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INVESTOR IN PEOPLE

STUDENT LOANS FOR HIGHER EDUCATION IN ENGLAND, FINANCIAL YEAR 2008-09 (PROVISIONAL) (REVISED)

INTRODUCTION

This statistical first release provides statistics on loan outlays, repayments of loans and borrowers' activities for students in Higher Education (HE). It covers English domiciled students studying in the UK and EU students entering HE in England and shows provisional figures for financial year 2008-09 and final figures for financial years 2006-07 and 2007-08. Figures are provided for two different student loan arrangements: mortgage style loans which were in place until academic year 1997/98 and income contingent loans that were introduced in 1998/99. The student support system changed significantly in 2006/07 with the introduction of variable tuition fees and the figures for income contingent loans include students who were subject to this new system and those who entered earlier. All the figures cover publicly owned debt only.

The revised figures contain additional repayment status information at 31 March 2009. Specifically: those borrowers in the UK tax system for whom HMRC does not have a record of employment at 31st March, have been separated out from the group reported as 'below earnings threshold', in which it was included when monthly data matching with HMRC had not yet been introduced. This allows a distinction to be made between those who are known to be below the earnings threshold, and those whose repayment status is yet to be determined.

KEY POINTS

- Repayments posted to customer accounts amounted to £899.6m in the financial year 2008-09 (including £312.6m paid earlier than required). £294.0m of the early repayments relates to Income Contingent Loans.
- During the 2008-09 financial year 39,700 borrowers with Mortgage Style Loans and 13,100 with Income

Contingent Loans, repaid at least one of their loan accounts in full.

- The balance outstanding (including loans not yet due for repayment) at the end of financial year 2008-09 was £25.96bn of which £25.09bn relates to income contingent loans.
- At the end of 2008-09 there were 2.9 million borrowers; of these, 1.8 million had accounts liable for repayment. These figures represent increases of 9% and 11% respectively compared to the position at the end of 2007-08.

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 cancellations to be processed. These changes contributed to a 15 fold increase on the figures shown in table 2(iii) under the category "Number of borrowers with accounts cancelled because of death" compared to the previous financial year. Cancellations for death and disability in future years are expected to be fewer than in 2008-09 because they are expected to only cover a single year and not include a backlog.
- During 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 (see footnote [13] in table 2(iii).).
- Section C of table 2 (iii) has been revised for financial year 2008-09 following a refinement in the rules used to determine the borrower's repayment status. The aim of this refinement was to better estimate whether borrowers who had indicated their intention to reside overseas had completed the SLC overseas assessment process necessary to assess their repayment status. This change contributed to the decrease in numbers of borrowers categorised under the non-repayment categories displayed in table 2(iii) compared to last financial year. These figures are therefore not directly comparable.

TABLES

Table 1 shows the provisional amounts paid out in loans and repaid during financial year 2008-09 and makes comparisons to final figures for 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 (provisional) 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 provisional figures for Mortgage Style Loan borrower repayment activity and repayment status for 2008-09, and makes comparisons to final figures for financial years 2006-07 and 2007-08.

Table 2(iii) shows a detailed breakdown of provisional figures for Income Contingent Loan borrower repayment activity and repayment status for 2008-09 and makes comparisons to final figures for financial years 2006-07 and 2007-08. Amended: An extra sub-category has been separated out for clarity; this is for borrowers who are in the tax system but for whom there is no current employment record at HMRC. The information to identify this group separately only became available to SLC in 2008-09; previous year's datasets do not include this category

NOTES FOR EDITORS

1. The statistics on student loans in this release were compiled by the Student Loans Company (SLC). They include public sector loans only, which are made and repaid on both an income contingent basis and a mortgage style basis. Student loans are available to eligible full-time undergraduate students and those taking full-time or part-time postgraduate initial teacher training courses. In the past some other part-time students were able to take out loans, but these have been replaced by other forms of support.

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 the Department for Education and Skills (now the department for Business, Innovation and Skills - 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.

