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INVESTOR IN PEOPLE

STUDENT LOANS FOR HIGHER EDUCATION IN NORTHERN IRELAND, FINANCIAL YEAR 2008-09 (PROVISIONAL)

INTRODUCTION

This statistical first release provides statistics on loan outlay and repayments of loans and borrower activity during financial year 2008-09 for Northern Ireland domiciled students and EU students studying in Northern Ireland. It also shows comparable data for financial years 2006-07 and 2007-08. Figures are provided for the publicly owned debt only.

Policy context

Northern Ireland domiciled students and EU students entering Higher Education in Northern Ireland in academic year 2008/09 are the third year of entrants covered by the support arrangements that were introduced in September 2006. They are known as new system students and are subject to tuition fees of up to £3,145 in academic year 2008/09. They can take out loans to cover the cost of their fees which are not repayable until they have left Higher Education (HE) and are earning over the earnings threshold which remains at £15,000 per year. New system students in receipt of the new HE Maintenance Grant in 2008/09 have their maintenance loan entitlement reduced by up to £1,760 in 2008/09 depending on the level of grant paid.

KEY POINTS

- The amount lent to eligible HE students for Maintenance Loans during the financial year 2008-09 was £111.8m. This included a £15.1m provision rolled forward from financial year 2007-08, in addition to the £96.7m provision for 2008 -2009. This was an increase of 2.85% when compared to 2007-08.
- The total amount lent to eligible HE students during financial year 2008-09 was £164.4m, of which £67.8m relates to Tuition Fee Loans.
- Repayments posted to customer accounts amounted to £33.6m (including £9.5m paid earlier than required) in the financial year 2008-09. £8.3m of these repayments relates to Income Contingent Loans.
- During the 2008-09 financial year almost 2,200 mortgage style borrowers repaid their accounts in full, this represents 12% of all mortgage style borrowers at the beginning of the financial year. This is a decrease of 1% when compared with 2007-08.
- During 2008-09, almost 400 ICR borrowers repaid their accounts in full. In addition to this, at the end of financial year 2008-09 there were also over 3,900 ICR borrowers who have fully repaid with the account closure in progress.

- The balance outstanding (including loans not yet due for repayment) at the end of financial year 2008-09 was £1,161.5m of which £1,111m relates to income contingent loans.
- At the end of 2008-09 there were more than 138,000 borrowers; of these, more than 88,000 had accounts Liabe for repayment.

TABLES

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

Table 2(i) shows the change in the number of borrowers each year from 31/3/2006 to 31/3/2009 broken down between those with Mortgage Style loans and those with Income Contingent loans, and with the 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 2008-09, and makes comparisons to financial years 2006-07 and 2007-08.

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

NOTES FOR EDITORS

1. The statistics on student loans in this release were compiled by the Student Loans Company (SLC). They include public sector loans only, which are made and repaid on both an income contingent basis and a mortgage style basis.

2. A portfolio of UK student loans to the value of just over £1bn was sold to the private sector in March 1998. A second tranche to the value of £1.03bn was sold in March 1999. 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 known as 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.

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

5 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.

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

the numbers in the non-repayment categories. These figures are therefore not directly comparable with those shown for previous years.

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

7. 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 Education and Library Boards 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.

8. 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.

9. 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. £2,161 or less (equivalent to £25,936 per year). The amount owed by each student is adjusted annually in line with the annual inflation rate.

DEFINITIONS

10. The following is a glossary of terms:

Accounts paid in full	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 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).
In deferment	For Mortgage Style Loans only, the borrowers gross income is 85% or

	less of the National Average Earnings 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.
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.
Statutory Repayment Due Date	The point a borrower becomes liable to begin repaying a loan, the April after graduating or otherwise leaving their course. After SRDD borrowers are required to make repayments if their income is above the threshold.
Written off loan	The borrower remains liable to repay but recovery is deemed unlikely by the loan administrator or not possible by legal judgement. Up until July 2004 for Mortgage Style and September 2004 for ICR, Student Loans could be written off as a result of the customer becoming bankrupt. After these dates Student Loans are no longer covered by bankruptcy. Student Loans continue to be subject to Individual Voluntary Arrangements whereby part of the debt is written off once the customer completes the repayment schedule in the IVA.

