

STUDENT LOANS FOR HIGHER EDUCATION IN WALES, FINANCIAL YEAR 2012-13

SLC SFR 02/2013 Theme: Children, Education and Skills Coverage: Wales 25 June 2013

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 2012-13. It also shows comparable data for financial years 2011-12 and 2010-11.

From 1 September 2012, the Income Contingent Repayment (ICR) Loan has been separated into two different repayment schemes called Repayment Plan 1 and Repayment Plan 2. They differ in the earning threshold used to trigger repayment and the interest rate applied to outstanding balances. The first year of the new arrangement is academic year 2012/13 and that academic year straddles financial years 2012-13 and 2013-14. So this publication only reflects the first part of the first academic year of the new arrangements (by value approximately two-thirds of the Repayment Plan 2 Maintenance Loans expenditure and 50% of the Repayment Plan 2 Tuition Fee Loans expenditure). Repayments through the tax system will not commence for Repayment Plan 2 borrowers until April 2016. This publication provides a breakdown of ICR Loans by Repayment Plan. Figures are provided for the publicly owned debt only.

KEY POINTS

- The total amount lent to eligible HE students during financial year 2012-13 was £287.3m (*Table 1*), of which:
 - £143.6m relates to Maintenance Loans, a decrease of 2.4% compared to 2011-12;
 - £139.4m relates to Tuition Fee Loans for Welsh domiciled students, and £4.4m to non UK European Union Students – an overall increase of 22.1% compared to 2011-12.
- Repayments posted to borrower accounts amounted to £75.5m (including £8.3m paid earlier than required) in financial year 2012-13. £72.9m of these repayments relates to Income Contingent Loans (post 1998/99), the remaining £2.6m 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 2012-13 was £2.38bn of which £2.33bn relates to income Contingent Loans (*Table 1*).
- During financial year 2012-13, 2,200 borrowers had at least one of their loan accounts closed due to repayment in full (compared with 2,300 during 2011-12) (*Table 2(i)*).
- At the end of financial year 2012-13 there were 239,300 borrowers; of these, 172,900 were liable to repay (*Table 2(i)*).

Total amount lent during the financial year (2010-11 to 2012-13)

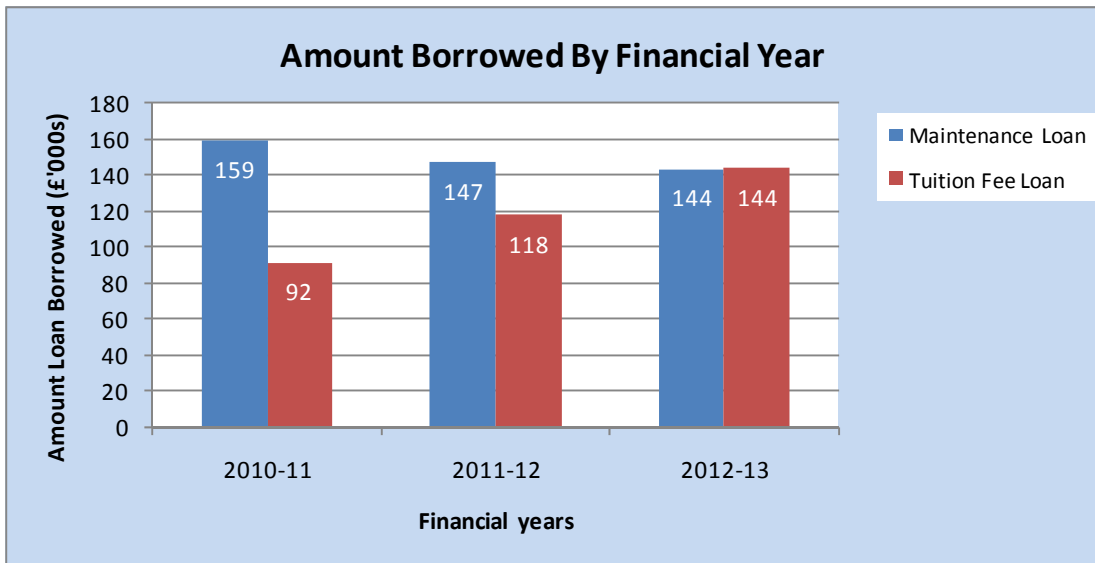


Chart 1: From Amount Lent in Table 1(i)