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

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. Mortgage-style borrowers start to repay their loans in the April after they complete, or otherwise cease to attend, their course, unless they qualify for deferment because of low income. Borrowers are able to apply for deferment of repayments for a year at a time if their gross income is less than 85 per cent of national average earnings, i.e. less than £2,161 per month from 1 September 2008. The amount owed by each student is adjusted annually in line with the annual inflation rate.

DEFINITIONS

7. 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. This category includes the very small number (less than 10) who have been granted time and indulgence.
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 the very small number (less than 10) who have been granted time and indulgence and fall within "Deferred with arrears".
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 academic year 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 (SRDD)	The point a borrower becomes liable to begin repaying a loan, the April after graduating or otherwise leaving their course. After the SRDD borrowers are required to make repayments if their income is above the threshold.
Written off loan	<p>The borrower remains liable to repay but recovery is deemed unlikely by the loan administrator or not possible by legal judgement.</p> <p>Up until July 2004 for Mortgage Style and September 2004 for ICR, student loans could be written off as a result of the customer becoming bankrupt. After these dates student loans are no longer covered by bankruptcy. Student loans continue to be subject to Individual Voluntary Arrangements (IVA) whereby part of the debt is written off once the customer completes the repayment schedule in the IVA.</p>

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

FEES SUPPORT

8. 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.

STUDENT LOANS

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

MAINTENANCE SUPPORT

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

HIGHER EDUCATION GRANT

11. The Higher Education Grant was introduced for new entrants into Higher Education in England and Wales in academic year 2004/05 to help cover the cost of participating in higher education. It is fully means tested.

ADDITIONAL GRANTS AND ALLOWANCES

12. 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.

DISCRETIONARY AWARDS

13. Discretionary Hardship Loans introduced in 1998/99 as part of the new arrangements and available to students in financial difficulty were increased to a maximum of £500 in academic year 1999/00. From academic year 2000/01 students on low incomes and on certain benefits in part-time higher education, provided they were studying at 50% of an equivalent full-time course, were eligible for a loan of £500, repayable on an income contingent basis, to cover the additional expenses of studying. Hardship Loans and Part Time Loans have now been discontinued and replaced by other forms of support.

REPAYMENT OF TEACHERS LOANS

14. The Repayment of Teachers Loans (RTL) scheme was introduced in September 2002. It was open to newly qualified teachers, teaching one of the priority subjects for at least half of their time in a state school or Further Education establishment in England and Wales. Priority subjects include Mathematics, Science, English (including drama), ICT, Modern Languages (including Welsh), Technology and Basic skills. The RTL scheme was closed to new entrants in 2005, those already in the scheme are unaffected. For mortgage style loans the debt is repaid on behalf of the borrower by the Department for Children, Schools and Families (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 DCSF over 10 years. 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 FOR STUDENTS ENTERING HIGHER EDUCATION FROM ACADEMIC YEAR 2006/07

POLICY CONTEXT

15. English domiciled students and EU students entering HE in England 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. Repayments are made at 9% of income above this threshold. Interest is set at the rate of inflation, so students pay back no more in real terms than they borrowed. Students can also take out maintenance loans, and some are entitled to a new HE maintenance grant. In academic year 2008/09, full-time students who started their course in 2008/09 with no previous study, with a family income up to £25,000 are eligible for the full maintenance grant of £2,835. New system students in receipt of the maintenance grant have their maintenance loan entitlement reduced by up to £1,260 in 2008/09 depending on the level of grant paid.

MAINTENANCE SUPPORT

16. A new maintenance grant was introduced for students who started their course in September 2006 and were subject to variable tuition fees. This system has continued in subsequent years. These students are termed “current system” students. The new maintenance grant replaced the HE grant. The maximum amount of grant available in academic year 2008/09 is £2,835, and how much a student receives depends on their income, the income of their household, and their year of entry into higher education. Students receive the full grant of £2,835 if they are 2008 entrants with a household income up to £25,000 or a continuing “current system” student with a household income of up to £18,360. Students receive a partial grant with a minimum grant of £50 if they are 2008 entrants with a household income up to £60,005 or a continuing “current system” student with a household income up to £39,305. The equivalent special support grant (of up to £2,835) ensures that students in the DWP vulnerable groups have their grant disregarded when entitlement to benefits is calculated.

