

26 June 2012

Correction Notice

Statistical First Release “STUDENT LOANS FOR HIGHER EDUCATION IN WALES, 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 death included incorrect data. The amount for Income Contingent Loans should have been £478,000 instead of £528,000; the Total should have been £497,000 instead of £547,000.

This revision has no impact on the overall totals.

The Student Loans Company apologises for any inconvenience.



SLC SFR 02/2012

19 June 2012 – Corrected 26 June 2012

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

INTRODUCTION

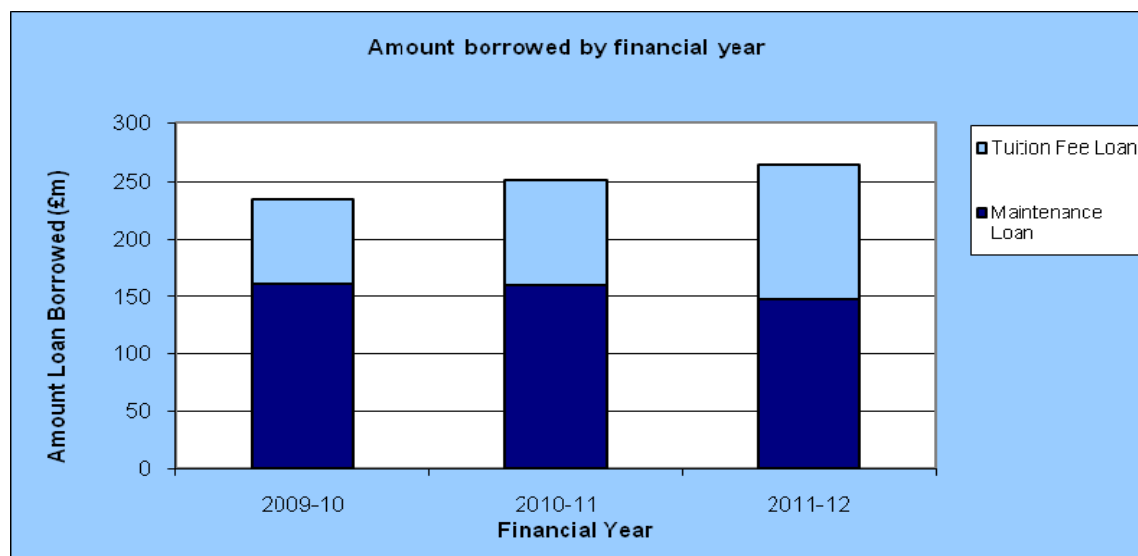
This statistical first release provides statistics on loan outlay and repayments of loans and borrower activity, for all Welsh domiciled students and those EU students studying in Wales during financial year 2011-12. It also shows comparable data for financial years 2010-11 and 2009-10. Figures are provided for the publicly owned debt only.

KEY POINTS

- The total amount lent to eligible HE students during financial year 2011-12 was £264.7m (*Table 1*), of which:
 - £147.0m relates to Maintenance Loans, a decrease of 7.8% compared to 2010-11;
 - £114.5m relates to Tuition Fee Loans for Welsh domiciled students, and £3.3m to non UK European Union Students – an overall increase of 28.6% compared to 2010-11.
- Repayments posted to customer accounts amounted to £68.5m (including £9.1m paid earlier than required) in financial year 2011-12. £65.1m of these repayments relates to Income Contingent Loans (post 1998/99), the remaining £3.3m relates to Mortgage Style Loans (pre 1998/99) (*Table 1*).
- The balance outstanding (including loans not yet due for repayment) at the end of financial year 2011-12 was £2.15bn of which £2.1bn relates to income Contingent Loans (*Table 1*).
- During financial year 2011-12, 2,300 borrowers had at least one of their loan accounts closed due to repayment in full (compared with 3,000 during 2010-11) (*Table 2(i)*).
- At the end of financial year 2011-12 there were 223,400 borrowers; of these, 158,500 were liable to repay (*Table 2(i)*).



Total amount lent during the financial year (2009-10 to 2011-12)



CONTENTS

Table 1 shows the amounts paid out in loans and repaid during financial year 2011-12 and makes comparisons to financial years 2010-11 and 2009-10.

Table 2(i) shows the change in the number of borrowers each year from 01/04/2009 to 31/03/2012 broken down between those with Income Contingent Loans and those with Mortgage Style 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) shows a detailed breakdown of Mortgage Style Loan borrower repayment activity and repayment status for 2011-12, and makes comparisons with financial years 2010-11 and 2009-10.

