

Statistics Publication Notice

Lifelong Learning Series

A National Statistics Publication for Scotland

**STUDENT LOANS FOR HIGHER EDUCATION IN SCOTLAND
FINANCIAL YEAR 2009-10**

22 June 2010



INTRODUCTION

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

This publication provides information on outlay and repayments of student loans and borrower activity, for Scottish domiciled students and EU students studying in Scotland during financial year 2009-10. Comparable data for financial years 2007-08 and 2008-09 is also included.

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

RELATED STATISTICAL PUBLICATIONS

Scotland's Chief Statistician and the Student Loans Company are also today releasing 'Income Contingent Loans by Repayment Cohort and Tax Year 2000/01 to 2008/09' This Official Statistics publication gives more detailed analyses of income contingent borrowers who are liable for repayment by tax year and by the repayment cohort to which they belong. This publication can be found at: <http://www.slc.co.uk/pdf/slcosp052010.pdf>

KEY POLICY CHANGES

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

The Part-Time Grant was introduced in academic session 2008-09 and it replaced the part-time loan. It provides a grant of £500 a year towards the fee costs of part-time study and it is delivered through a simplified Individual Learning Account model (ILA500). From July 2009 the eligibility criteria for ILA500 is courses must be at Scottish Credit and Qualification Framework (SCQF) levels 7-11 and must be at least 40 SCQF credits. Participants must have individual gross earned annual income of £22,000 or less.

FACTORS AFFECTING THE TIME SERIES

- In financial year 2008-09, improved automated system capabilities were introduced to enable loan balances to be cancelled for income contingent loan accounts where the borrower died or became permanently disabled and unable to work. This also allowed a backlog of cancellation to be processed. These changes contributed to an increase in the figures shown in tables 2(iii) under the category 'Number of borrowers with accounts cancelled because of death' in financial year 2008-09. Cancellations for death and disability in future years are expected to be less than that in 2008-09 because they are expected to only cover a single year and not include a backlog.
- 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.
- Cancellations due to Sequestration and Trust Deed do not occur at the point the borrower has notified SLC of this action but at the point SLC has been able to process the cancellation. For Trust Deed, this will be at the point the borrower has honoured the arrangement by repaying the agreed proportion of loan balance. For sequestration, this will be the point where SLC has obtained evidence of the concluded sequestration from the borrower's elected legal practitioner. A cancellation due to Sequestration or to a Trust Deed will therefore not necessarily appear in the year the Sequestration or Trust Deed took place. For this reason it is not possible to assume a trend in these cancellation figures.
- The introduction of monthly payments to Scottish customers, which was introduced in the 2007-08 financial year, has caused the maintenance loan amount lent figures (see Table 1) to be artificially high for the 2007-08 financial year. Financial year 2008-09 represents the expected amount lent within a financial year and is comparable with 2009-10.
- Amounts lent for Graduate Endowment in financial year 2009-10 (see Table 1) represents the notification of amounts advanced in respect of earlier academic years (prior to abolition of the graduate endowment) which have been adjusted in the borrowers loan balance in financial year 2009-10 (which is period in which SLC has been notified of this from SAAS).

KEY POINTS

- The amount lent to eligible HE students for Maintenance Loans during financial year 2009-10 was £191.4m, an increase of 7% when compared with 2008-09. (*Table 1*).
- The amount lent to eligible HE students for Graduate Endowment loans during financial year 2009-10 was £0.2m, a decrease of 94% when compared with 2008-09. This decrease is a result of the abolition of the graduate endowment. (*Table 1*).
- The total amount lent to eligible HE students during financial year 2009-10 was £201.2m. (*Table 1*).
- Repayments posted to customer accounts amounted to £92.6m in financial year 2009-10, an increase of 20% compared to 2008-09. Repayments included £12.4m paid earlier than required, a decrease of 25% compared with 2008-09. £79.6m of the repayments relate to

Income Contingent Loans, an increase of 31% compared with 2008-09. (*Table 1*).

