>	<b>1,217.2</b>	<b>2,899.6</b>	<b>39.0</b>	<b>2,936.5</b>	<b>3,114.3</b>	<b>1,507.2</b>	<b>3,184.5</b>	<b>51.7</b>	<b>3,233.2</b>	<b>3,416.2</b>	<b>1,822.4</b>	<b>3,499.7</b>	<b>65.4</b>	<b>3,561.5</b>
of which:															
(A) Borrowers with accounts not yet liable for repayment	1,128.2	1,012.8	1,183.5	34.6	1,216.2	1,181.6	1,111.1	1,239.8	41.3	1,278.8	1,247.8	1,194.5	1,307.9	46.0	1,351.7
of which															
who have made one or more repayments	20.4	14.0	23.3	0.4	23.7	19.0	14.6	22.5	0.4	22.9	19.2	14.7	22.8	0.4	23.1
who have made no repayments	1,107.8	998.9	1,160.2	34.1	1,192.5	1,162.5	1,096.4	1,217.2	40.8	1,255.8	1,228.6	1,179.9	1,285.1	45.6	1,328.6
(B) Borrowers with accounts being closed	192.8	7.0	193.8	0.4	194.2	232.8	11.0	234.6	0.7	235.3	285.3	17.6	288.2	1.3	289.5
of which															
who have fully repaid [29]	191.1	6.9	192.1	0.4	192.5	230.9	10.8	232.7	0.7	233.4	283.1	17.3	286.0	1.3	287.3
who are having their account cancelled [30]	1.7	0.1	1.8	-	1.8	1.9	0.2	1.9	-	1.9	2.2	0.3	2.3	-	2.3
(C) Borrowers with accounts liable for repayment	1,614.6	244.3	1,620.9	4.3	1,625.2	1,806.7	449.9	1,820.6	10.3	1,830.9	2,000.3	689.6	2,023.2	18.9	2,042.1

. = 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 have been revised from previous published figures.

The overall numbers of cancellations in each year are unchanged.

In 2009-10 the number under Other has reduced from 0.5, the number under Disability has increased from "negligible" and the number under IVA has increased from "negligible".

The error was caused because new cancellation reasons were added into the administrative system and by default these fell into "other".

Footnotes in Appendix A

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 England domiciled borrowers with a maintenance loan, a fee loan and the total with either or both types of loan. The table also shows the number of borrowers who are normally domiciled in the EU (outwith UK) who have borrowed a Fee Loan paid directly to the university or college attended to cover the cost of tuition.

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

[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. 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 document.

[3] Balance transfers can occur between the private debt portfolios and the Government portfolios as well as between the Government administrations.

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

[5] The functionality for processing cancellations on ICR loans due to death and disability was put in place in 2008-09. The functionality for processing write-offs due to bankruptcy and on completion of an IVA was put in place in 2007-08.

[6] Payments made to fraudsters as a result of phishing are written off from the Loan Book whilst recovery of the payments is pursued.

[7] For PAYE or self employed re-payers, interest is not applied to income contingent loan accounts until the SLC have received notification of the amounts collected by HMRC, which is usually within one year of the tax year the repayments relate to. Interest is then applied retrospectively to individuals' accounts by the SLC.

[8] All amounts have been rounded to the nearest £100,000 unless specified otherwise. All student numbers have been rounded to the nearest 100 unless specified otherwise. All totals are calculated from the raw numbers and then rounded. Totals may therefore differ from adding up rounded components.

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

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

[11] The cumulative balance of loans which are in arrears status at the end of financial year. The arrears value is the overdue amount and does not include administration charges; the balance is the outstanding amount of the account on which there are arrears (including the overdue amount). 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). For Income contingent debt, this arrears balance is attributed to those borrowers who have gone overseas and are required to repay directly to SLC but have failed to do so. Where a borrower has failed to supply the necessary details to establish an appropriate monthly

repayment amount, they will be considered to be in arrears. As a result, a default repayment amount is set based on the country in which the borrower is resident (for more information, See – <http://www.studentloanrepayment.co.uk>).

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

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

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

[15] All movements in the Mortgage Style Loans Administration Charges balances from the beginning of 2005-06 onwards belong to the SLC. This results in a new outstanding balance to be carried forward to the next FY.

[16] The status of these borrowers is "real time" because all the repayments are made directly to SLC.

[17] 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.

[18] The total number of borrowers at the end of the financial year in Table 2(i) is not simply the addition of those with accounts in repayment, those not liable to repayment, those not liable to repay and those who had their accounts cancelled. Each borrower has a loan account for each academic year of study in which they take out a loan. The repayment status may be different for each loan account. Hence, a borrower may be counted in more than one repayment status and the total of the breakdown by repayment status will be higher than the total number of borrowers.

[19] 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 April 2012.

[20] 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.