Table 2(iii) shows a detailed breakdown of Income Contingent Loan borrower repayment activity and repayment status for 2011-12 and makes comparisons with financial years 2010-11 and 2009-10.

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

Appendix B contains definitions for terms used in this publication.

Appendix C contains factors which affect comparability of figures in the time series.

Appendix D contains notes to editors.

RELATED STATISTICAL PUBLICATIONS

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

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

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

<http://www.slc.co.uk/statistics/national-statistics>

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

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

Table 1 : Student Loan outlay and repayments: financial years 2009-10 to 2011-12 [1][2] : amounts (£000s)

Key Points:

- Repayments posted to customers accounts amounted to £68.5 million in the financial year 2011-12, including £9.1 million repaid earlier than required.
- The balance outstanding (including loans which are not yet due for repayment) at the end of financial year 2011-12 was £2.1 billion.

All Welsh domiciled students and those EU students studying in Wales

£000s

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
Total amount outstanding (including loans not yet due for repayment) at start of financial year, including interest	1,463,880	56,989	1,520,868	1,680,506	51,773	1,732,279	1,888,578	48,340	1,936,918
Reversal of previous year end timing adjustments	-21	.	-20	143	0	143	64	0	64
Opening balance after adjustments	1,463,859	56,989	1,520,848	1,680,649	51,773	1,732,422	1,888,642	48,340	1,936,982
PLUS									
Amount lent during financial year	233,840	0	233,840	251,067	0	251,067	264,743	0	264,743
of which:									
Maintenance Loans	159,980	0	159,980	159,493	0	159,493	146,984	0	146,984
Tuition Fee Loans	72,321	.	72,321	89,402	.	89,402	114,481	.	114,481
Tuition Fee Loans to EU students	1,539	.	1,539	2,173	.	2,173	3,278	.	3,278
Amount of interest added to loans during the financial year [3]	31,795	717	32,512	15,592	1,078	16,670	23,014	2,144	25,158
Administration charges applied during the financial year	1	.	1	2	.	2	2	.	2
Balance transfers [4]	.	3	3	.	56	56	0	0	0
MINUS									
Amount repaid, including interest, during the financial year	46,425	5,070	51,494	57,081	3,931	61,013	65,115	3,335	68,450
of which:									
Repaid by customer to SLC	9,342	5,100	14,442	11,742	3,971	15,713	9,783	3,364	13,146
Reported by HMRC as collected via PAYE and Self Assessment	37,872	.	37,872	46,763	.	46,763	56,908	.	56,908
Refunded by SLC to customer	-790	-30	-820	-1,423	-40	-1,464	-1,576	-29	-1,605
of which:									
amount repaid earlier than required [5][r]	8,993	643	9,636	11,045 [r]	734 [r]	11,779 [r]	8,516	607	9,123
Amount repaid in respect of the Repayment of Teachers' Loans scheme during the financial year	1,982	157	2,139	1,121	9	1,130	1,030	19	1,049
Amount cancelled during the financial year due to Partial cancellation [6]	.	.	.	.	.	.	8,629	.	8,629
Amount otherwise cancelled or written off during the financial year	522	709	1,231	533	626	1,160	1,064	667	1,731
of which:									
Because of death[7a]	410	63	473	338	36	375	478 [r]	19	497 [r]
Because of age	12	573	585	94	561	655	244	586	830
Because of disability[7a]	57	25	82	82	26	108	65	6	70
Because of bankruptcy [7b]	27	45	72	19	-3	16	213	39	252
On completion of Individual Voluntary Arrangement (IVA) [7b]	15	3	18	0	3	3	62	17	80
Trivial balances	*	*	*	*	0	0	*	*	*
Other	*	*	*	*	3	3	*	*	1
Total amount outstanding at the end of the financial year, including loans not yet due for repayment [3][8]	1,680,566	51,773	1,732,339	1,888,576	48,340	1,936,915	2,100,564	46,463	2,147,027
Year-end reconciling adjustments [9]	-60	*	-60	2	*	2	3	-4	-1
Balance after adjustments	1,680,506	51,773	1,732,279	1,888,578	48,340	1,936,918	2,100,567	46,459	2,147,026
of which:									
(a) balance of loans in deferment [10]	.	31,789	31,789	.	29,676	29,676	.	28,162	28,162
(b) balance of loans in arrears status [11]	2,140	12,342	14,482	3,703	12,835	16,539	5,028	13,333	18,361
of which: arrears value	156	9,419	9,575	421	9,734	10,154	881	10,133	11,014
(c) balance of loans deferred with arrears [12]	.	1,313	1,313	.	1,170	1,170	.	1,085	1,085
of which: arrears value	.	298	298	.	236	236	.	202	202
of which: debt held by EU students for Tuition Fee Loans	3,528	.	3,528	5,538	.	5,538	8,710	.	8,710
(d) balance of EU Fee loans liable for repayment [13]	348	.	348	1,091	.	1,091	2,364	.	2,364
(e) balance of EU Fee loans not yet liable for repayment [14]	3,180	.	3,180	4,447	.	4,447	6,346	.	6,346
Administration charges owed to SLC at the end of the financial year [15]	.	491	491	.	490	490	.	487	487
Balance including debt to SLC	1,680,506	52,264	1,732,770	1,888,578	48,830	1,937,408	2,100,567	46,946	2,147,513