STUDENT SUPPORT ARRANGEMENTS FROM 1998/99

11. 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 (£1,255 in 2008/09). The amount depended on their own and, if appropriate, their parents' or spouse's income.

12. 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.

13. 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.

14. Following the Farren Review of student finance arrangements in 2000, the Higher Education Bursary was introduced for new entrants into Higher Education in Northern Ireland in academic year 2001/02. This means-tested grant was aimed at increasing access by providing additional help towards the cost of participating in HE by students from lower income households.

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 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. From 2000/01 students on low incomes and on certain benefits in part-time higher education, provided they were studying at 50% of an equivalent full-time course, were eligible for a loan of £500, repayable on an income contingent basis, to cover the additional expenses of studying. Hardship Loans and Part Time Loans have now been discontinued and replaced by other forms of support.

17 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 are unaffected. For mortgage style loans the debt is repaid on behalf of the borrower by the Department for Children, Schools and Families (DCSF) over 5 or 7 years, depending on the original credit agreement. For income contingent loans the debt is repaid by DCSF over 10 years in the form of an annual RTL payment directed via SLC. Those who leave teaching before this period expires become responsible for the remaining debt. As at 31/3/2009 there are approximately 21,000 UK Student Loans borrowers on the RTL scheme. SLC administers the RTL scheme on behalf of DCSF.

STUDENT SUPPORT ARRANGEMENTS FROM 2006/07

18 A new Maintenance Grant has been introduced for 'new system' students who started their course in September 2006. The new Maintenance Grant replaces the HE Bursary. In 2008/09 the maximum amount of support available is £3,335 a year, and how much a student receives depends on their income and that of their household. Students with a household income up to £18,360 will receive the full £3,335 grant; students with household incomes above £18,360 receive a partial grant, with a minimum grant of £50 payable once household income reaches £39,305. No grant is payable where household income is above £39,305. The Maintenance Grant is non-repayable. The equivalent Special Support Grant (of up to £3,335) ensures that students in the DSD vulnerable groups have their grant disregarded when entitlement to benefits is calculated. Since 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 up to a maximum of £1,760.

TUITION FEE LOANS

19 From 2006/07 students can defer payment of tuition fees by taking out a Tuition Fee loan. As well as being available to new system students, this option is also available to pre-2006/07 entrants if they make a full or partial contribution to their fixed fees. Students can take out as much or as little fee loan as they choose, up to the maximum amount of fees being charged. The repayment of Tuition Fee Loans debt is no different to that for Maintenance loans debt. When the borrower goes into repayment they effectively have a single combined debt balance to be repaid according to the Income Contingent repayment regulations

20 Tuition Fee Loans became available to EU students studying in Northern Ireland in academic year 2006/07. Prior to this year EU students were not entitled to any form of Student Loan.

REPAYMENT OF INCOME CONTINGENT LOANS

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

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

ANNUAL INTEREST RATE

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

NATIONAL STATISTICS

24. 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.

Table 1 : Student Loan outlay and repayments - Publicly Owned Debt : financial years 2006-07 to 2008-09 [1] : amounts (£000)