[21] Borrowers who have repaid at least one loan account in full during the financial year. Note that for ICR loans accounts most of the borrowers first appear in the status of 'Borrowers with accounts being closed – fully repaid' so these two figures should be read in conjunction with each other.

[22] Borrowers who have at least one loan account cancelled during the financial year.

[23] 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.

[24] 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.

[25] 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 2011-12 but this will not be reported until the latest repayment notification is received from HMRC.

[26] 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 the total debt column will not necessarily reconcile to the total of the component parts.

[27] 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.

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

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

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

## APPENDIX B DEFINITIONS

Accounts paid in full	The borrower has repaid the account in full without it being cancelled or written off. It includes accounts with small balance write-offs of less than or equal to £5. Also includes accounts closed under the Repayment of Teacher Loans (RTL) Scheme.
Administration charges	A non-interest bearing penalty imposed on accounts where extra administration is required (e.g. in cases of arrears or default).
Cancelled loan	The borrower no longer has any liability to repay as provided for in the loans regulations. A borrower's liability shall be cancelled: <ul style="list-style-type: none"> <li>• On the death of the borrower;</li> <li>• On reaching the age cancellation criteria for their loan (age 50, 60, 65 or after 25 years depending on the type of loan and year taken out); or</li> <li>• If borrower is in receipt of a disability related benefit and permanently unfit for work.</li> </ul>
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.
In arrears	Borrowers who have at least one loan on which repayments are owed.
In deferment	For Mortgage Style Loans only, the borrower's gross income is 85% or less of the National Average Earnings. The borrower's obligation to make repayments is deferred for one year at a time. Borrowers must re-apply for deferment each year.
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.
Losses through phishing	Losses through phishing are write offs for loan payments re-directed by a fraudster that would otherwise have gone to a student. Phishing is a fraudulent attempt to obtain from customers information such as usernames, passwords and bank details by masquerading as a reliable entity in an electronic communication such as e-mail or instant messaging. If a student responds to the phishing email, payments that would otherwise go to that student may be redirected by the fraudster.
Mortgage Style Loans	Also known as fixed term loans, repayment in 60 monthly instalments for up to 4 loans, 84 months for 5 or more loans.
New borrowers	Borrowers who had no loans at the beginning of the financial year and took out new loans during the financial year.
Refunds of income contingent repayments	Where over-repayment is identified, a refund is provided to the customer by SLC.
Statutory Repayment Due Date (SRDD)	The point an borrower becomes liable to begin repaying a loan, the April after graduating or otherwise leaving their course. After the SRDD borrowers are required to make repayments if their income is above the threshold.
Written off loan	The borrower remains liable to repay but recovery is deemed unlikely by the loan administrator or not possible by legal judgement. Up until July 2004 for Mortgage Style and September 2004 for ICR, student loans could be written off as a result of the customer becoming bankrupt. After these dates student loans are no longer covered by bankruptcy. From April 2010, student loans are exempt from Individual Voluntary Arrangements (IVA).

## **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. Student loans are available to eligible full-time undergraduate students and those taking full-time or part-time postgraduate initial teacher training courses. In the four academic years from 2000/01 onwards some other part-time students were able to take out loans, but these were then replaced by part-time course grants and part-time fee grants. Further changes to the student finance system will mean that part-time Tuition Fee Loans will be available to eligible students from September 2012.

2. The figures in this first release have been compiled by the Student Loans Company Limited (SLC). All student numbers and amounts have been rounded to the nearest 100 and £100,000 unless specified otherwise. All totals and averages are calculated from un-rounded numbers.

3. Statistics in this publication do not include the mortgage style loans sold to the private sector in 1998 and 1999.

4. At the beginning of financial year 2005-06, the administration charges balance (otherwise known as the non interest bearing balance) on mortgage style loans was transferred to SLC. In order to provide a complete picture of the outstanding customer debt for comparison with previous years, the administration charges debt outstanding to SLC is also shown in the statistics.

5. Sub sections given in previous years to Section C of table 2 (iii) have been removed from this publication as this has now been superseded by Table 3 of the related publication 'Income Contingent Repayments by Repayment Cohort and Tax Year'.

6. 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.

### **NEW STATISTIC – LOSSES THROUGH PHISHING**

7. Phishing is a fraudulent attempt to obtain from customers information such as usernames, passwords and bank details by masquerading as a reliable entity in an electronic communication such as e-mail or instant messaging. If a student responds to the phishing email, payments that would otherwise go to that student may be redirected by the fraudster. These payments are written off from the loan book whilst recovery of the payments is pursued.

### **REVISIONS**

8. 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 early repayments from EU domiciled borrowers and did not consider the effect of repayment reversals. The original total in the previous year's publication for 2009-10 was £223.8m.

9. Revision to Table 1, Student Loan outlay and repayments (amounts £m). Cancellation amounts less than £0.5 million were reported in 2010-11 as negligible. This was caused by an error in the significance check for that section of the figures.