- During the 2009-10 financial year, 4,500 mortgage style borrowers repaid their accounts in full, this represents 8% of all mortgage style borrowers at the beginning of the financial year. This is a decrease of 1 percentage point when compared with 2008-09. (*Table 2(i)*)
- During 2009-10, 2,100 ICR borrowers repaid in full compared to 1,200 in 2008-09. By the end of financial year 2009-10 there were also 23,200 ICR borrowers who had fully repaid with the account closure in progress. (*Table 2(iii)*).
- The balance outstanding (including loans not yet due for repayment) at the end of financial year 2009-10 was £2,384.3m, an increase of 7% compared with 2008-09. The balance outstanding on income contingent loans was £2,240.8m, an increase of 8% compared with 2008-09. (*Table 1*).
- At the end of 2009-10 there were 407,700 borrowers; of these, 310,500 (76%) had accounts liable for repayment, increases of 5% and 7%, respectively, compared with 2008-09. (*Table 2(i)*).
- The average outstanding balance was £5,850 at the end of financial year 2009-10 compared with £5,765 at the end of financial year 2008-09. The average outstanding balance includes all customers with an outstanding balance; from those starting HE with low balances, through those finished HE but not yet in repayment with high balances, to those who have been in repayment for several years with low balances. (*Table 1 & 2(i)*).

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Table 1 : Student Loan outlay and repayments: financial years 2007-08 to 2009-10 [1][2] : amounts (£m)

This table shows the amounts paid out in loans and repaid during financial year 2009-10 and makes comparisons to financial years 2007-08 and 2008-09.

Key Points:

- The total amount lent to eligible HE students during financial year 2009-10 was £201.2m.
- Repayments posted to customer accounts amounted to £92.6m in financial year 2009-10, an increase of 20% compared to 2008-09. Repayments included £12.4m paid earlier than required, a decrease of 25% compared with 2008-09. £79.6m of the repayments relate to Income Contingent Loans, an increase of 31% compared with 2008-09.
- The balance outstanding (including loans not yet due for repayment) at the end of financial year 2009-10 was £2,384.3m, an increase of 7% compared with 2008-09. The balance outstanding on income contingent loans was £2,240.8m, an increase of 8% compared with 2008-09.