TUITION FEE LOANS

17. From academic year 2006/07 students can defer payment of tuition fees by taking out a Tuition Fee loan. As well as being available to current 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.

18. Tuition Fee Loans became available to EU students studying in England in academic year 2006/07. Prior to this year EU students were not entitled to any form of student loan.

REPAYMENT OF INCOME CONTINGENT LOANS

19. 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.

20. 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

21. 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

22. 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][2] : amounts (£m)

English domiciled students studying in the UK and EU students studying in England				£ million 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	14,101.4	1,220.4	15,321.7	17,045.7	1,070.6	18,116.3	20,981.9	962.3	21,944.3
PLUS									
Amount lent during financial year	2,954.1	0.1	2,954.1	3,905.0	-	3,905.0	4,204.1	-	4,204.1
of which:									
Maintenance Loans	2,567.5	0.1	2,567.6	2,835.5	-	2,835.5	2,496.9	-	2,496.9
Tuition Fee Loans to English domiciled students	376.9	.	376.9	1,037.5	.	1,037.5	1,652.9	.	1,652.9
Tuition Fee Loans to EU students	9.7	.	9.7	32.0	.	32.0	54.3	.	54.3
MINUS									
Amount repaid, including interest, during the financial year	359.2	170.7	529.8	494.2	139.3	633.5	788.3	111.3	899.6
of which:									
Repaid by customer to SLC	138.7	171.5	310.1	174.4	139.9	314.3	299.4	112.0	411.3
Reported by HMRC as collected via PAYE and Self Assessment	228.8	.	228.8	332.7	.	332.7	510.1	.	510.1
Refunded by SLC to customer	-8.3	-0.8	-9.1	-12.9	-0.6	-13.4	-21.2	-0.7	-21.9
of which:									
amount repaid earlier than required [3]	138.3	26.2	164.5	172.5	21.9	194.4	294.0	18.6	312.6
MINUS									
Amount cancelled in respect of the Repayment of Teachers' Loans scheme during the financial year	15.3	3.3	18.6	17.7	3.2	20.9	15.1	1.7	16.7
MINUS									
Amount otherwise cancelled or written off during the financial year	1.5	4.0	5.5	1.0	6.6	7.6	19.7	9.0	28.7
of which:									
Because of death [4]	1.4	1.2	2.7	1.0	0.7	1.6	14.9	0.7	15.6
Because of age	-	2.4	2.4	-	3.4	3.4	-	5.4	5.4
Because of disability [4]	-	0.4	0.4	-	0.4	0.5	1.5	0.5	2.0
Because of bankruptcy [5]	-	.	.	-	1.9	1.9	3.0	2.1	5.0
On completion of Individual Voluntary Arrangement (IVA) [5]	-	.	.	-	0.2	0.2	0.3	0.2	0.5
Trivial balances	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
PLUS									
Amount of interest added to loans [6] during the financial year [7]	364.9	29.5	394.3	545.0	40.6	585.6	726.3	33.3	759.5
PLUS									
Administration charges applied [8] during the financial year	-	-	-	-	-	-	-	-	-
PLUS									
Balance transfers [9]	1.4	-1.4	0.1	-0.8	0.1	-0.7	-	0.1	0.1
GIVES									
Total amount outstanding at the end of the financial year, including loans not yet due for repayment [7][10]	17,045.7	1,070.6	18,116.4	20,981.9	962.3	21,944.2	25,089.5	873.7	25,963.3
Year-end reconciling adjustments [11]	-	-	-	-	-	-	0.5	-	0.5
Balance after adjustments	17,045.7	1,070.6	18,116.3	20,981.9	962.3	21,944.3	25,090.0	873.7	25,963.8
of which:									
(a) balance of loans in deferment [12]	-	588.8	588.8	-	525.8	525.8	-	487.3	487.3
(b) balance of loans in arrears status [13]	4.6	222.7	227.3	6.2	229.6	235.8	12.9	229.0	242.0
of which: arrears value	0.1	168.7	168.8	0.2	174.6	174.8	0.4	176.5	177.0
(c) balance of loans deferred with arrears [14]	-	27.5	27.5	-	24.9	24.9	-	23.5	23.5
of which: arrears value	-	5.7	5.7	-	5.5	5.5	-	5.3	5.3
of which: debt held by EU students for Tuition Fee Loans	9.7	-	9.7	42.1	-	42.1	96.8	-	96.8
(d) balance of EU Fee loans liable for repayment [15]	-	-	-	0.2	-	0.2	4.9	-	4.9
(e) balance of EU Fee loans not yet liable for repayment [16]	9.7	-	9.7	41.9	-	41.9	91.9	-	91.9
Administration charges owed to SLC at the end of the financial year [17]	-	9.2	9.2	-	9.0	9.0	-	8.6	8.6
Balance including debt to SLC	17,045.7	1,079.8	18,125.5	20,981.9	971.3	21,953.2	25,090.0	882.4	25,972.4

