

General Guide to Financing a University Degree

Student Loans to pay tuition fees (**up to £9000** per year) & living expenses are available to all, regardless of parents' income. They should cover most of the cost of attending university, but have to be repaid by the student, after graduation. The key facts about these loans are:

- The interest rate on the loans is linked to the inflation rate (plus up to 3% extra on graduate earnings over £21000 p.a. – the current rate is 6.3%)
- Repayments of the loan are payable only once the student begins earning over **£21,000** a year
- Payments are made at a rate of **9%** of all earnings **above £21,000** until the debt is repaid
- All debt still owed after 30 years is cancelled

The loan for tuition fees is not income assessed along with 65% of the loan for maintenance costs. This leaves around **£2-4,000** a year which has to be found outside the student loan scheme, where parental income exceeds **£42,620 p.a.** Grants are available where parental household income is below **£42,620 p.a.** (A maximum grant of **3,387 p.a.** is paid where household income is less than **£25,000 p.a.**)

All universities have significant bursaries (financial support) available for certain target students. All universities who decide to charge the maximum tuition fee have to make financial provision for access to less advantaged students from their own income.

Details and updates from:

<https://www.gov.uk/student-finance/overview>

<http://www.studentfinance.direct.gov.uk>