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

Financial years	2007-08			2008-09			2009-10		
	£million except where otherwise stated								
	Income Contingent Loans [4]	Mortgage Style Loans	Total Public Debt	Income Contingent Loans [4]	Mortgage Style Loans	Total Public Debt	Income Contingent Loans [4]	Mortgage Style Loans	Total Public Debt
Total amount outstanding (including loans not yet due for repayment) at start of financial year, including interest	1,661.6	184.2	1,845.7	1,883.2	169.3	2,052.5	2,070.9	156.5	2,227.4
Reversal of previous year end timing adjustments	-	-	-	-	-	-	-	-	-
Opening balance after adjustments	1,661.6	184.2	1,845.7	1,883.2	169.3	2,052.5	2,070.9	156.5	2,227.4
PLUS									
Amount lent during financial year [5]	212.7	-	212.8	191.3	-	191.3	201.2	-	201.2
of which:									
Maintenance Loans [5]	192.8	-	192.8	179.8	-	179.8	191.4	-	191.4
Tuition Fee Loans (for Scottish domiciled students in rest of UK)	5.5	-	5.5	8.7	-	8.7	9.6	-	9.6
Graduate Endowment Loans[6]	14.4	-	14.4	2.8	-	2.8	0.2	-	0.2
Amount of interest added to loans [7] during the financial year [8]	48.7	7.1	55.8	61.4	6.4	67.8	50.3	2.1	52.3
Administration charges applied during the financial year	-	-	-	-	-	-	-	-	-
Balance transfers [9]	-	-	-	-	-	-	-	-	-
MINUS									
Amount repaid, including interest, during the financial year	39.8	19.2	59.0	60.6	16.9	77.5	79.6	13.0	92.6
of which:									
Repaid by customer to SLC	9.0	19.3	28.4	13.8	17.0	30.9	11.2	13.1	24.3
Reported by HMRC as collected via PAYE and Self Assessment	32.1	-	32.1	49.2	-	49.2	70.7	-	70.7
Refunded by SLC to customer	-1.4	-0.1	-1.5	-2.5	-0.1	-2.6	-2.3	-0.1	-2.4
of which:									
amount repaid earlier than required [10]	8.8	3.1	11.9	13.5	2.9	16.4	10.7	1.7	12.4
Amount repaid in respect of the Repayment of Teachers' Loans scheme during the financial year	-	0.1	0.1	-	-	-	-	0.1	0.1
Amount otherwise cancelled or written off during the financial year	-	2.6	2.7	4.4	2.2	6.6	2.0	2.0	4.0
of which:									
Because of death[11]	-	0.2	0.2	2.3	0.2	2.5	0.8	0.2	0.9
Because of age	-	0.8	0.8	-	1.1	1.1	0.1	1.5	1.5
Because of disability[11]	-	0.1	0.1	0.2	-	0.3	0.1	0.1	0.2
Because of sequestration [12]	-	1.5	1.5	1.0	0.7	1.7	0.7	0.2	0.9
On completion of Trust Deed [12]	-	0.1	0.1	0.8	0.2	1.1	0.4	0.1	0.5
Trivial balances	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total amount outstanding at the end of the financial year, including loans not yet due for repayment [8][13]	1,883.2	169.3	2,052.6	2,070.9	156.5	2,227.4	2,240.8	143.5	2,384.3
Year-end reconciling adjustments [14]	-	-	-	-	-	-	-	-	-
Balance after adjustments	1,883.2	169.3	2,052.5	2,070.9	156.5	2,227.4	2,240.8	143.5	2,384.3
of which:									
(a) balance of loans in deferment [15]	-	97.5	97.5	-	89.3	89.3	-	81.6	81.6
(b) balance of loans in arrears status [16]	0.5	40.1	40.6	1.0	39.7	40.7	3.4	39.4	42.8
of which: arrears value	-	28.5	28.5	-	28.9	28.9	0.2	29.8	30.0
(c) balance of loans deferred with arrears [17]	-	4.6	4.6	-	4.6	4.6	-	3.9	3.9
of which: arrears value	-	0.9	0.9	-	1.0	1.0	-	0.8	0.8
Administration charges owed to SLC at the end of the financial year [18]	-	1.8	1.8	-	1.8	1.8	-	1.7	1.7
Balance including debt to SLC	1,883.2	171.2	2,054.4	2,070.9	158.3	2,229.2	2,240.8	145.3	2,386.1

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

Source: Student Loans Company

Refer to Appendix A for footnotes

Table 2(i) : Student Loan outlay and repayments [2]: Financial years 2007-08 to 2009-10: borrower activity

This table shows the change in the number of borrowers each year from 31/3/2007 to 31/3/2010 broken down between those with Mortgage Style loans and those with Income Contingent loans, and with the numbers further broken down between liable to repay and those not yet liable to repay.

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

Financial years	2007-08			2008-09			2009-10		
	Figures are quoted in thousands								
	Income Contingent Loans [19]	Mortgage Style Loans[20]	Total Public Debt [21]	Income Contingent Loans [19]	Mortgage Style Loans[20]	Total Public Debt [21]	Income Contingent Loans [19]	Mortgage Style Loans[20]	Total Public Debt [21]
Number of borrowers at the beginning of the financial year	284.8	71.1	352.4	311.0	62.5	370.1	334.2	55.7	386.8
Number of borrowers with accounts paid in full in financial year [22]	0.9	7.7	8.6	1.2	5.9	7.1	2.1	4.5	6.6
of which									
paid off before liability has arisen [23]	0.3	-	0.3	0.4	-	0.4	0.5	-	0.5
Number of borrowers with accounts cancelled or written off in financial year [24]	-	1.3	1.4	0.7	1.0	1.7	0.4	0.9	1.3
of which:									
because of death [25]	-	0.1	0.1	0.4	0.1	0.5	0.1	0.1	0.2
because of age	-	0.3	0.3	-	0.4	0.4	-	0.5	0.5
because of disability[25]	-	-	-	-	-	-	-	-	-
because of sequestration [26]	-	0.5	0.5	0.2	0.3	0.4	0.1	0.1	0.2
on completion of Trust Deed [26]	-	-	-	-	0.1	0.1	-	-	-
other	-	0.4	0.4	0.2	0.2	0.4	-	-	-
New borrowers in financial year [27]	26.7	-	26.6	25.9	-	25.8	27.2	-	27.1
Number of borrowers with accounts liable for repayment at the end of financial year[28]	211.3	62.4	270.8	236.6	55.7	289.5	262.2	51.0	310.5
Number of borrowers with accounts not yet in repayment at the end of financial year[28][29]	123.3	-	123.3	120.7	-	120.7	121.1	-	121.1
Number of borrowers at the end of financial year	311.0	62.5	370.1	334.2	55.7	386.8	359.6	51.1	407.7