Total amount of public debt outstanding at the end of financial year (2008-09 to 2012-13)

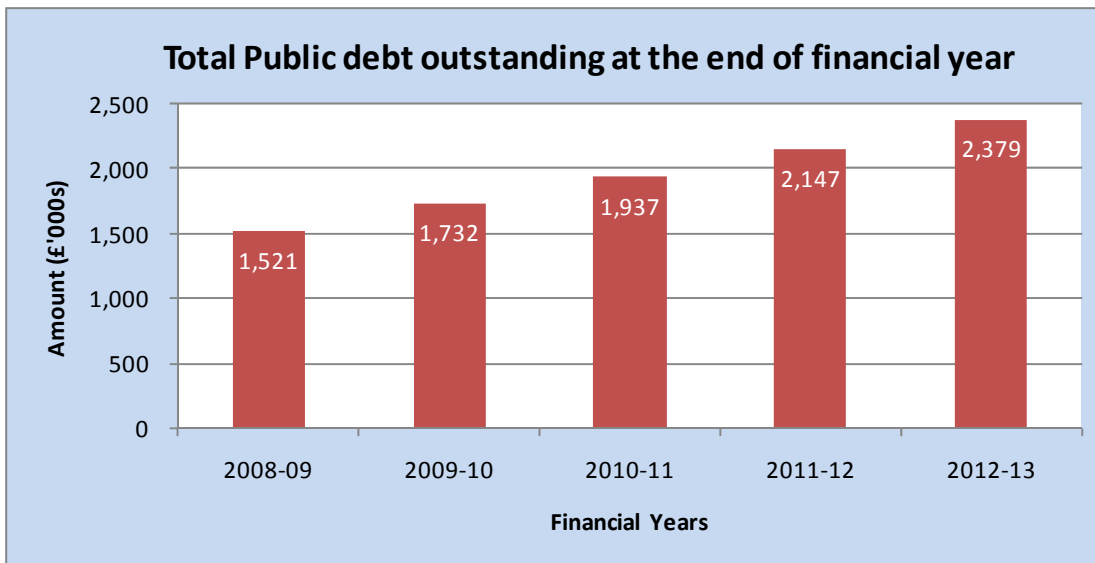


Chart 2: From Balance after Adjustments in Table 1(i)

CONTENTS

Table 1(i) shows the amounts paid out in loans and repaid during financial year 2012-13 and makes comparisons to financial years 2011-12 and 2010-11.

Table 1(ii) shows the amounts paid out in loans and repaid during financial year 2012-13 for ICR Loans broken down by repayment plan.

Table 2(i) shows the change in the number of borrowers each year from 01/04/2010 to 31/03/2013 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 2012-13 and makes comparisons with financial years 2011-12 and 2010-11.

Table 2(iii) shows a detailed breakdown of Income Contingent Loan borrower repayment activity and repayment status for 2012-13 and makes comparisons with financial years 2011-12 and 2010-11.

Appendix A contains footnotes for tables 1 (i), 1 (ii), 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 for users.

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 (SLC) is: 'Income Contingent Repayments by Repayment Cohort and Tax Year'. That 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.

This publication can be found at: [http://www.slc.co.uk/statistics/official-statistics-\(slc\)](http://www.slc.co.uk/statistics/official-statistics-(slc))

SLC also produces the Official 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.

The latest publication 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 Welsh domiciled students and EU students studying in Wales, visit the Student Finance Wales web site: <http://www.studentfinancewales.co.uk>

Link to Welsh Government Student Finance Statistics website:

<http://wales.gov.uk/topics/statistics/theme/post16ed/student-finance/?lang=en>

Table 1(i) : Student Loan outlay and repayments: financial years 2010-11 to 2012-13 [1][2] : amounts (£000s)

Key Points:

- Repayments posted to customers accounts amounted to £75.5 million in the financial year 2012-13, including £8.3 million repaid earlier than required.
- The balance outstanding (including loans which are not yet due for repayment) at the end of financial year 2012-13 was £2.4 billion.