. = 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 2008-09 is mainly for tax year 2007/08.

[2] Refer to Definitions section of this document.

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

[4] The functionality for processing cancellations on ICR loans due to death and disability was put in place in 2008-09.

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

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

[6] Interest which was added to the existing loan debt which was neither repaid or cancelled during the financial year.

[7] 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.

[8] A non-interest bearing penalty imposed on accounts where extra administration is required (e.g. in cases of arrears, default).

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

In 2006-07 the Suspense accounts were reclassified from Mortgage Style to ICR.

In 2007-08 the negative movement for ICR is caused by adjustments in the Suspense account.

[10] Constituent parts may not add to totals due to roundings.

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

[12] 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).

[13] 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).

[14] 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).

[15] The debt for those EU borrowers who have reached their Statutory Repayment due date and are now liable to repay their debt.

[16] 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).

[17] 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

English domiciled students studying in the UK and EU students studying in England									
Financial years	2006-07			2007-08			2008-09 (provisional)		
	Income Contingent Loans [1]	Mortgage Style Loans[1][2]	Total Number of Borrowers [3]	Income Contingent Loans [1]	Mortgage Style Loans[1][2]	Total Number of Borrowers [3]	Income Contingent Loans [1]	Mortgage Style Loans[1][2]	Total Number of Borrowers [3]
Number of borrowers at the beginning of the financial year	1,831.3	459.6	2,263.8	2,089.6	394.7	2,458.0	2,359.8	341.3	2,676.1
Number of borrowers at the end of financial year	2,089.6	394.7	2,458.0	2,359.8	341.3	2,676.1	2,641.9	298.2	2,916.5
Number of borrowers with accounts in repayment at the end of financial year[4][5]	1,118.7	394.6	1,492.3	1,347.5	341.1	1,667.7	1,572.6	298.0	1,849.9
Number of borrowers with accounts cancelled or written off in financial year [6]	0.3	3.1	3.3	0.3	4.3	4.6	2.5	3.9	6.3
of which:									
because of death [7]	0.3	0.4	0.7	0.1	0.2	0.4	1.7	0.2	2.0
because of age	-	1.0	1.0	-	1.2	1.2	-	1.6	1.6
because of disability [7]	-	0.2	0.2	-	0.1	0.2	-	0.2	0.2
because of bankruptcy [8]	-	-	-	-	0.5	0.5	0.3	0.6	0.9
on completion of Individual Voluntary Arrangement (IVA) [8]	-	-	-	-	0.1	0.1	-	0.1	0.1
other	-	1.5	1.5	0.1	2.3	2.4	0.4	1.2	1.6
Number of borrowers with accounts not yet liable to repay at the end of financial year[4][9]	1,049.0	0.1	1,049.1	1,097.3	0.2	1,097.4	1,156.3	0.2	1,156.5

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

[1] Refer to Definitions section of this publication.