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

Source: Student Loans Company

[r] The amount repaid earlier than required in the financial year 2010-11 has been revised from that in the previous year's publication because it was based on data compiled on 6/5/2011 but there was a revised data compilation on 13/5/2011 which was not passed over for publication. The previous values in £000s were 10,922 and 658 and 11,580.

[r] Financial Year 2011-12 included incorrect data for the amounts cancelled in 2011-12 due to death. The amount for Income Contingent Loans should have been £478,000 instead of £528,000; the Total should have been £497,000 instead of £547,000.

See Appendix A for footnotes

This table represents the amount of student loans paid out to Welsh domiciled students and non UK EU domiciled students in financial year 2009-10 to 2011-12. 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 thich they attend.

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

Up until July 2004 for Mortgage Style and September 2004 for ICR, student loans could be written off as a result of the customer becoming bankrupt. After this point, student loans are no longer covered by bankruptcy. From April 2010, student loans are exempt from Individual Voluntary Arrangements (IVA). The amount of loan written off in the table above for financial years 2009-10 to 2011-12 for bankruptcy and 2010-11 for IVA, are for those customers who petitioned for their loans to be written off prior to the change in regulations. A further tranche of old bankruptcy and IVA cases was cleared during FY 2011-12.

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

Key Points:

- By the end of financial year 2011-12, there were 223,400 student loan borrowers, of which 158,500 (71%) were liable to repay.
- At the end of financial year 2011-12, there were 71,900 student loan borrowers (current students and those who will be become liable to repay in April 2012) who were not yet liable to repay at 31/03/2012.

All Welsh domiciled students and those EU students studying in Wales

000s

Financial years	2009-10			2010-11			2011-12		
	Income Contingent Loans [16]	Mortgage Style Loans [17]	Total Public Debt [18]	Income Contingent Loans [16]	Mortgage Style Loans [17]	Total Public Debt [18]	Income Contingent Loans [16]	Mortgage Style Loans [17]	Total Public Debt [18]
Number of borrowers at the beginning of the financial year	160.8	20.0	179.3	178.1	18.2	194.9	193.50	16.40	208.7
Number of borrowers with accounts paid in full in financial year [19]	0.9	1.9	2.8	1.4	1.6	3.0	1.1	1.2	2.3
of which paid off before liability has arisen [20]	0.3	0.0	0.3	0.3	*	0.3	0.2	0.0	0.2
Amount cancelled during the financial year due to Partial cancellation [6]	.	.	.	.	.	.	6.2	0.0	6.2
Number of borrowers with accounts cancelled or written off in financial year [21]	0.1	0.3	0.4	0.1	0.2	0.3	0.1	0.3	0.4
of which:									
because of death [7a]	*	*	0.1	*	*	0.1	*	*	0.1
because of age [7a]	*	0.2	0.2	0.0	0.2	0.2	*	0.2	0.2
because of disability	*	*	*	0.0	*	*	*	*	*
because of bankruptcy [7b]	*	*	*	*	0.0	*	*	*	*
on completion of Individual Voluntary Arrangement (IVA) [7b]	*	*	*	0.0	*	*	*	*	*
other	*	0.1	0.1	*	*	0.1	*	0.1	0.1
New borrowers in financial year [22]	18.0	0.0	17.9	16.5	0.0	16.5	16.6	0.0	16.6
Number of borrowers with accounts liable for repayment at the end of financial year [23]	115.2	18.2	132.1	129.4	16.4	144.7	144.5	15.1	158.5
Number of borrowers with accounts not yet in liable for repayment at the end of financial year [23][24]	69.5	*	69.5	71.0	0.0	71.0	71.9	*	71.9
Number of borrowers at the end of financial year	178.1	18.2	194.9	193.5	16.4	208.7	209.4	15.2	223.4

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

Source: Student Loans Company

See Appendix A for footnotes.