All Welsh domiciled students and those EU students studying in Wales										£000s
Financial years	2010-11			2011-12			2012-13			
	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	1,680,506	51,773	1,732,279	1,888,578	48,340	1,936,918	2,100,567	46,459	2,147,026	
Reversal of previous year end timing adjustments	143	0	143	64	0	64	0	0	0	
Opening balance after adjustments	1,680,649	51,773	1,732,422	1,888,642	48,340	1,936,982	2,100,567	46,459	2,147,026	
PLUS										
Amount lent during financial year	251,067	0	251,067	264,743	0	264,743	287,331	0	287,331	
of which:										
Maintenance Loans	159,493	0	159,493	146,984	0	146,984	143,551	0	143,551	
Tuition Fee Loans	89,402	.	89,402	114,481	.	114,481	139,406	.	139,406	
Tuition Fee Loans to EU students	2,173	.	2,173	3,278	.	3,278	4,373	.	4,373	
Amount of interest added to loans during the financial year [3]	15,592	1,078	16,670	23,014	2,144	25,158	30,542	1,806	32,349	
Administration charges applied during the financial year	2	.	2	2	.	2	3	.	3	
Balance transfers [4]	.	56	56	0	0	0	*	86	86	
MINUS										
Amount repaid, including interest, during the financial year	57,081	3,931	61,013	65,115	3,335	68,450	72,940	2,581	75,521	
of which:										
Repaid by customer to SLC	11,742	3,971	15,713	9,783	3,363	13,146	9,561	2,606	12,166	
Reported by HMRC as collected via PAYE and Self Assessment	46,763	.	46,763	56,908	.	56,908	64,968	.	64,968	
Refunded by SLC to customer	-1,423	-40	-1,464	-1,576	-29	-1,605	-1,589	-25	-1,613	
of which:										
amount repaid earlier than required [5][r]	11,045	734	11,779	8,516	607	9,123	7,759	567	8,327	
Amount repaid in respect of the Repayment of Teachers' Loans scheme during the financial year	1,121	9	1,130	1,030	19	1,049	1,004	10	1,015	
Amount cancelled during the financial year due to Partial cancellation [6]	.	.	.	8,629	.	8,629	9,303	.	9,303	
Amount otherwise cancelled or written off during the financial year	533	626	1,160	1,063	667	1,731	1,055	948	2,003	
of which:										
Because of death[7a]	338	36	375	478 [r]	19	497 [r]	552	47	599	
Because of age	94	561	655	244	586	830	494	654	1,148	
Because of disability[7a]	82	26	108	65	5	70	5	18	23	
Because of bankruptcy [7b]	19	-2	16	213	39	252	1	11	12	
On completion of Individual Voluntary Arrangement (IVA) [7b]	0	3	3	62	17	80	0	69	69	
Trivial balances	*	0	0	*	*	*	*	*	*	
Other	*	3	3	*	*	1	1	149	150	
Total amount outstanding at the end of the financial year, including loans not yet due for repayment [3][8]	1,888,576	48,340	1,936,915	2,100,564	46,463	2,147,027	2,334,140	44,813	2,378,953	
Year-end reconciling adjustments [9]	2	*	2	3	-4	-1	49	2	51	
Balance after adjustments	1,888,578	48,340	1,936,918	2,100,567	46,459	2,147,026	2,334,190	44,814	2,379,004	
of which:										
(a) balance of loans in deferment [10]	.	29,676	29,676	.	28,162	28,162	.	27,238	27,238	
(b) balance of loans in arrears status [11]	3,703	12,835	16,539	5,028	13,333	18,361	7,788	13,627	21,415	
of which: arrears value for UK borrowers	299	9,734	10,033	644	10,133	10,777	1,154	10,419	11,573	
of which: arrears value for EU borrowers	121	.	121	238	.	238	427	.	427	
(c) balance of loans deferred with arrears [12]	.	1,170	1,170	.	1,085	1,085	.	1,015	1,015	
of which: arrears value	.	236	236	.	202	202	.	172	172	
of which: debt held by EU students for Tuition Fee Loans	5,538	.	5,538	8,710	.	8,710	12,950	.	12,950	
(d) balance of EU Tuition Fee Loans liable for repayment [13]	1,091	.	1,091	2,364	.	2,364	3,950	.	3,950	
(e) balance of EU Tuition Fee Loans not yet liable for repayment [14]	4,447	.	4,447	6,346	.	6,346	9,000	.	9,000	
Administration charges owed to SLC at the end of the financial year [15]	.	490	490	.	487	487	.	457	457	
Balance including debt to SLC	1,888,578	48,830	1,937,408	2,100,567	46,946	2,147,513	2,334,190	45,271	2,379,461	

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

Source: Student Loans Company

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 studying in Wales in financial years 2010-11 to 2012-13. 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 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 borrower 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 2010-11 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 Financial Year 2011-12.