10. Revision to Table 2 (i) and 2(iii). The number of Income Contingent borrowers with loans cancelled or written off for reasons of disability, age or IVA in the financial year 2009-10 was revised in the previous year's publication as the originally published figures were understated. The borrowers who had loans cancelled for these reasons had been categorised as 'Other' - this category was overstated. The tables now correctly show the correct cancellation reason. The overall numbers of cancellations were unchanged.

11. Revision to Table 1, Student Loan outlay and repayments (amounts £m). The amounts cancelled in 2011-12 due to disability were incorrect and have been revised. The previous incorrect figures were £0.4m for Income Contingent Loans; £0.4m for Mortgage Style Loans and £0.4m for the Total.

### **STUDENT SUPPORT ARRANGEMENTS FOR STUDENTS ENTERING HIGHER EDUCATION UP TO AND INCLUDING ACADEMIC YEAR 1997/98**

12. 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 academic year 1998/99 but were treated exceptionally as existing award holders for the purposes of the Mandatory Awards Regulations (e.g. gap year students). Tuition fees were paid in full by Local Authorities where the student was eligible for a mandatory award and such students also received a grant towards their maintenance, depending on income, for the duration of their course. Eligible students were able to apply for loans repayable on a mortgage-style basis.

13. 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.

14. Mortgage-style borrowers start to repay their loans in the April after they complete, or otherwise cease to attend, their course, unless they qualify for deferment because of low income. Borrowers are able to apply for deferment of repayments for a year at a time if their gross income is less than 85 per cent of national average earnings, i.e. less than £2,311 per month from 1 September 2011. The amount owed by each student is adjusted annually in line with the annual inflation rate.

### **STUDENT SUPPORT ARRANGEMENTS FOR STUDENT ENTERING HIGHER EDUCATION FROM ACADEMIC YEAR 1998/99**

#### **FEEES SUPPORT**

15. New student support arrangements came into effect from the start of the 1998/99 academic year. Students were with certain specified exceptions, expected to contribute towards the cost of their tuition up to £1,000 a year in 1998/99 (£1,345 in 2011/12). The amount depended on their own and, if appropriate, their parents' or spouse's income.

16. Students who entered higher education from academic year 2006/07 may take out a tuition fee loan to cover the cost of the tuition fee charged by the institution. The amount of tuition fee loan available is the amount of tuition fee charged by the institution or the relevant regulated amount each academic year, whichever is less. In academic year 2011/12 no institution will charge more than £3,375. Tuition Fee Loans became available to EU students studying in England in academic year 2006/07. Prior to this year EU students were not entitled to any form of student loan.

## **MAINTENANCE SUPPORT**

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

18. 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 academic year 1999/2000 student loans have been made available to those aged 50 to 54 who plan to return to work after studying. From academic year 2006/07 the age limit has been raised to 60 for all students. Students aged 50 and over no longer have to prove that they intend to return to work following their course.

## **DISCRETIONARY AWARDS**

19. 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 academic year 1999/00. From academic year 2000/01 students on low incomes and on certain benefits in part-time higher education, provided they were studying at 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. Hardship Loans and Part Time Loans have now been discontinued and replaced by other forms of support.

## **REPAYMENT OF TEACHERS LOANS**

20. The Repayment of Teachers Loans (RTL) scheme was introduced in September 2002. It was open to newly qualified teachers, teaching one of the priority subjects for at least half of their time in a state school or Further Education establishment in England and Wales. Priority subjects include Mathematics, Science, English (including drama), ICT, Modern Languages (including Welsh), Technology and Basic skills. The RTL scheme was closed to new entrants in 2005; those already in the scheme are unaffected. For mortgage style loans the debt is repaid on behalf of the borrower by the Department

for Education (formerly DCSF) over 5 or 7 years, depending on the original credit agreement. For income contingent loans the debt is repaid on behalf of the borrower by the Department for Education over 10 years. Those who leave teaching before this period expires become responsible for the remaining debt. As at 31/3/2012 there are approximately 13,000 UK ICR Student Loans borrowers on the RTL scheme. SLC administers the RTL scheme on behalf of Department for Education.

## **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 is often 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 method was introduced which would allow those borrowers who were nearing end of repayment to switch to direct debit repayments. In doing so, borrowers can 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 until 31 August 2012. 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 (capped at the bank base rate +1%). It will remain at 1.5% for the period 1 September 2011 until the end of August 2012 unless the bank base rate changes before then, but it will not exceed the 5.3% (the relevant March 2011 RPI) The interest rate does not affect the monthly repayment amount of Income Contingent loans; it will affect the time taken to repay.

## **START OF YEAR ADJUSTMENTS**

27. Adjustments are made at the start of each financial year to account for transactions that occurred the previous year. This is standard accounting practice and is reflected in table 1.



## **NATIONAL AND OFFICIAL STATISTICS**

28. 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.