

Advanced Learner Loans – FAQ's

How do I apply for a loan?

Once you've identified the qualification you'd like to study you should contact the College and we will confirm whether there are places available and provide you with the information you'll need to make a loan application.

Am I eligible for an Advanced Learner Loan?

To be eligible for one of these loans you must:

- be aged 24 or over at the start of your course;
- be undertaking an eligible course at an approved College such as Plumpton College
- be living in the UK on the first day of your course
- have been living in the UK for 3 years before starting your course

Does getting a loan depend on my income or credit history?

No. Getting a loan doesn't depend on your income and credit checks aren't carried out. Repayments are based on your income and won't begin until your income is over £404 a week, £1,750 a month or £21,000 a year.

Can I apply online?

Yes, applying online is quick and easy. If you don't have online access you can download and fill in an application form. If you need help, contact us at the College.

Can I get financial advice?

If you're unsure about taking out a loan and want to seek advice then you'll have the opportunity to do so. The Money Advice Service, established by the UK government, can offer free, impartial money advice. Visit their website at moneyadviceservice.org.uk

What information do I need to provide when applying for a loan?

The College will give you these details.

- course code you wish to study;
- the College code
- the fee you're being charged

You'll also be required to provide your personal details (name, address) and evidence to confirm your identity. For UK passport holders this will just be your valid UK passport number (not a physical passport). You'll also need to provide a valid National Insurance number.

If you're a UK national but don't have a passport you'll be asked to provide another form of evidence such as a UK birth certificate, which will be returned to you. If you're not a UK national you'll need to provide physical identity evidence, as well as evidence that you're a permanent resident inside the UK.

Can I apply for a loan after my course has started?

You should apply as early as possible to make sure Student Finance England can pay the College at the start of your course. However, you can apply for a loan at any time during your course, but not after you've completed it. If you wish to apply for a loan during your course, you'll need to agree this with the College or in advance, as you'll already have discussed with them how you're going to pay your fees. Deciding to take out a loan will change this arrangement.

What happens if I change my mind before I start my course?

If you decide before the start of your course you no longer want to undertake your course or you don't want to take out a loan for the course then you can simply contact Student Finance England. Student Finance England will be able to cancel your loan application and you won't have any loan to repay.

What happens if I change my mind once I've started my course?

Loan payments will not be made to your College on your behalf until you've attended the course for at least two weeks. If you leave the course after more than two weeks then you'll be liable to repay the loan payments that have been made to the provider on your behalf, for the time you have been on the course.

How much loan can I take out?

There's a maximum amount of loan available to you based on the type of qualification you're doing. The College will be able to advise you of this amount. The fee charged by the College may be less than the maximum loan amount available - so in this case you'd only need to take out a loan to cover the fee being charged.

Will I have to repay the full loan amount if I leave part way through the course?

No. Your loan will be paid to the College in line with your attendance on the course. When you stop attending, payments to the College will stop and you'll only be liable to repay the amount (including any interest accrued on that amount) that's already been paid to the College.

How much of the course costs will the loan cover?

In the majority of cases loan will cover the fee being charged by the College. You'll need to agree with the College upfront, how any shortfall will be paid.

What happens if I change my mind about the course and want to do something different?

It'll depend on how much of the course you've undertaken. If you've done less than two weeks you can simply cancel the loan and this won't count against the total number of loans available to you. After two weeks on a course, the College will confirm your attendance and you'll become liable for the amounts paid to us. It will count against the total number of loans available to you.

However, there's flexibility to allow for a single repeat of the same type of course where you did not complete the original. You'd still be required to repay the original sum borrowed but you could take out another loan. Before making this decision you should speak to the College as it may be possible to transfer to the new course under the same loan.

How will I pay back the loan?

Repayments will be automatically deducted from your income through the tax system from the April after you complete or leave the course and your income is more than £21,000 a year.

When will repayments start?

Repayments via the tax system will start from April 2016 and there's no need to repay until then. You can make voluntary repayments direct to SLC at any time and before April 2016 in order to accrue less interest and pay off your loan more quickly.

If you leave your course after April 2016 then repayments will start from the following April and when your income is more than £404 a week, £1,750 a month or £21,000 a year.

How much will the repayment be?

Repayments will be made at 9 per cent of your income over £404 a week, £1,750 a month or £21,000 a year. For example, if your income is £25,000 a year then your loan repayments would be around £360 a year or £30 a month (i.e. £4,000 x 9%). The repayments are based purely on income, not on the amount borrowed or number of loans. If your income falls below £21,000, repayments will stop and only re-start when your income increases to more than £21,000.

What happens if I can't repay the entire loan?

You'll only ever have to make repayments in line with your income if you earn more than £21,000. Any loan balances which remain after 30 years will be written off.

What happens when I retire?

Loans repayments aren't taken from Pension Income, so if you retire and are paid a state pension then you will only repay if you have other taxable income that is above £21,000.

What happens when I die?

If you die then your loan will be written off.

How much interest will I be charged on the loan?

Some of the interest on your loan will be based on inflation (Retail Price Index (RPI)). The table below shows how interest is calculated.

	Interest rate
While you're studying and until the April after you finish or leave your course	Retail Price Index (RPI) plus 3%
If you finish or leave your course before April 2016	RPI plus 3% until the April after you leave your course then RPI
From April 2016	Interest will be based on your income. £21,000 or less – RPI £21,001 to £41,000 – RPI plus up to 3%, depending on income £41,001 and over – RPI plus 3%

What is RPI, and what happens if it changes?

The Retail Price Index, RPI, is a measure of UK inflation. It measures changes to the cost of living in the UK. The UK government uses the rate of RPI for many purposes, including setting the interest rate charged on student loans.

Can I have an Advanced Learner Loan and a Bursary?

Yes. Bursaries are available on a discretionary basis to provide financial assistance to students who without support would not have access to learning. The College targets those most in need and offers support to help with the costs associated with learning e.g. travel costs, equipment costs and educational trips.

Further Information

College contact point;

Paul Duffin

01273 892102

duffinp@plumpton.ac.uk