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

Source: Student Loans Company

See Appendix A for footnotes

Table 2(ii) : Student Loan outlay and repayments [2]: Financial years 2007-08 to 2009-10: borrower activity

This table shows a detailed breakdown of Mortgage Style Loan borrower repayment activity and repayment status for 2009-10, and makes comparisons to financial years 2007-08 and 2008-09.

**Mortgage Style Loans
Scotland**

Financial years	2007-08	2008-09	2009-10
	Figures are quoted in thousands		
	Mortgage Style Loans	Mortgage Style Loans	Mortgage Style Loans
Number of borrowers at the beginning of the financial year	71.1	62.5	55.7
Number of borrowers with accounts paid in full in financial year[22]	7.7	5.9	4.5
Number of borrowers with accounts cancelled or written off in financial year [24] of which:	1.3	1.0	0.9
because of death [25]	0.1	0.1	0.1
because of age	0.3	0.4	0.5
because of disability [25]	-	-	-
because of sequestration [26]	0.5	0.3	0.1
on completion of Trust Deed [26]	-	0.1	-
other	0.4	0.2	-
New borrowers in financial year	-	-	-
All borrowers at the end of financial year	62.5	55.7	51.1
of which:			
(A) Borrowers with accounts liable for repayment [30]	62.4	55.7	51.0
of which			
(a) ahead with repayments	6.0	6.3	4.7
(b) up to date with repayments	13.4	9.8	9.4
(c) owing less than 2 months' repayments	0.4	0.4	0.8
(d) owing 2 or more months' repayments	5.4	4.2	3.7
(e) overdue with no repayment schedule owing <£100 [31]	0.4	0.3	0.3
(f) overdue with no repayment schedule owing >=£100 [32]	10.3	10.7	10.6
(g) deferring repayments	26.2	23.4	21.3
(h) deferring repayments with arrears	1.3	1.3	1.1
(B) Borrowers with accounts not yet in repayment status [30]	-	-	-
of which			
who have made one or more repayments	-	-	-
who have made no repayments	-	-	-

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

Source: Student Loans Company

See Appendix A for footnotes

Table 2(iii) : Student Loan outlay and repayments [2]: Financial years 2007-08 to 2009-10: borrower activity

This table shows a detailed breakdown of Income Contingent Loan borrower repayment activity and repayment status for 2009-10 and makes comparisons to financial years 2007-08 and 2008-09.