[2] 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 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 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 [1]: borrower activity

Mortgage Style Loans

England

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	459.6	394.7	341.3
Number of borrowers with accounts paid in full in financial year[2]	63.5	51.4	39.7
of which:			
paid off before liability for repayment had arisen [3]	-	-	-
Number of borrowers with accounts cancelled or written off in financial year [4]	3.1	4.3	3.9
of which:			
because of death[5]	0.4	0.2	0.2
because of age	1.0	1.2	1.6
because of disability[5]	0.2	0.1	0.2
because of bankruptcy [6]	-	0.5	0.6
on completion of Individual Voluntary Arrangement (IVA) [6]	-	0.1	0.1
other	1.5	2.3	1.2
New borrowers in financial year [7]	-	-	-
All borrowers at the end of financial year	394.7	341.3	298.2
of which:			
(A) Borrowers with accounts liable for repayment [8]	394.6	341.1	298.0
of which			
(a) ahead with repayments	42.2	37.3	37.7
(b) up to date with repayments	112.1	87.1	59.6
(c) owing less than 2 months' repayments	3.3	2.2	2.3
(d) owing 2 or more months' repayments	28.4	23.9	18.3
(e) overdue with no repayment schedule owing <£100 [9]	2.1	2.2	2.1
(f) overdue with no repayment schedule owing >=£100 [10]	50.0	53.5	55.9
(g) deferring repayments	156.1	133.8	120.4
(h) deferring repayments with arrears	7.4	6.5	5.8
(B) Borrowers with accounts not yet in repayment status [8]	0.1	0.2	0.2
of which			
who have made one or more repayments	0.1	0.1	0.1
who have made no repayments	-	0.1	0.1

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

[1] Refer to definitions section of this publication.

[2] Borrowers who have repaid at least one loan account in full during the financial year.

[3] 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.

[4] Refer to Definitions section of this publication. Borrowers who have at least one loan account cancelled during the financial year.

[5] 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.

[6] 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.

[7] 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.

[8] 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.

[9] 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.

[10] 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 [1]: borrower activity