All Northern Ireland domiciled students and those EU students studying in Northern Ireland									
£000 except where otherwise stated									
Financial years	2006-07			2007-08			2008-09 (provisional)		
	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
Academic Year interest rate (APR)	2.4%	2.4%	2.4%	4.8%	4.8%	4.8%	1.5%	3.8%	
Total amount outstanding (including loans not yet due for repayment) at start of financial year, including interest	636,362	70,501	706,863	763,172	62,238	825,410	941,738	55,754	997,492
PLUS									
Amount lent during financial year	122,433	7	122,440	170,623	1	170,624	164,490	2	164,492
of which:									
Maintenance Loans	105,400	7	105,407	123,824	1	123,824	96,734	2	96,735
Tuition Fee Loans	16,881	-	16,881	46,291	-	46,291	67,021	-	67,021
Tuition Fee Loans to EU students	152	-	152	508	-	508	736	-	736
MINUS									
Amount repaid, including interest, during the financial year	12,046	9,819	21,866	16,370	8,579	24,948	26,576	7,046	33,621
of which:									
Repaid by customer to SLC	4,064	9,864	13,928	5,235	8,608	13,843	8,682	7,078	15,760
Reported by HMRC as collected via PAYE and Self Assessment	8,217	-	8,217	11,544	-	11,544	18,513	-	18,513
Refunded by SLC to customer	-235	-45	-280	-409	-30	-439	-620	-32	-652
of which:									
amount repaid earlier than required [2]	3,939	1,571	5,510	5,020	1,522	6,542	8,335	1,120	9,455
MINUS									
Amount cancelled in respect of the Repayment of Teachers' Loans scheme during the financial year	-	93	93	-	81	81	-	57	57
MINUS									
Amount otherwise cancelled during the financial year	54	133	186	79	146	225	637	178	815
of which:									
Because of death [3]	54	72	126	79	17	97	566	34	600
Because of age	-	40	40	-	100	100	-	77	77
Because of disability [3]	-	20	20	-	4	4	21	8	29
Because of bankruptcy [4]	-	-	-	-	14	14	38	27	65
On completion of Individual Voluntary Arrangement (IVA) [4]	-	-	-	-	11	11	11	30	41
Trivial balances	-	-	-	-	-1	-1	-	-	-
Other	-	1	1	-	1	1	-	1	1
PLUS									
Amount of interest added to loans [5] during the financial year [6]	16,477	1,771	18,248	24,381	2,320	26,701	31,957	2,096	34,054
PLUS									
Administration charges applied [7] during the financial year	-	-	-	-	-	-	-	-	-
PLUS									
Balance transfers [8]	-	-	-	-	-	-	-	-	-
GIVES									
Total amount outstanding at the end of the financial year, including loans not yet due for repayment [6][9]	763,172	62,238	825,410	941,738	55,754	997,482	1,110,974	50,538	1,161,513
Year-end reconciling adjustments [10]	-	-	-	10	-	10	14	-	14
Balance after adjustments	763,172	62,238	825,410	941,738	55,754	997,492	1,110,989	50,538	1,161,526
of which:									
(a) balance of loans in deferment [11]	-	36,409	36,409	-	32,039	32,039	-	29,399	29,399
(b) balance of loans in arrears status [12]	750	9,863	10,612	966	10,453	11,419	1,134	10,629	11,764
of which: arrears value	14	6,747	6,761	35	7,216	7,251	58	7,491	7,549
(c) balance of loans deferred with arrears [13]	-	1,442	1,442	-	1,220	1,220	-	1,031	1,031
of which: arrears value	-	267	267	-	253	253	-	227	227
of which: debt held by EU students for Tuition Fee Loans	152.4	-	152.4	669	-	669	1,396	-	1,396
(d) balance of EU Fee loans liable for repayment [14]	-	-	-	6	-	6	158	-	158
(e) balance of EU Fee loans not yet liable for repayment [15]	152	-	152	663	-	663	1,238	-	1,238
Administration charges owed to SLC at the end of the financial year [16]	-	360	360	-	350	350	-	335	335
Balance including debt to SLC	763,172	62,598	825,770	941,738	56,105	997,843	1,110,989	50,873	1,161,861

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

- [1] Repayments of Income Contingent Loans are shown in the financial year when they are posted to customer accounts. The SLC are notified of repayments by HMRC usually within one year of the end of the tax year to which they relate. Hence, the repayments shown in 2008-09 are mainly for tax year 2007/08. Also the interest added for customers in repayment in 2007-08 is mainly for tax year 2006/07.
- [2] Early repayments include those which do not necessarily settle the account in full.
- [3] System capabilities introduced in financial year 2008-09 to improve the processing of loan cancellations for the reason of death and disability have resulted in the backlog of those loans awaiting to be processed from previous years to be processed in financial year 2008-09.
- [4] The functionality for processing write-offs due to bankruptcy and on completion of an IVA has been put in place in 2007-08. A number of such write-offs dating back to previous financial years have been processed and are included in the 2007-08 and 2008-09 figures.
- [5] Interest which was added to the existing loan debt which was neither repaid or cancelled during the financial year.
- [6] For PAYE or self employed repayers, 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.
- [7] A non-interest bearing penalty imposed on accounts where extra administration is required (e.g. in cases of arrears, default).
- [8] 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.
- [9] Constituent parts may not add to totals due to roundings.
- [10] The adjustments indicate transactions in the year affecting customer balances that have not been accounted for in the transaction lines above.
- [11] 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).
- [12] 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).
- [13] 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).
- [14] The debt for those EU borrowers who have reached their Statutory Repayment due date and are now liable to repay their debt.
- [15] 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 2010).
- [16] All movements in the Mortgage Style Loans Administration Charges balances from the beginning of 2005-06 onwards belong to the SLC. This results in a new outstanding balance to be carried forward to the next FY.