Table 1(ii) : Student Loan outlay and repayments by ICR Loan repayment plan: financial year 2012-13 [1][2]

All Welsh domiciled students and those EU students studying in Wales

£000s

Financial years	2012-13		
	Repayment Plan 1 Income Contingent Loans	Repayment Plan 2 Full Time IC Loans	Total Income Contingent Loans
Total amount outstanding (including loans not yet due for repayment) at start of financial year, including interest	2,100,567	0	2,100,567
Reversal of previous year end timing adjustments	0	0	0
Opening balance after adjustments	2,100,567	0	2,100,567
PLUS			
Amount lent during financial year	219,295	68,036	287,331
of which:			
Maintenance Loans	107,054	36,497	143,551
Tuition Fee Loans	109,055	30,351	139,406
Tuition Fee Loans to EU students	3,185	1,188	4,373
Amount of interest added to loans during the financial year [3]	29,122	1,421	30,542
Administration charges applied during the financial year	3	*	3
Balance transfers [4]	*	0	*
MINUS			
Amount repaid, including interest, during the financial year	72,815	126	72,940
of which:			
Repaid by customer to SLC	9,435	126	9,561
Reported by HMRC as collected via PAYE and Self Assessment	64,968	0	64,968
Refunded by SLC to customer	-1,589	*	-1,589
of which:			
amount repaid earlier than required [5][r]	7,636	123	7,759
Amount repaid in respect of the Repayment of Teachers' Loans scheme during the financial year	1,004	.	1,004
Amount cancelled during the financial year due to Partial cancellation [6]	8,963	339	9,303
Amount otherwise cancelled or written off during the financial year	1,055	0	1,055
of which:			
Because of death[7a]	552	0	552
Because of age	494	0	494
Because of disability[7a]	5	0	5
Because of bankruptcy [7b]	1	0	1
On completion of Individual Voluntary Arrangement (IVA) [7b]	0	0	0
Trivial balances	*	0	*
Other	1	0	1
Total amount outstanding at the end of the financial year, including loans not yet due for repayment [3][8]	2,265,149	68,991	2,334,140
Year-end reconciling adjustments [9]	48	1	49
Balance after adjustments	2,265,197	68,993	2,334,190
of which:			
(a) balance of loans in deferment [10]	.	.	.
(b) balance of loans in arrears status [11]	7,788	.	7,788
of which: arrears value for UK borrowers	1,154	.	1,154
of which: arrears value for EU borrowers	427	.	427
(c) balance of loans deferred with arrears [12]	.	.	.
of which: arrears value	.	.	.
of which: debt held by EU students for Tuition Fee Loans	11,746	1,204	12,950
(d) balance of EU Tuition Fee Loans liable for repayment [13]	3,950	.	3,950
(e) balance of EU Tuition Fee Loans not yet liable for repayment [14]	7,795	1,204	9,000
Administration charges owed to SLC at the end of the financial year [15]	.	.	.
Balance including debt to SLC	2,265,197	68,993	2,334,190

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

Source: Student Loans Company

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 by repayment plans in financial year 2012-13. 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 the financial year 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.

Table 2(i) : Student Loan outlay and repayments [2]: Financial years 2010-11 to 2012-13: borrower activity

Key Points:

- By the end of financial year 2012-13, there were 239,300 student loan borrowers, of which 172,900 (72%) were liable to repay.
- At the end of financial year 2012-13, there were 73,400 student loan borrowers (current students and those who will be become liable to repay in April 2013) who were not yet liable to repay at 31/03/2013.