Income Contingent Loans

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

000's

Financial years	2006-07					2007-08					2008-09 (provisional)				
	Maintenance Loans	Fee Loans (English domiciled)	Total England Loans	Fee Loans (EU in England)	Total IC Loans[2]	Maintenance Loans	Fee Loans (English domiciled)	Total England Loans	Fee Loans (EU in England)	Total IC Loans[2]	Maintenance Loans	Fee Loans (English domiciled)	Total England Loans	Fee Loans (EU in England)	Total IC Loans[2]
Number of borrowers at beginning of the financial year	1,831.3	.	1,831.3	.	1,831.3	2,065.5	366.7	2,082.6	7.1	2,089.6	2,312.2	645.8	2,343.3	16.9	2,359.8
Number of borrowers with accounts paid in full in financial year [3]	8.7	0.1	8.8	-	8.8	8.8	0.4	9.1	-	9.1	12.1	2.5	12.9	0.2	13.1
of which:															
paid off before liability for repayment had arisen [4]	3.1	0.1	3.2	-	3.2	3.2	0.4	3.4	-	3.4	5.3	2.0	5.9	0.1	6.0
Number of borrowers receiving refunds of repayments in financial year [5]	14.0	-	14.0	-	14.0	19.0	0.2	19.2	-	19.3	37.5	0.7	38.2	-	38.3
Number of borrowers with accounts cancelled or written off in financial year [6]	0.3	-	0.3	-	0.3	0.3	0.1	0.3	-	0.3	2.4	0.2	2.5	-	2.5
of which:															
because of death [7]	0.3	-	0.3	-	0.3	0.1	0.1	0.1	-	0.1	1.7	0.1	1.7	-	1.7
because of age	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
because of disability [7]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
because of bankruptcy [8]	-	-	-	-	-	-	-	-	-	-	0.3	-	0.3	-	0.3
on completion of Individual Voluntary Arrangement (IVA) [8]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
other	-	-	-	-	-	0.1	-	0.1	-	0.1	0.4	-	0.4	-	0.4
New borrowers in financial year [9]	237.7	366.7	254.6	7.1	261.6	250.8	278.9	264.3	9.7	273.8	268.7	292.6	283.1	11.6	293.9
All borrowers at the end of financial year [2][10]	2,065.5	366.7	2,082.6	7.1	2,089.6	2,312.2	645.8	2,343.3	16.9	2,359.8	2,568.1	934.1	2,614.9	28.2	2,641.9
of which:															
(A) Borrowers with accounts not yet liable for repayment of which	1,023.3	366.7	1,042.0	7.1	1,049.0	1,046.2	638.5	1,080.9	16.8	1,097.3	1,083.6	846.6	1,131.2	26.3	1,156.3
who have made one or more repayments	18.0	0.8	18.3	.	18.3	21.2	6.0	22.7	0.2	22.9	27.7	13.6	30.4	0.4	30.9
who have made no repayments	1,005.3	365.9	1,023.7	7.1	1,030.7	1,025.0	632.4	1,058.2	16.6	1,074.4	1,055.9	833.0	1,100.8	25.8	1,125.4
(B) Borrowers with accounts being closed of which	88.8	-	88.8	-	88.8	113.1	1.3	113.2	-	113.2	147.2	2.9	147.5	0.1	147.6
who have fully repaid [11]	87.4	-	87.4	-	87.4	111.3	1.3	111.4	-	111.4	145.9	2.9	146.2	0.1	146.3
who are having their account cancelled [12]	1.4	-	1.4	-	1.4	1.8	-	1.8	-	1.8	1.3	0.1	1.3	-	1.3
(C) Borrowers with accounts liable for repayment of which	1,032.2	-	1,032.2	-	1,032.2	1,236.9	25.2	1,237.2	0.1	1,237.3	1,424.0	116.9	1,426.4	1.9	1,428.3
(a) awaiting first year HMRC return [13]	262.5	-	262.5	-	262.5	254.5	11.9	254.6	-	254.6	195.6	55.0	197.0	0.3	197.3
(b) above earnings threshold [14]	253.2	-	253.2	-	253.2	374.7	0.2	374.7	-	374.7	458.7	2.4	458.7	-	458.7
(c) below earnings threshold [15]	448.7	-	448.7	-	448.7	536.4	9.8	536.4	-	536.4	474.2	32.5	474.3	0.5	474.7
of which															
(i) Below earnings threshold- no repayments made [16]	..	..	..	..	..	..	..	..	..	..	346.2	22.6	346.3	0.5	346.7
(ii) Earnings in tax year below threshold - repaid something[17]	..	..	..	..	..	..	..	..	..	..	128.0	10.0	128.0	-	128.0
(d) In UK tax system - latest employment status to be determined [18]	..	..	..	..	..	..	..	..	..	..	226.4	20.1	226.9	-	227.0
(e) non-repayment categories [19]	67.3	-	67.3	-	67.3	70.9	3.3	71.0	0.1	71.1	68.1	6.9	68.5	1.0	69.5
(f) currently overseas - in arrears [20]	0.4	-	0.4	-	0.4	0.5	-	0.5	-	0.5	1.0	0.1	1.0	-	1.0

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

Footnotes overleaf

[1] Refer to Definitions section of this publication. 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.

[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 with small balance write-offs of less than or equal to £5.

[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 at least one loan account cancelled during the financial year.

[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 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 whose earnings in the latest recorded tax year were below the earnings threshold. Prior to 2008-09 customers in the UK tax system with no live employment would mostly have been recorded here as the up to date information about their employment status was not available to SLC.

[16] Borrowers whose earnings in the latest recorded tax year were below the earnings threshold and who made no repayments via the UK tax system in that tax year.

[17] Borrowers whose earnings in the latest recorded tax year were below the earnings threshold but who have made repayments via the UK tax system in that tax year.

[18] Borrowers in the UK tax system where HMRC does not have a record of employment at 31st March - so latest employment status to be determined. The information to identify this group separately only became available to SLC in 2008-09. Previous year's datasets do not include this category.

[19] SLC unable to determine repayment channel 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.

[20] UK and non UK national borrowers known to be currently overseas.