Income Contingent Loans

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

Financial years	2007-08				2008-09				2009-10			
	Figures are quoted in thousands											
	Maintenance Loans [33]	Fee Loans (Scottish domiciled rest of UK)	Graduate Endowment Loans [34]	Total IC Loans[28]	Maintenance Loans [33]	Fee Loans (Scottish domiciled rest of UK)	Graduate Endowment Loans [34]	Total IC Loans[28]	Maintenance Loans [33]	Fee Loans (Scottish domiciled rest of UK)	Graduate Endowment Loans [34]	Total IC Loans[28]
Number of borrowers at beginning of the financial year	284.3	0.9	6.5	284.8	309.8	2.0	13.7	311.0	332.6	3.6	15.1	334.2
Number of borrowers with accounts paid in full in financial year [22]	0.9	-	-	0.9	1.2	-	-	1.2	2.1	-	-	2.1
of which:												
paid off before liability for repayment had arisen [23]	0.3	-	-	0.3	0.4	-	-	0.4	0.5	-	-	0.5
Number of borrowers receiving refunds of repayments in financial year	2.5	-	-	2.5	5.1	-	0.1	5.2	4.1	-	0.2	4.3
Number of borrowers with accounts cancelled or written off in financial year [24]	-	-	-	-	0.7	-	-	0.7	0.4	-	-	0.4
of which:												
because of death[25]	-	-	-	-	0.4	-	-	0.4	0.1	-	-	0.1
because of age	-	-	-	-	-	-	-	-	-	-	-	-
because of disability[25]	-	-	-	-	-	-	-	-	-	-	-	-
because of sequestration [26]	-	-	-	-	0.2	-	-	0.2	0.1	-	-	0.1
on completion of Trust Deed [26]	-	-	-	-	-	-	-	-	-	-	-	-
other	-	-	-	-	0.2	-	-	0.2	0.2	-	-	0.2
New borrowers in financial year [27]	25.9	1.1	7.2	26.7	25.6	1.6	1.4	25.9	27.1	1.3	0.2	27.2
All borrowers at the end of financial year [33][30]	309.8	2.0	13.7	311.0	332.6	3.6	15.1	334.2	357.9	4.8	15.2	359.6
of which:												
(A) Borrowers with accounts not yet liable for repayment	123.1	2.0	0.1	123.3	120.3	3.4	-	120.7	120.7	4.4	-	121.1
of which												
who have made one or more repayments	1.9	-	-	1.9	2.2	-	-	2.2	1.5	0.1	-	1.5
who have made no repayments	121.1	2.0	0.1	121.3	118.1	3.4	-	118.5	119.2	4.3	-	119.6
(B) Borrowers with accounts being closed	11.9	-	0.1	11.9	16.3	-	0.3	16.4	23.4	-	0.6	23.7
of which												
who have fully repaid [34]	11.5	-	0.1	11.6	15.9	-	0.3	16.0	22.9	-	0.6	23.2
who are having their account cancelled [35]	0.4	-	-	0.4	0.4	-	-	0.4	0.5	-	-	0.5
(C) Borrowers with accounts liable for repayment	198.5	0.1	13.6	199.6	219.2	0.3	14.9	220.3	237.6	0.7	14.6	238.6

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

Source: Student Loans Company

See Appendix A for footnotes

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 2009-10 are mainly for tax year 2008/09. Also the interest added for customers in repayment in 2009-10 is mainly for tax year 2008/09.

[2] Refer to definitions section of this publication.

[3] EU Students are eligible for Graduate Endowment loans so are therefore included. Amounts lent for Graduate Endowment in financial year 2009-10 represents the notification of amounts advanced in respect of earlier academic years (prior to abolition of the graduate endowment) which have been adjusted in the borrowers loan balance in financial year 2009-10.

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

[5] The introduction of monthly payments to Scottish students has resulted in an artificially high figure for maintenance loan amount lent in financial year 2007-08 and therefore should not be used in comparisons with other financial years. Financial Year 2008-09 represents the expected level of lending in a financial year.

[6] The Graduate Endowment was abolished in 2008 for all those who would become liable on 1 April 2008 or later, with the exception of some postgraduate students who had previously deferred payment. Loans for such students have carried over into financial year 2008-09. Amounts lent for Graduate Endowment shown on table 1 represents the notification of amounts advanced in respect of earlier academic years (prior to abolition of the graduate endowment) which have been adjusted in the borrowers loan balance in financial year 2009-10 (which is period in which SLC has been notified of this from SAAS).

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

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

[9] 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.

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

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

[12] The functionality for processing write-offs due to sequestration and on completion of a Trust Deed was put in place in financial year 2007-08. A number of such write-offs dating back to previous financial years have been processed and are included in the 2007-08 and 2008-09 figures.

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

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

[15] 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).

[16] 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).

[17] 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).

[18] 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.