All Welsh domiciled students and those EU students studying in Wales

000s

Financial years	2010-11			2011-12			2012-13		
	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	178.1	18.2	194.9	193.5	16.4	208.7	209.4	15.2	223.4
Number of borrowers with accounts paid in full in financial year [19]	1.4	1.6	3.0	1.1	1.2	2.3	1.1	1.0	2.2
of which									
paid off before liability has arisen [20]	0.3	*	0.3	0.2	0.0	0.2	0.2	0.0	0.2
Amount cancelled during the financial year due to Partial cancellation [6]	.	.	.	6.2	0.0	6.2	6.5	0.0	6.5
Number of borrowers with accounts cancelled or written off in financial year [21]	0.1	0.2	0.3	0.1	0.3	0.4	0.1	0.4	0.6
of which:									
because of death [7a]	*	*	0.1	*	*	0.1	0.1	*	0.1
because of age [7a]	0.0	0.2	0.2	*	0.2	0.2	0.1	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	*	*	*	*	*	0.0	*	*
other	*	*	0.1	*	0.1	0.1	*	0.2	0.3
New borrowers in financial year [22]	16.5	0.0	16.5	16.6	0.0	16.6	18.1	0.0	18.1
Number of borrowers with accounts liable for repayment at the end of financial year [23]	129.4	16.4	144.7	144.5	15.1	158.5	160.2	13.8	172.9
Number of borrowers with accounts not yet in liable for repayment at the end of financial year [23][24]	71.0	0.0	71.0	71.9	*	71.9	73.3	0.0	73.4
Number of borrowers at the end of financial year	193.5	16.4	208.7	209.4	15.2	223.4	226.5	13.8	239.3

. = 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 borrowers 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 2010-11 to 2012-13: borrower activity

Key Points:

- By the end of financial year 2012-13, there were 13,800 Mortgage Style student loan borrowers, of which 13,800 were liable to repay.
- During the financial year 2012-13, 1,000 Mortgage Style student loan borrowers (6.8% 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	2010-11	2011-12	2012-13
	Mortgage Style Loans	Mortgage Style Loans	Mortgage Style Loans
Number of borrowers at the beginning of the financial year	18.2	16.4	15.2
Number of borrowers with accounts paid in full in financial year[19]	1.6	1.2	1.0
Number of borrowers with accounts cancelled or written off in financial year [21] of which:	0.2	0.3	0.4
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	0.2
All borrowers at the end of financial year	16.4	15.2	13.8
of which:			
(A) Borrowers with accounts liable for repayment [25]	16.4	15.1	13.8
of which			
(a) ahead with repayments	1.6	1.5	1.3
(b) up to date with repayments	2.7	2.2	1.7
(c) owing less than 2 months' repayments	0.2	0.1	0.1
(d) owing 2 or more months' repayments	1.0	0.9	0.8
(e) overdue with no repayment schedule owing <=£100 [26]	0.1	0.1	0.1
(f) overdue with no repayment schedule owing >£100 [27]	3.2	3.3	3.4
(g) deferring repayments	7.5	6.9	6.3
(h) deferring repayments with arrears	0.3	0.3	0.2

. = 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 2010-11 to 2012-13, borrower activity

Key Points:

- By the end of financial year 2012-13, there were 226,500 Income Contingent student loan borrowers, of which 142,100 were liable to repay.
- During the financial year 2012-13, 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 18,200 borrowers (8.0% 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	2010-11					2011-12					2012-13				
	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	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
Number of borrowers with accounts closed due to full repayment in the financial year [19]	1.3	0.3	1.4	0.1	1.4	1.0	0.2	1.0	*	1.1	1.0	0.2	1.1	*	1.1
of which:															
paid off before liability for repayment had arisen [20]	0.3	0.2	0.3	*	0.3	0.2	0.1	0.2	*	0.2	0.1	0.1	0.1	*	0.2
Number of borrowers receiving refunds of repayments in financial year	2.6	0.1	2.6	*	2.6	2.2	0.1	2.3	0.0	2.3	2.7	0.3	2.8	0.0	2.9
Borrowers with an amount cancelled during the financial year due to Partial cancellation [6]	.	.	.	.	.	6.2	0.0	6.2	0.0	6.2	6.5	0.0	6.5	0.0	6.5
Number of borrowers with accounts cancelled or written off in financial year [21]	0.1	*	0.1	*	0.1	0.1	0.0	0.1	0.0	0.1	0.1	0.0	0.1	*	0.1
of which:	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
because of death [7a]	*	*	*	0.0	0.1	*	*	*	0.0	*	0.1	*	0.1	*	0.1
because of age [r]	0.0	0.0	0.0	0.0	0.0	*	0.0	*	0.0	*	0.1	0.0	0.1	0.0	0.1
because of disability[7a]	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]	0.0	0.0	0.0	0.0	0.0	*	0.0	*	0.0	*	0.0	0.0	0.0	0.0	0.0
other	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
New borrowers in financial year [22]	15.2	15.8	15.9	0.6	16.5	15.4	16.0	16.0	0.6	16.6	16.7	17.1	17.3	0.9	18.1
All borrowers at the end of financial year [23][25]	188.1	84.9	190.9	2.7	193.5	202.8	100.5	206.2	3.3	209.4	218.6	117.3	222.5	4.1	226.5
of which:															
(A) Borrowers with accounts not yet liable for repayment	66.6	61.3	69.0	2.1	71.0	67.4	63.6	69.9	2.1	71.9	68.4	65.6	71.0	2.4	73.3
of which															
who have made one or more repayments	1.0	0.7	1.2	*	1.2	6.3	2.9	6.5	*	6.5	8.3	4.1	8.5	*	8.5
who have made no repayments	65.6	60.6	67.8	2.0	69.7	61.0	60.6	63.4	2.1	65.4	60.1	61.6	62.5	2.4	64.8
(B) Borrowers with accounts being closed	12.3	0.6	12.4	0.1	12.5	15.0	0.9	15.1	0.2	15.3	17.9	1.3	18.1	0.2	18.4
of which															
who have fully repaid [28]	12.2	0.5	12.3	0.1	12.4	14.8	0.8	15.0	0.2	15.1	17.7	1.2	18.0	0.2	18.2
who are having their account cancelled [29]	0.1	*	0.1	0.0	0.1	0.2	*	0.2	0.0	0.2	0.2	*	0.2	0.0	0.2
(C) Borrowers with accounts liable for repayment	116.0	27.2	116.6	0.6	117.2	127.5	40.9	128.4	1.0	129.4	139.3	55.5	140.5	1.5	142.1

. = 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 borrowers with a Maintenance Loan, a Tuition Fee Loans 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 Tuition Fee Loans 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(i), 1(ii), 2(i), 2(ii) and 2(iii)

[1] Repayments of Income Contingent Loans are shown in the financial year when they are posted to borrower 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 2012-13 are mainly for tax year 2011/12. The interest added for borrowers in repayment in 2012-13 is mainly for tax year 2011/12. The interest added for borrowers not yet in repayment in 2012-13 will be for tax year 2012/13.

[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, 2011/12 or 2012/13 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 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 Individual Voluntary Arrangement (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 borrower 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 2013).

[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 financial year.

[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, 2011/12 and 2012/13, whereby a cancellation of up to £1,500 may be applied on receipt of the first repayment against the first of those loans.
Repayment Plan	From 1 September 2012, the ICR Loan scheme has been separated into two different repayment arrangements called Repayment Plan 1 and Repayment Plan 2. They differ in the earnings threshold used to trigger repayment and the interest rate applied to outstanding balances. Repayment Plan 1 is applicable to students who started their course before 1 September 2012 while Repayment Plan 2 is applicable to students who started their course from 1 September 2012 onwards.
Refunds of Income Contingent Repayments	Where over-repayment is identified, a refund is provided to the borrower 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 borrower 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 borrower completes the repayment schedule in the IVA.</p>

Appendix C Comparability

- 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 borrowers 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.

- The Mortgage Style Loans Balance Transfer amount in financial year 2012-13 is higher than normal due to a review conducted by SLC of accounts with missing Postal Address Book (PAB) values. These accounts were previously all owned by England. Where the missing PAB was replaced by a PAB in Wales, ownership of the account passed from England to Wales. In actual practice it remained with the Department for Business, Innovation & Skills because ownership of the Welsh MSL Loan Book was not passed to Wales when student finance was devolved.
- The increase in the amount written off during the financial year under "Other" was due to a one-off exercise to write off the outstanding balance of Mortgage Style loans which had become uncollectable

Appendix D

NOTES FOR USERS

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. 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

6. 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.