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

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

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

Key Points:

- By the end of financial year 2011-12, there were 15,200 Mortgage Style student loan borrowers, of which 15,100 were liable to repay.
- During the financial year 2011-12, 1,200 Mortgage Style student loan borrowers (7.3% of those at the start of the financial year) repaid at least one of their loan accounts in full.

Mortgage Style Loans
All Welsh domiciled students

000s

Financial years	2009-10	2010-11	2011-12
	Mortgage Style Loans	Mortgage Style Loans	Mortgage Style Loans
Number of borrowers at the beginning of the financial year	20.0	18.2	16.4
Number of borrowers with accounts paid in full in financial year [19]	1.9	1.6	1.2
Number of borrowers with accounts cancelled or written off in financial year [21]	0.3	0.2	0.3
of which:			
because of death [7a]	*	*	*
because of age	0.2	0.2	0.2
because of disability [7a]	*	*	*
because of bankruptcy [7b]	*	0.0	*
on completion of Individual Voluntary Arrangement (IVA) [7b]	*	*	*
other	0.1	*	0.1
All borrowers at the end of financial year	18.2	16.4	15.2
of which:			
(A) Borrowers with accounts liable for repayment [25]	18.2	16.4	15.1
of which			
(a) ahead with repayments	1.8	1.6	1.5
(b) up to date with repayments	3.6	2.7	2.2
(c) owing less than 2 months' repayments	0.2	0.2	0.1
(d) owing 2 or more months' repayments	1.1	1.0	0.9
(e) overdue with no repayment schedule owing <=£100 [26]	0.1	0.1	0.1
(f) overdue with no repayment schedule owing >£100 [27]	3.1	3.2	3.3
(g) deferring repayments	8.3	7.5	6.9
(h) deferring repayments with arrears	0.3	0.3	0.3
(B) Borrowers with accounts not yet liable for repayment [25]	*	0.0	0.0
of which			
who have made one or more repayments	*	0.0	0.0
who have made no repayments	*	0.0	0.0

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

Source: Student Loans Company

See Appendix A for footnotes.

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

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

Key Points:

- By the end of financial year 2011-12, there were 209,400 Income Contingent student loan borrowers, of which 144,500 were liable to repay.
- During the financial year 2011-12, 1,100 Income Contingent student loan borrowers (0.5% of those at the start of the financial year) had at least one of their accounts closed due to full repayment. A further 15,100 borrowers (7.2% of those at the end of the financial year) had live accounts which were in the process of being closed due to full repayment.