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

Northern Ireland domiciled students and EU students studying in Northern Ireland

000's

Financial years	2006-07			2007-08			2008-09 (provisional)		
	Income Contingent Loans [1]	Mortgage Style Loans[2]	Total Public Debt [3]	Income Contingent Loans [1]	Mortgage Style Loans[2]	Total Public Debt [3]	Income Contingent Loans [1]	Mortgage Style Loans[2]	Total Public Debt [3]
Number of borrowers at the beginning of the financial year	88.4	24.7	111.8	100.3	21.5	120.5	112.1	18.6	129.6
Number of borrowers at the end of financial year	100.3	21.5	120.5	112.1	18.6	129.6	123.6	16.2	138.8
Number of borrowers with accounts liable for repayment at the end of financial year[4][5]	50.8	21.4	71.2	61.8	18.6	79.4	73.0	16.2	88.2
Number of borrowers with accounts cancelled in financial year [6]	-	0.2	0.2	-	0.1	0.2	0.1	0.1	0.2
of which:									
because of death [7]	-	-	-	-	-	-	0.1	-	0.1
because of age	-	-	-	-	-	-	-	-	-
because of disability [7]	-	-	-	-	-	-	-	-	-
because of bankruptcy [8]	-	-	-	-	-	-	-	-	-
on completion of Individual Voluntary Arrangement (IVA) [8]	-	-	-	-	-	-	-	-	-
other	-	0.1	0.1	-	0.1	0.1	-	0.1	0.1
Number of borrowers with accounts not yet liable for repayment at the end of financial year[4][9]	53.9	-	53.9	54.9	-	54.9	55.5	-	55.5

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

[1] 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 2008-09 but this will not be reported until the reconciliation has been made with SLC records. Hence, they remain in the borrower numbers until the HMRC return is processed and any resultant refund is returned to the borrower.

[2] 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.

[3] 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.

[4] 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.

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

[6] Constituent parts may not sum to the totals because individual borrowers may be counted in more than one category if they have loan accounts in more than one status.

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

[8] The functionality for processing write-offs due to bankruptcy and on completion of an IVA 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.

[9] Borrowers with at least one open loan account that has not yet passed into repayment because the Statutory Repayment Due Date has not yet been reached.

This number includes a whole cohort of borrowers who are just about to go into repayment in the following April.

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

**Mortgage Style Loans
Northern Ireland**

000's

Financial years	2006-07	2007-08	2008-09 (provisional)
	Mortgage Style Loans	Mortgage Style Loans	Mortgage Style Loans
Number of borrowers at the beginning of the financial year	24.7	21.5	18.6
Number of borrowers with accounts paid in full in financial year ^[1]	3.3	2.9	2.2
of which:			
paid off before liability for repayment had arisen ^[2]	-	-	-
Number of borrowers with accounts cancelled in financial year ^[3]	0.2	0.1	0.1
of which:			
because of death	-	-	-
because of age	-	-	-
because of disability	-	-	-
because of bankruptcy ^[4]	-	-	-
on completion of Individual Voluntary Arrangement (IVA) ^[4]	-	-	-
other	0.1	0.1	0.1
New borrowers in financial year ^[5]	-	-	-
All borrowers at the end of financial year	21.5	18.6	-
of which:			
(A) Borrowers with accounts liable for repayment ^[6]	21.4	18.6	16.2
of which			
(a) ahead with repayments	2.1	1.9	1.9
(b) up to date with repayments	6.7	5.4	3.9
(c) owing less than 2 months' repayments	0.2	0.1	0.2
(d) owing 2 or more months' repayments	1.5	1.3	1.1
(e) overdue with no repayment schedule owing <£100 ^[7]	0.1	0.1	0.1
(f) overdue with no repayment schedule owing >=£100 ^[8]	1.8	2.0	2.1
(g) deferring repayments	9.2	7.8	7.0
(h) deferring repayments with arrears	0.4	0.3	0.3
(B) Borrowers with accounts not yet liable for repayment ^[6]	-	-	-
of which			
who have made one or more repayments	-	-	-
who have made no repayments	-	-	-

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

[1] Borrowers who have repaid at least one loan account in full during the financial year. This covers those accounts that have a status of fully paid; and those accounts with small balance write-offs of less than or equal to £5. Includes accounts closed under the Repayment of Teacher Loans (RTL) scheme.