NEW STATISTICS

7. New breakdown on balance after adjustments of which balance of loans in arrears status were broken into arrears value for UK and EU borrowers.
8. New breakdown of ICR Loans by Repayment Plan. From 1 September 2012, the ICR loan has been separated into two different repayment schemes called Repayment Plan 1 and Repayment Plan 2. They differ in the earning threshold used to trigger repayment and the interest rate applied to outstanding balances. This publication provides a breakdown of ICR Loans by Repayment Plans.

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 £2,318 per month from 1 September 2012. 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 (£1,380 in 2012/13). 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 31/03/2010 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.

18. How much a student receives depends on their income and that of their household and the year the student entered HE. Students who entered HE from 2006/07 with a household income up to £18,370 will receive the full grant.

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 HE prior to 2010/11).

20. No grant is payable for students with a household income above £50,020 (new entrants from 2010/11), 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) or £5,000 (2010/11 and 2012/13 entrants) or £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 £0.60 for every £1 of Maintenance Grant entitlement up to a maximum of £2,844 for entrants from 2010/11 and £1 for every £1 of Maintenance Grant entitlement up to a maximum of £1,288 for prior year entrants.

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 Tuition 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.

24. From 2006/07 Welsh domiciled and EU domiciled students studying in Wales were subject to variable tuition fees (of up to £3,465 in 2012/13).

25. The introduction of the non means-tested Tuition Fee Grant (of up to £2,085 in 2012/13) effectively limited the fees of those studying in Wales who started their course between September 2006 and August 2010 to about £1,300.

26. 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.

STUDENT SUPPORT ARRANGEMENTS FROM 2010/11

27. New entrants in 2010/11 may be eligible to apply for a means-tested Assembly Learning Grant of up to £5,000 (£5,000 again in 2011/12 and 2012/13). Students who entered from academic year 2006/07 continue to apply for an Assembly Learning Grant of up to £2,906. For new entrants, there is also an adjustment to the household income threshold for maintenance grant support. Although the threshold for entitlement to a maximum grant remains at £18,370, the threshold for entitlement to a partial grant has been adjusted from £39,329 to £50,020. The thresholds and the grant levels have remained unchanged in 2011/12 and 2012/13.

28. Initial Teacher Training (ITT) students domiciled in Wales who start their course in academic year 2010/11 will be fully income assessed for Assembly Learning Grant / Special Support Grant, regardless of whether their course is postgraduate or undergraduate.

29. New entrants in 2010/11 will have their Maintenance Loan reduced by £0.60 of every £1 of Assembly Learning Grant entitlement from the maximum Maintenance Loans up to a reduction of £2,844 (£2,844 again in 2011/12 and 2012/13). All other students (non ITT) who entered from 2006/07 will have their Maintenance Loan reduced by a maximum of £1,288 or the actual Assembly Learning Grant awards if less (£1,288 again in 2011/12 and 2012/13).

30. Variable tuition fees are capped at £3,290 in academic year 2010/11 (£3,375 in 2011/12 and £3,465 in 2012/13), and will apply to all students who entered from academic year 2006/07 studying at an university or college charging variable tuition fees in 2010/11. New entrants in 2010/11 are no longer eligible for the Welsh Tuition Fee Grant which used to fund the difference between about £1,300 and the fee amount the institution is charging. Continuing students who entered from 2006/07 remain eligible for the grant.

STUDENT SUPPORT ARRANGEMENTS FROM 2011/12

31. For new entrants from academic year 2011/12, the Welsh National Bursary is integrated into the HE statutory support system as an integral part of the Assembly Learning Grant and Special Support Grants. The Welsh Government's statutory student support arrangements for living costs are for students domiciled in Wales only (namely students who are ordinarily resident in Wales). Institutions will no longer be required to pay a minimum National Bursary to new entrants from 2011/12 and can continue to make arrangements for their own institutional awards. As a result of this policy change the full Assembly Learning Grant for these entrants is higher at £5,600 instead of £5,000 (£5,600 again in 2012/13). The grant is fully replaced by Maintenance Loan at the same point i.e. where the residual income is £50,020. This is achieved via a faster Maintenance Loan substitution rate for residual incomes between £34,000 and £50,020. New entrants in 2011/12 will have their Maintenance Loan reduced by £0.60 of every £1 of Assembly Learning Grant entitlement from the maximum Maintenance Loans up to a reduction of £2,844 (£2,844 again in 2012/13).