Income Contingent Loans

All Welsh domiciled students and those EU students studying in Wales

000s

Financial years	2009-10					2010-11					2011-12				
	Maintenance Loans [28]	Fee Loans (Welsh domiciled)	Total Wales Loans	Fee Loans (EU in Wales)	Total IC Loans[23]	Maintenance Loans [28]	Fee Loans (Welsh domiciled)	Total Wales Loans	Fee Loans (EU in Wales)	Total IC Loans[23]	Maintenance Loans [28]	Fee Loans (Welsh domiciled)	Total Wales Loans	Fee Loans (EU in Wales)	Total IC Loans[23]
Number of borrowers at beginning of the financial year	157.7	52.2	159.3	1.5	160.8	174.0	69.5	176.0	2.2	178.1	188.1	84.9	190.9	2.7	193.5
Number of borrowers with accounts closed due to full repayment in the financial year [19]	0.8	0.2	0.9	*	0.9	1.3	0.3	1.4	0.1	1.4	1.0	0.2	1.0	*	1.1
of which:															
paid off before liability for repayment had arisen [20]	0.3	0.1	0.3	*	0.3	0.3	0.2	0.3	*	0.3	0.2	0.1	0.2	*	0.2
Number of borrowers receiving refunds of repayments in financial year	1.4	0.0	1.5	0.0	1.5	2.6	0.1	2.6	*	2.6	2.2	0.1	2.3	0.0	2.3
Borrowers with an amount cancelled during the financial year due to Partial cancellation [6]	.	.	.	.	.	.	.	.	.	.	6.2	0.0	6.2	0.0	6.2
Number of borrowers with accounts cancelled or written off in financial year [21]	0.1	*	0.1	0.0	0.1	0.1	*	0.1	*	0.1	0.1	0.0	0.1	0.0	0.1
of which:															
because of death [7a]	*	*	*	0.0	*	*	*	*	0.0	0.1	*	*	*	0.0	*
because of age [r]	*	0.0	*	0.0	*	0.0	0.0	0.0	0.0	0.0	*	0.0	*	0.0	*
because of disability[7a][r]	*	0.0	*	0.0	*	0.0	0.0	0.0	0.0	0.0	*	*	*	*	*
because of bankruptcy [7b]	*	0.0	*	0.0	*	*	0.0	*	0.0	*	*	0.0	*	0.0	*
on completion of Individual Voluntary Arrangement (IVA) [7b][r]	*	0.0	*	0.0	*	0.0	0.0	0.0	0.0	0.0	*	0.0	*	0.0	*
other	*	0.0	*	0.0	*	*	*	*	*	*	*	*	*	*	*
New borrowers in financial year [22]	16.8	17.8	17.3	0.7	18.0	15.2	15.8	15.9	0.6	16.5	15.4	16.0	16.0	0.6	16.6
All borrowers at the end of financial year [23][25]	174.0	69.5	176.0	2.2	178.1	188.1	84.9	190.9	2.7	193.5	202.8	100.5	206.2	3.3	209.4
of which:															
(A) Borrowers with accounts not yet liable for repayment	65.7	57.3	67.7	1.8	69.5	66.6	61.3	69.0	2.1	71.0	67.4	63.6	69.9	2.1	71.9
of which															
who have made one or more repayments	1.1	0.6	1.2	*	1.2	1.0	0.7	1.2	*	1.2	6.3	2.9	6.5	*	6.5
who have made no repayments	64.7	56.7	66.5	1.8	68.2	65.6	60.6	67.8	2.0	69.7	61.0	60.6	63.4	2.1	65.4
(B) Borrowers with accounts being closed	10.3	0.3	10.3	0.1	10.4	12.3	0.6	12.4	0.1	12.5	15.0	0.9	15.1	0.2	15.3
of which															
who have fully repaid [28]	10.1	0.3	10.2	0.1	10.3	12.2	0.5	12.3	0.1	12.4	14.8	0.8	15.0	0.2	15.1
who are having their account cancelled [29]	0.1	*	0.1	0.0	0.1	0.1	*	0.1	0.0	0.1	0.2	*	0.2	0.0	0.2
(C) Borrowers with accounts liable for repayment	104.4	15.1	104.7	0.3	105.0	128.0	26.5	128.8	0.7	129.4	142.1	40.6	143.3	1.2	144.5

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

Source: Student Loans Company

See Appendix A for footnotes.

This table shows the repayment status of Income Contingent Loan borrowers at the end of the last three financial years. Income Contingent Loans were available to UK domiciled borrowers from 1998/99. The table shows the number of Welsh 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 (outside of the UK) who have borrowed a Fee Loan which is paid directly to the university or college attended to cover the cost of tuition.

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

Appendix A

Footnotes for tables 1, 2(i), 2(ii) and 2(iii)

[1] Repayments of Income Contingent Loans are shown in the financial year when they are posted to customer accounts. The SLC are notified of repayments by HMRC usually within one year of the end of the tax year to which they relate. Hence, the repayments shown in 2011-12 are mainly for tax year 2010/11. The interest added for customers in repayment in 2011-12 is mainly for tax year 2010/11. The interest added for customers not yet in repayment in 2011-12 will be for tax year 2011/12.

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

[3] 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.

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

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

[6] Students who took out a Maintenance Loan from Student Finance Wales in academic year 2010/11 or 2011/12 may receive a partial cancellation of up to £1,500 from the Welsh Government. The cancellation is applied on receipt of the first repayment against the loan. Hence, the cancellations have appeared for the first time in 2011-12 after completion of academic year 2010/11. If a student has a loan in both 2010/11 and 2011/12 the cancellation is only applied to the 2010/11 loan even where the resultant cancellation is limited by the remaining balance to an amount lower than £1,500.

[7a] System capabilities introduced in financial year 2008-09 to improve the processing of loan cancellations for the reason of death and disability resulted in the backlog of those loans waiting to be processed from previous years to be processed in financial year 2008-09. The time between the notification of the death or disability and the actual application of the cancellation is now just dependent on the time required to check the details.

[7b] The functionality for processing write-offs due to bankruptcy and on completion of an IVA were put in place in financial year 2007-08. A number of such write-offs dating back to previous financial years were processed and included in the 2008-09 figures. Clarification of the applicability of insolvency rules has led to the release of cancellations for a further batch of historic bankruptcy and IVA cases in 2011-12.