[19] The number of borrowers with Income Contingent Repayment (ICR) Loans represents those with one or more open loan accounts of the following type: ICR maintenance loans; hardship loans; part time loans; graduate endowment loans (all students who graduated on or after 1 April 2007 will no longer be liable to pay the graduate endowment, with the exception of postgraduate students who deferred liability); fee loans. The SLC are notified of borrowers' repayments by HMRC usually within one year of the end of the tax year they relate to, e.g. there will be some borrowers who have repaid their accounts in full in financial year 2009-10 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.

[20] 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.

[21] 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.

[22] 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.

[23] 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.

[24] Borrowers who have at least one loan account cancelled or written off during the financial year. Note that small balance write-offs are included in accounts paid in full. Excludes borrowers with accounts closed under the RTL scheme as they are also included in accounts paid in full.

[25] System capabilities introduced in financial year 2008-09 to improve the processing of loan cancellations for the reason of death and disability have resulted in the backlog of those loans awaiting being processed from previous years to be processed in financial year 2008-09.

[26] The functionality for processing write-offs due to sequestration and on completion of a Trust Deed was put in place in financial year 2007-08. A number of such write-offs dating back to previous financial years have been processed and are included in both the 2007-08 and 2008-09 figures.

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

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

[29] 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.

[30] 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.

[31] 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.

[32] 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.

[33] Borrowers with income contingent loans are shown in the table by their known status at the end of the financial year. The SLC are notified of borrowers' repayments by HMRC usually within one year of the end of the tax year they relate to, e.g. there will be some borrowers who have repaid their accounts in full in financial year 2009-10 but this will not be reported until the reconciliation has been made with SLC records. Income contingent loans include hardship

loans and part-time loans.

[34] All students who graduated on or after 1 April 2007 will no longer be liable to pay the graduate endowment, with the exception of postgraduate students who had previously deferred liability. Amounts lent for Graduate Endowment shown on table 1 represents the notification of amounts advanced in respect of earlier academic years (prior to abolition of the graduate endowment) which have been adjusted in the borrowers loan balance in financial year 2009-10 (which is period in which SLC has been notified of this from SAAS).

[35] 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	All repayments have been made for a specific loan account.
Cancelled loan	<p>The borrower no longer has any liability to repay as provided for in the loans regulations.</p> <p>An ICR borrower's liability shall be cancelled:</p> <ul style="list-style-type: none"> • On the death of the borrower; • When, in the case of post-2007 student loans, the 35th anniversary of the date on which the borrower became liable to repay the student loan; or • Where the student loan is not a post-2007 student loan, the borrower reaches the age of 65; or • If/when the borrower is disabled and permanently unfit for work <p>A Mortgage Style Loan borrower's liability shall be cancelled:</p> <ul style="list-style-type: none"> • When the borrower dies; • If/when the borrower is not in breach of any obligation in relation to any loan and, if they were under 40 years of age when they last entered the loan agreement, when they reach the age of 50 or when the loan has been outstanding for not less than 25 years (whichever is the sooner); or • If the borrower was over 40 years of age when they entered the loan agreement, when they reach the age of 60.
Deferment	For Mortgage Style Loans only, the borrower's gross monthly income is £2,254 or less (equivalent to £27,050 per year from 2009/10) or he or she has taken out a further mortgage style student loan in relation to a subsequent course. The borrower's obligation to make repayments is therefore deferred for one year at a time, or until the end of the course if granted on grounds of continuing study. Borrowers must apply for deferment.
Deferred with arrears	For Mortgage Style Loans only, borrowers who have at least one loan in deferment status with arrears of repayment excluding those granted time and indulgence (which is in single figures).
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 excluding those granted time and indulgence (which is in single figures).
Refunds of income contingent repayments	The HMRC system ICR deduction process generates a certain amount of over-repayment. Where over-repayment is identified, a refund is provided to the customer by SLC.
Written off loan	The borrower remains liable to repay but recovery is deemed unlikely by the loan administrator or not possible by legal judgement.