32. Variable tuition fees are capped at £3,375 in academic year 2011/12 (£3,465 in 2012/13), and will apply to all students who entered from academic year 2006/07 who study at an university or college charging variable tuition fees in 2011/12.

STUDENT SUPPORT ARRANGEMENTS FROM 2012/13

33. New entrants in 2012/13 may be eligible for a means-tested Assembly Learning Grant of up to £5,000 and will have their Maintenance Loan reduced by £0.60 of every £1 of Assembly Learning Grant entitlement from the maximum Maintenance Loans up to a reduction of £2,844.

34. New entrants from 2012/13 who are subject to the existing variable tuition fees are entitled to a Tuition Fee Loan of up to £3,465.

35. New entrants from 2012/13 who are Welsh domiciled and studying in any publicly funded UK university or college (or EU students studying in Wales), who are subject to the new higher fees are also entitled to a new Tuition Fee Grant up to a maximum of £5,535 to make up the difference in fee costs of up to a maximum of £9,000.

36. Where a designated course is provided wholly by a private institution, students domiciled in Wales are eligible for a Tuition Fee Loan of up to £6,000 (no Tuition Fee Grant is available).

REPAYMENT OF INCOME CONTINGENT LOANS

37. 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.

38. 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 the earnings threshold.

39. 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.

40. 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 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 PLAN 1

41. Repayments for Repayment Plan 1 loans are at the rate of 9% of income above the income threshold which was £10,000 until April 2005 and then £15,000 until April 2012 when it changed to £15,795. From April 2013 it is £16,365.

42. The Repayment Plan 1 interest charge is affected by a cap at the bank base rate of +1%. The interest rate on Repayment Plan 1 loans was 1.5% from 1 September 2011 to 31 August 2012 (capped at the bank base rate +1%). It will remain at 1.5% for the period 1 September 2012 until 31 August 2013 unless the bank base rate changes before then, but it will not exceed 3.6% (the relevant March 2012 RPI). The interest rate does not affect the monthly repayment amount of Income Contingent Loans; it will affect the time taken to repay.

REPAYMENT PLAN 2

43. Students who begin their course on or after 1 September 2012 are in Repayment Plan 2 and are subject to a different income threshold for repayment which will be £21,000 from April 2016. They will make repayments at 9% of their income above the threshold. Borrowers will normally be liable to make repayments from the April after they leave their course, but for administrative reasons repayments will not be taken through the tax system until April 2016.

44. The Repayment Plan 2 interest charge whilst studying is RPI+3% while studying and remains so up until the student becomes liable to repay. The current rate, which is applied from 1 September 2012 to 31 August 2013, is 3.6% + 3% = 6.6%. Once borrowers are due to repay, interest will be variable contingent on income (between RPI and RPI+3%).

ANNUAL INTEREST RATE

45. The annual Retail Price Index from March to March is always used as the basis for the interest rate for both types of student loan from the following September to August. However, additionally for Repayment Plan 1 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%).

46. In financial year 2012-13 the interest rate used to adjust the outstanding balances on Mortgage Style Loans was 5.3% (as measured by the March 2011 RPI) up to 31 August 2012, and 3.6% (as measured by the March 2012 RPI) from 1 September 2012. The interest rate directly affects the monthly repayment amount of Mortgage Style Loans.

NATIONAL AND OFFICIAL STATISTICS

47. 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. The outputs typically include information on quality using the dimensions of Relevance, Accuracy, Timeliness and Punctuality, Accessibility and Clarity, and Comparability. They are produced free from any political interference.

USER FEEDBACK

48. Consultation exercises are conducted by SLC on the Official Statistics it produces in order to understand who uses the publications, for what purpose, and to find out how they can be made more useful in terms of content, methodology, timeliness and presentation. As part of the consultation process SLC runs surveys. See the User Consultation Survey section of the SLC website at <http://www.slc.co.uk/statistics/statistics-user-consultation.aspx>