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

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

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

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

- [12] The cumulative balance of loans in deferment with arrears at end of financial year. The arrears value is the overdue amount: the balance is the outstanding amount of the account on which there are arrears (including the overdue amount).
- [13] The debt for those EU borrowers who have reached their Statutory Repayment due date and are now liable to repay their debt.
- [14] The debt for those EU borrowers who are yet to reach their statutory repayment due date (i.e. those who are still in study or those due to commence repayment in April 2012).
- [15] All movements in the Mortgage Style Loans Administration Charges balances from the beginning of 2005-06 onwards belong to the SLC. This results in a new outstanding balance to be carried forward to the next FY.
- [16] The number of borrowers with Income Contingent Loans represents those with one or more open loan accounts of the following type: ICR Maintenance Loans; Hardship Loans; part time loans; and Fee Loans. The SLC are notified of borrowers' repayments by HMRC usually within one year of the end of the tax year they relate to, e.g. there will be some borrowers who have repaid their accounts in full in financial year 2011-12 but this will not be reported until the reconciliation has been made with SLC records. Hence, they remain in the borrower numbers until the HMRC return is processed and any resultant refund is returned to the borrower.
- [17] The number of borrowers with Mortgage Style Loans represents those with one or more open loan accounts awarded under the pre 1998/99 arrangements. The status of these borrowers is "real time" because all the repayments are made directly to SLC.
- [18] The total number of borrowers is not simply the sum of the ICR borrowers and the Mortgage Style Loan borrowers because some borrowers have both loan types.
- [19] Borrowers who have repaid at least one loan account in full during the financial year. This covers those accounts that have a status of fully paid; and those accounts with small balance write-offs of less than or equal to £5. Includes accounts closed under the Repayment of Teacher Loans (RTL) scheme.
- [20] Borrowers in payment status who have repaid at least one loan account in full in the financial year prior to the loan's statutory repayment due date.
- [21] Borrowers who have at least one loan account cancelled or written off during the financial year. Note that small balance write-offs are included in accounts paid in full. Excludes borrowers with accounts closed under the RTL scheme.
- [22] Borrowers who had no loans at the beginning of the financial year and who took out new loans during the financial year.
- [23] Each borrower has a loan account for each academic year of study in which they take out a loan. The repayment status may be different for each loan account. Hence, a borrower may be counted in more than one repayment status and the total of the breakdown by repayment status will be higher than the total number of borrowers.
- [24] Borrowers with at least one open loan account that has not yet passed into repayment because the Statutory Repayment Due Date has not yet been reached. This number includes a whole cohort of borrowers who are just about to go into repayment in the following April.
- [25] Constituent parts may not sum to the totals because individual borrowers may be counted in more than one category if they have loan accounts in more than one status.

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

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

[28] Borrowers 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.

[29] 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

The following is a glossary of terms:

Accounts paid in full	The borrower has repaid the account in full without it being cancelled or written off. It includes accounts with small balance write-offs of less than or equal to £5. Also includes accounts closed under the Repayment of Teacher Loans (RTL) Scheme.
Administration charges	A non-interest bearing penalty imposed on accounts where extra administration is required (e.g. in cases of arrears or default).
Cancelled loan	The borrower no longer has any liability to repay as provided for in the loans regulations. A borrower's liability shall be cancelled: <ul style="list-style-type: none"> • On the death of the borrower; • On reaching the age cancellation criteria for their loan (age 50, age 60 or after 25 years depending on the type of loan and year taken out); or • If borrower is in receipt of a disability related benefit and permanently unfit for work.
Deferred with arrears	For Mortgage Style Loans only, borrowers who have at least one loan in deferment status with arrears of repayment.
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 2003/04.
Mortgage Style Loans	Also known as Fixed Term Loans, repayment in 60 monthly instalments for up to 4 loans, 84 months for 5 or more loans.
New borrowers	Borrowers who had no loans at the beginning of the financial year and took out new loans during the financial year.
Non-UK EU Borrower	A borrower who was originally domiciled in an EU country prior to entering Higher Education in Wales. Such borrowers are eligible for Tuition Fee support from academic year 2006/07. The first full repayment cohort for these borrowers is the 2010 cohort (after a typical

	three year undergraduate degree course). Tuition Fee Loans are paid directly to the institution of attendance.
Partial Cancellation	Partial cancellation is a policy introduced by the Welsh Government for students receiving Maintenance Loans in 2010/11 and 2011/12, whereby a cancellation of up to £1,500 may be applied on receipt of the first repayment against the first of those loans.
Refunds of Income Contingent Repayments	Where over-repayment is identified, a refund is provided to the customer by SLC.
Statutory Repayment Due Date (SRDD)	The point a borrower becomes liable to begin repaying a loan, the April after graduating or otherwise leaving their course. After the SRDD borrowers are required to make repayments if their income is above the threshold.
Written off loan	<p>The borrower remains liable to repay but recovery is deemed unlikely by the loan administrator or not possible by legal judgement.</p> <p>Up until July 2004 for Mortgage Style and September 2004 for ICR, student loans could be written off as a result of the customer becoming bankrupt. After these dates student loans are no longer covered by bankruptcy. Student loans continue to be subject to Individual Voluntary Arrangements (IVA) whereby part of the debt is written off once the customer completes the repayment schedule in the IVA.</p>