[2] Borrowers in payment status who have repaid at least one loan account in full in the financial year prior to the loan's statutory repayment due date.

[3] Borrowers who have at least one loan account cancelled 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.

[4] The functionality for processing write-offs due to bankruptcy and on completion of an IVA was put in place in financial year 2007-08.

A number of such write-offs dating back to previous financial years have been processed and are included in the 2007-08 and 2008-09 figures.

[5] Borrowers who had no loans at the beginning of the financial year and who took out new loans during the financial year. Mortgage style loans are only available to those subject to pre-1998-99 student support arrangements.

[6] Constituent parts may not sum to the totals because individual borrowers may be counted in more than one category if they have loan accounts in more than one status.

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

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

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

Income Contingent Loans

Northern Ireland domiciled students and EU students studying in Northern Ireland

000's

Financial years	2006-07					2007-08					2008-09 (provisional)				
	Maintenance Loans [1]	Fee Loans (Northern Ireland domiciled)	Total Northern Ireland Loans	Fee Loans (EU in Northern Ireland)	Total IC Loans[2]	Maintenance Loans [1]	Fee Loans (Northern Ireland domiciled)	Total Northern Ireland Loans	Fee Loans (EU in Northern Ireland)	Total IC Loans[2]	Maintenance Loans [1]	Fee Loans (Northern Ireland domiciled)	Total Northern Ireland Loans	Fee Loans (EU in Northern Ireland)	Total IC Loans[2]
Number of borrowers at beginning of the financial year	88.4	.	88.4	.	88.4	99.4	17.2	100.2	0.1	100.3	110.5	30.4	111.8	0.3	112.1
Number of borrowers with accounts paid in full in financial year [3]	0.2	-	0.2	-	0.2	0.3	-	0.3	-	0.3	0.4	-	0.4	-	0.4
of which:															
paid off before liability for repayment had arisen [4]	0.1	-	0.1	-	0.1	0.1	-	0.1	-	0.1	0.2	-	0.2	-	0.2
Number of borrowers receiving refunds of repayments in financial year [5]	0.4	-	0.4	-	0.4	0.6	-	0.6	-	0.6	1.3	-	1.3	-	1.3
Number of borrowers with accounts cancelled in financial year [6]	-	-	-	-	-	-	-	-	-	-	0.1	-	0.1	-	0.1
of which:															
because of death[7]	-	-	-	-	-	-	-	-	-	-	0.1	-	0.1	-	0.1
because of age	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
because of disability[7]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
because of bankruptcy [8]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
on completion of Individual Voluntary Arrangement (IVA) [8]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New borrowers in financial year [9]	11.2	17.2	11.9	0.1	12.0	11.2	13.3	11.8	0.2	12.0	11.4	12.1	11.9	0.2	12.0
All borrowers at the end of financial year [2][10]	99.4	17.2	100.2	0.1	100.3	110.5	30.4	111.8	0.3	112.1	121.3	42.2	123.2	0.5	123.6
of which:															
(A) Borrowers with accounts not yet liable for repayment	53.0	17.2	53.8	0.1	53.9	53.1	30.1	54.6	0.3	54.9	53.2	38.3	55.1	0.4	55.5
of which															
who have made one or more repayments	0.7	-	0.7	-	0.7	0.8	0.2	0.8	-	0.8	1.1	0.5	1.2	-	1.2
who have made no repayments	52.3	17.1	53.1	0.1	53.2	52.4	29.9	53.7	0.3	54.0	52.1	37.8	53.9	0.4	54.3
(B) Borrowers with accounts being closed	2.0	-	2.0	-	2.0	2.8	0.1	2.8	-	2.8	4.0	0.1	4.0	-	4.0
of which															
who have fully repaid [11]	1.9	-	1.9	-	1.9	2.8	0.1	2.8	-	2.8	3.9	0.1	3.9	-	3.9
who are having their account cancelled [12]	0.0	-	0.0	-	-	0.1	-	0.1	-	0.1	-	-	-	-	-
(C) Borrowers with accounts liable for repayment	48.9	-	48.9	-	48.9	59.0	1.3	59.0	-	59.1	68.9	5.5	69.0	-	69.0
of which															
(a) awaiting first year HMRC return [13]	12.1	-	12.1	-	12.1	12.1	0.6	12.1	-	12.1	9.4	2.4	9.4	-	9.4
(b) above earnings threshold [14]	9.6	-	9.6	-	9.6	15.1	-	15.1	-	15.1	19.2	0.1	19.2	-	19.2
(c) below earnings threshold [15]	22.6	-	22.6	-	22.6	27.0	0.5	27.0	-	27.0	35.9	2.7	35.9	-	35.9
of which															
(i) below earnings threshold- no repayments made [16]	..	..	..	..	..	..	..	..	..	..	29.7	2.2	29.7	-	29.7
(ii) earnings in tax year below threshold - repaid something[17]	..	..	..	..	..	..	..	..	..	..	6.2	0.5	6.2	-	6.2
(d) non-repayment categories [18]	4.4	-	4.4	-	4.4	4.7	0.2	4.7	-	4.7	4.4	0.4	4.4	-	4.4
(e) overseas repayers - in arrears [19]	0.1	-	0.1	-	0.1	0.1	-	0.1	-	0.1	0.1	-	0.1	-	0.1