Appendix C

NOTES FOR EDITORS

1. The statistics on student loans in this release were compiled by the Student Loans Company (SLC). They include public sector loans only, which are made and repaid on both an income contingent basis and a mortgage style basis.
2. A portfolio of UK student loans to the value of just over £1bn was sold to the private sector in March 1998. A second tranche to the value of £1.03bn was sold in March 1999. In each of these sales a portion of around £110m related to loans to Scottish students. The loans sold were mortgage style; none of the income contingent loans available from the 1998/99 academic year were involved in either sale. This publication does not include statistics on the sold debt portfolios.
3. At the beginning of financial year 2005-06, the administration charges balance (otherwise known as the non interest bearing balance) on mortgage style loans was transferred to SLC on the advice of DfES (now the Department for Business, Innovation and Skills). In order to provide a complete picture of the outstanding customer debt for comparison with previous years, the administration charges debt outstanding to SLC is also shown in the statistics.

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

4. The financial support arrangements for students on courses which began before 1 August 1998 also applied to some new students who entered higher education in 1998/99 but were treated exceptionally as existing award holders for the purposes of the Mandatory Awards Regulations (e.g. gap year students). Tuition fees were paid in full by the Student Awards Agency for Scotland (SAAS) where the student was eligible for a mandatory award and such students also received a grant towards their maintenance, depending on income, for the duration of their course. Eligible students were able to apply for loans repayable on a mortgage-style basis.
5. 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.
6. Borrowers start to repay their loans in the April after they complete, or otherwise cease to attend, their course, unless they qualify for deferment because of low income. Borrowers may be able to apply for deferment of repayments for a year at a time if they have a gross monthly income of £2,254 or less (equivalent to £27,050 per year). The amount owed by each student is adjusted annually in line with the annual inflation rate.

STUDENT SUPPORT ARRANGEMENTS FROM 1998/1999

7. 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.

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

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

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

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

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

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

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

15. Discretionary Hardship Loans, introduced in 1998/99 as part of the new arrangements and available to students in financial difficulty, were increased to a maximum of £500 in 1999/00.

These ceased to be paid in academic year 2003/04 and were replaced by other forms of support.

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

TUITION FEE LOANS

17. From academic year 2006/07 Scottish students studying in the rest of the UK can defer payment of tuition fees by taking out a tuition fee loan. Students can take out as much or as little fee loan as they choose, up to the maximum amount of fees being charged. These loans are not income assessed. The repayment of tuition fee loans debt is no different to that for maintenance loans debt. When the borrower goes into repayment they effectively have a single combined debt balance to be repaid according to the income contingent repayment regulations.

REPAYMENT OF INCOME CONTINGENT LOANS

18. Repayments are at the rate of 9% of income above the income threshold (which has been £15,000 since April 2005 and was previously £10,000). Apart from a few exceptions, where borrowers live overseas or have small balances, SLC does not collect monies from borrowers with income contingent loans – this is done through the taxation system.

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

ANNUAL INTEREST RATE

20. The annual Retail Price Index from March to March is used as the basis for the interest rate for all types of student loan from the following September to August. There is an extra clause in the regulations for ICR loans which states that the interest rate cannot be more than 1% higher than the base rate of major banks. In financial year 2009-10 the interest rates used to adjust the outstanding balances on mortgage-style loans were 3.8% (as measured by the March 2008 RPI) up to the end of August and minus 0.4% (as measured by the March 2009 RPI) from the beginning of September. The interest rates used to adjust the outstanding balances on income contingent loans were 1.5% (the March 2008 RPI reduced so that the interest rate was 1% above the base rate of 0.5%) up to the end of August and 0.0% (the March 2009 RPI of minus 0.4% increased so that it is not negative) from the beginning of September. The interest rate directly affects the current repayment rate of mortgage-style loans borrowers. It does not affect the repayment rate of income contingent loans borrowers; it just affects the time taken to repay.

NATIONAL STATISTICS

21. This is a National Statistics publication. National Statistics are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure they meet customer needs. They are produced free from any political interference.

PUBLICATION AND CONTACT DETAILS

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

23 Scotland's Chief Statistician also annually releases statistics on higher education student support provided/assessed through the Student Awards Agency for Scotland (SAAS) on an academic year basis in '[Higher Education Student Support in Scotland](#)'. This National Statistics publication includes information on awards and fees paid by SAAS and loans assessed by SAAS and subsequent take-up of those loans from the SLC ([Table 7](#)).

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