Appendix C Comparability

- In financial year 2008-09, improved automated system capabilities were introduced to enable loan balances to be cancelled for Income Contingent Loan accounts where the borrower died or became permanently disabled and unable to work. This also allowed a backlog of cancellation to be processed. These changes contributed to an increase on the figures shown in tables 2(iii) under the category 'Number of borrowers with accounts cancelled because of death' compared to the previous financial year. From 2009-10 onward, cancellations for death and disability have reverted to the amounts expected for a single year without a backlog.
- Cancellations due to Bankruptcy and Individual Voluntary Arrangement do not occur at the point the borrower has notified SLC of this action but at the point SLC has been able to process the cancellation. For IVA, this will be at the point the borrower has honoured the arrangement by repaying the agreed proportion of loan balance. For bankruptcy, this will be the point where SLC has obtained evidence of the concluded bankruptcy from the borrowers elected legal practitioner. For this reason it is not possible to assume a trend in these cancellation figures. Legislation has changed to make student loans exempt from Bankruptcy and IVA so there will be a trend to zero as outstanding cases are concluded.
- Backlog of accounts sitting within the systems which should have been written off due to bankruptcy, Individual Voluntary Arrangement (IVA) and others have all been cleared. This led to an increase on the amount otherwise cancelled or written off during financial year 2011-12.
- In financial year 2008-09 SLC and HMRC 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" if the re-match shows that there is no longer a live employment.
- In financial year 2008-09, the reported payment of Maintenance Loan is significantly lower than that of financial year 2009-10 and 2010-11. This is because the third term Maintenance Loan payment for academic year 2007/08 which would typically be paid at the start of the (2008-09) financial year was actually paid early at the very end of the 2007-08 financial year. Payment of Maintenance Loan is scheduled in timing with the term start dates as stipulated by the higher education institutes.
- During 2009, SLC began to take action against those borrowers who moved overseas and did not provide SLC with adequate information to allow the processing of repayments. One of the measures was to place borrowers in arrears so that legal action may be brought against them. This necessary change in the process has led to an increase in the number of borrowers residing overseas who are in arrears at the end of the financial year.
- In financial year 2009-10 a new improved system for managing the repayment of Teachers Loans was implemented. The result was that some RTL loan accounts which could not previously be closed could now have repayments posted and closed. This resulted in a significant increase in the Table 1 category 'Amount repaid in respect of the Repayment of Teachers' Loans scheme' in 2009-10. From 2010-11 onward, repayments via RTL have reverted to the amounts expected for a single year without the backlog.
- The number of borrowers receiving a refund in financial year 2009-10 was lower than 2008-09 and 2010-11 financial years due to priority being given to processing of academic year 2009-10 applications and to handling of enquiries from students also for this academic year.

Appendix D Notes for Editors

NOTES FOR EDITORS

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

REVISIONS

7. Revision to Table 1, Student Loan outlay and repayments (amounts £m). The amount repaid earlier than required in the financial year 2010-11 has been revised from that in the previous year's publication because it was based on data compiled on 6/5/2011 but there was a revised data compilation on 13/5/2011 which was not passed over for publication. The previous values in £000s were 10,922 and 658 and 11,580.
8. Revision to Table 1, Student Loan outlay and repayments (amounts £m). The amounts cancelled in 2011-12 due to death were incorrect and have been revised. The previous incorrect figures were £528,000 for Income Contingent Loans and £547,000 for the Total.

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

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

training) who were aged less than 50 when their course started. They were available to eligible students whether or not they received a mandatory award, although their course had to be designated for mandatory awards purposes. These loans were not income-assessed.

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

STUDENT SUPPORT ARRANGEMENTS FROM 1998/99

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

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

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

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

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

STUDENT SUPPORT ARRANGEMENTS FROM 2006/07

17. Most statutory student support functions were devolved to the Welsh Ministers in 2006. A new Maintenance Grant (or Assembly Learning Grant) has been introduced for new entrant students who started their course in September 2006. The new Maintenance Grant replaces the HE Grant. In 2011/12 the maximum amount of support available to academic year 2011/12 entrants is £5,600 a year.