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

Footnotes overleaf

- [1] Borrowers with income contingent loans are shown in the table by their known status at the end of the financial year. The SLC are notified of borrowers' repayments by HMRC usually within one year of the end of the tax year they relate to, e.g. there will be some borrowers who have repaid their accounts in full in financial year 2008-09 but this will not be reported until the reconciliation has been made with SLC records. Income contingent loans include hardship loans and part-time loans.
- [2] Each borrower has a loan account for each academic year of study in which they take out a loan. The repayment activity may be different for each loan account. Numbers in the Total IC loans column count each borrower once only, even where borrowers have loan accounts belonging to more than one product type. Therefore the totals in the total debt column will not necessarily reconcile to the total of the component parts.
- [3] 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.
- [4] 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.
- [5] 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.
- [6] Borrowers who have repaid at least one loan account cancelled 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.
- [7] 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.
- [8] The functionality for processing write-offs due to bankruptcy and on completion of an IVA 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.
- [9] Borrowers who had no loans at the beginning of the financial year and who took out new loans during the financial year.
- [10] 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.
- [11] 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.
- [12] 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.
- [13] Borrowers who have been matched with Student Loans records at HMRC but the first tax year return has not yet been received by SLC. Hence, the repayment status cannot yet be determined. The introduction of a monthly matching process between HMRC and SLC has resulted in this figure dropping in the 2008-09 financial year as we identify employment status of the borrower on a monthly basis.
- [14] Borrowers for whom the latest tax year return from HMRC indicates that they are above the earnings threshold. This category also includes those borrowers who are having their loan repaid via the Repayment of Teacher Loans scheme. This category also includes those borrowers who are now resident overseas, are above the earnings threshold for their country of residence, and are repaying on schedule.
- [15] Borrowers who are currently known to be under the earnings threshold.
- [16] Borrowers who are currently known to be under the earnings threshold and who have never made a repayment to their loan account.
- [17] Borrowers who are currently known to be under the earnings threshold but who have made repayments to their loan accounts in the past.
- [18] SLC unable to determine repayment status as records yet to be matched and information to be collected. Financial year 2008-09 figures are based on refined methodology to determine the status of those borrowers who have indicated that they intend to reside overseas yet have not completed the overseas assessment process required by SLC to determine a repayment schedule. The revision to methodology determines the likelihood of the borrower actually being overseas by analysing subsequent data provided by from HMRC which contradicts overseas indicators. These figures are therefore not directly comparable with those shown for previous years.
- [19] UK and non UK national borrowers known to be currently overseas.