18. How much a student receives depends on their income and that of their household and the year the student entered Higher Education (HE). Students who entered HE in 2011/12 with a household income up to £18,370 will receive the full £5,600 grant. For those entering HE prior to 2010/11 the maximum is £2,906 and £5,000 for those entering in 2010/11.

19. Students with household incomes above £18,370 receive a partial grant, with a minimum grant of £50 payable once household income reaches £50,020 (for new entrants from 2010/11) or £39,329 (for students who entered higher education prior to 2010/11 and 2012/13).

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

21. The Maintenance Grant is non-repayable. The equivalent Special Support Grant of up to £5,600 (2011/12 entrants), £5,000 (2010/11 entrants). £2,906 (prior year entrants) ensures that students in the DWP vulnerable groups have their grant disregarded when entitlement to benefits is calculated.

22. Students from lower-income households will have part of their maintenance met through the new Maintenance Grant, their entitlement to repayable support through a Maintenance Loan will be reduced by 60p for every £1 of Maintenance Grant entitlement up to a maximum of £2,844 for 2010/11 and 2011/12 new entrants and £1 for every £1 of Maintenance Grant entitlement up to a maximum of £1,288 for prior year entrants.

TUITION FEE LOANS

23. From 2006/07 students can defer payment of tuition fees by taking out a Tuition Fee Loan. As well as being available to new system students, this option is also available to pre-2006/07 entrants if they make a full or partial contribution to their fixed fees. Students can take out as much or as little Fee Loan as they choose, up to the maximum amount of fees being charged. The repayment of Tuition Fee Loans debt is no different to that for Maintenance Loans debt. When the borrower goes into repayment they effectively have a single combined debt balance to be repaid according to the Income Contingent repayment regulations. From 2006/07 Welsh domiciled and EU domiciled students studying in Wales were subject to variable tuition fees (of up to £3,375 in 2011/12). The introduction of the non means-tested Tuition Fee Grant (of up to £2,030 in 2011/12) effectively limited the fees of those studying in Wales who started their course between September 2006 and August 2010 to about £1,300. A new Tuition Fee Grant of up to £5,535 is available for Welsh students entering HE from September 2012, wherever they study in the UK, to offset the increased tuition fee charges of up to £9,000.

24. Tuition Fee Loans and Grants became available to EU students studying in Wales in academic year 2006/07 on the same basis as that offered to students ordinarily resident in Wales. Prior to this year EU students were not entitled to any form of student loan.

REPAYMENT OF INCOME CONTINGENT LOANS – STUDENT WHO STARTED PRIOR TO 1st SEPTEMBER 2012

25. Repayments are at the rate of 9% of income above the income threshold (which has been £15,000 since April 2005 and was previously £10,000). The repayment threshold will increase in line

with RPI until 2015/16. Apart from a few exceptions, where borrowers live overseas or have small balances, SLC does not collect monies from borrowers with Income Contingent Loans – this is done through the taxation system.

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

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

28. Students who took out a Maintenance Loan from Student Finance Wales in academic year 2010/11 or 2011/12 may receive a Partial Cancellation of up to £1,500 from the Welsh Government. The cancellation is applied on receipt of the first repayment against the loan. Hence, the cancellations have appeared for the first time in 2011-12 after completion of academic year 2010/11. If a student has a loan in both 2010/11 and 2011/12 the cancellation is only applied to the 2010/11 loan even where the resultant cancellation is limited by the remaining balance to an amount lower than £1,500.

REPAYMENT OF INCOME CONTINGENT LOANS

29. Subject to the approval of the National Assembly for Wales (if issued prior to the end of June) repayments will be at the rate of 9% of income above the repayment threshold (which will be £21,000). For students who started from September 2012.

ANNUAL INTEREST RATE

30. 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%).

31. In financial year 2010-11 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 1 September 2011. The interest rate directly affects the monthly repayment amount of Mortgage-Style Loans.

32. The interest rate on Income Contingent Loans was 1.5% from 1 September 2010 to the end of August 2011 (the March 2010 RPI capped at the bank base rate +1%). It was the same again from 1 September 2011 until the end of August 2012 unless the bank base rate changes before then. The interest rate does not affect the monthly repayment amount of Income Contingent Loans; it will affect the time taken to repay.

NATIONAL AND OFFICIAL STATISTICS

This is an Official Statistics publication. National and Official Statistics are produced to high professional standards set out in The Code for Official Statistics. They undergo regular quality assurance reviews to ensure they meet customer needs. They are produced free from any political interference.