

**Student Loan Programs: An International Comparison 2008**  
**The International Comparative Higher Education Finance and Accessibility Project**  
**State University of New York at Buffalo**

	1	2	3	4	5	6	7	8
Country	Eligibility ( <i>Institutional or Sector or Academic Selectivity</i> )	Source of Capital	Ultimate Risk	Percentage of Students Borrowing	Range ( <i>minimum and maximum of annual borrowing</i> )	Average or range of indebtedness end of studies	Terms	Degree of subsidization for average loan (not considering defaults)
Australia-HECS-HELP (started in 2005)	For eligible students enrolled in Commonwealth supported places.	Gov't	Gov't		Up to the student contribution level set by higher education institution (levels range from A\$0 - \$8,333 [US\$5,994] for Band 3 to A\$0 - \$4,996 [US\$3,592] for Band 1). 2006 ppp estimate.		Income contingent loan. The borrower must make compulsory repayment when their yearly income reaches a minimum threshold (A\$38,148 (US\$27,444) in the 2006-07 income year) through tax system. Indexed to CPI each year -- Zero real interest rate. No loan fees.	Med
Australia-FEE-HELP (started in 2005)	For eligible full fee paying students enrolled in eligible higher education providers.	Gov't	Gov't		Up to the full tuition fees, and the total limit of A\$80,000 (US\$57,553, 2006 ppp estimate).		Income contingent loan. The borrower must make compulsory repayment when their year income reaches a minimum threshold (A\$38,148 (US\$27,444) in the 2006-07 income year) through tax system. Indexed to CPI each year -- Zero real interest rate. <u>Subject to a 20% loan fee</u>	Med
Bolivia EducaPro under the management of Fundacion para la Produccion (FUNDA-Pro): private foundation created in 1992 with support from govts of Bolivia and USA.	Students in higher education (in last two years of undergrad and postgraduate). Covers up to 80 percent of registration and tuition fees and room and board.	FundaPro (US\$4.1 million) fund and US\$0.5 million in loans from the Corporacion Andinale Formento (CAF) a multilateral financial institution, whose shareholders are the 5 countries of the Andean community and 16 private banks.	personal liens or mortgages	As of 2007, have 6,643 clients.	Maximum of \$5,000 year for undergraduates for five years.		Pay only interest while in school and for three months after completion then have to begin repayment of capital. Have up to 10 years to repay. Interest rate is 9.8 percent.	
Botswana Grant/Loan Scheme	Tuition fees and maintenance costs for public and, since 2007, private sector students. Local and external tertiary programs. Awarded based on priority accorded to course.	Gov't	Gov't	Between 1995 and 2001, close to 5,000 borrowed money under the scheme			The extent to which bursary needs to be paid back depends on what they study (5 categories). If they study Category 1 subjects (which need human resources) they get a 100 percent grant for both tuition fees and maintenance. Category 2 students get 100 percent grant for tuition fees, but have to repay 50% of maintenance. Category 3 students have to pay back 50% of their tuition fee costs and 100% of their maintenance	

<b>Brazil</b> Financiamento ao Estudante de Ensino Superior	Undergrad students in private sector. For 50 percent of monthly fees paid to HEI and up to 25 percent of tuition costs for PROUNI students. Means-tested.	Government (from federal lottery and MEC budget). FIES operated by Caixa Economica Federal (Federal Savings Bank)	Guarantor	Since 1999, has benefited 396,647 students and of this 18,985 have paid in full.			Interest must be paid every three months up to a maximum of R\$50. Repayment of principal begins when borrower graduates. For first year, borrower pays monthly installments equal to what had been paying to HEI. After this, balance divided in equal payments for a period up to 1.5 times duration of course. Defaults measured in 2006 have reached 12 percent (considering sum of debt balances) and 15 percent considering amount of active contracts.	
<b>Burkina Faso</b> Prets FONER (le Fond National pour l'Education et la Recherche). Est. 1993.	Means tested. Public sector only (3rd year and up). Only for maintenance.	Govt (National Treasury and 5 percent secondary school fees).	Gov't	Since 1994, more than 23,000 students have benefited. In 2005, there are 27,942 students in public and private tertiary education.	200,000 CFA (US\$1,106) starting in 2007-08 academic year. 2006 ppp)		Begun in 1994 for second and third cycle students. Subsidized and income contingent at 1/16 of salary. 3 percent interest rate. One year grace period and maximum repayment duration of 6 years (with amount withheld from salary at payment point). Little or no recovery to date.	
<b>Canada</b> Student Loans Program	Means tested. Jointly administered by federal and provincial govts. Applications from full time students made to Canada Student Loans Program. If resident of Prince Edward Island, Nova Scotia, Manitoba, Alberta, British Colombia or Yukon student gets two loans (one from federal government for up to 60 percent of assessed need serviced by the National Student Loans Service Centre and one from provincial student loan office for up to the 40 percent remaining serviced by a financial institutions). If from a province that has an integrated student loan program, students get only one loan administered at the provincial level.	Federal and provincial govts	Federal and provincial govts	In 2004-05, 40.3 percent of all full-time post secondary students received loans.	Maximum loan amount of C\$350/week [US\$284] per student for a maximum of 340 weeks. 2006 PPP estimate.	Average of C\$17,207 owed at graduation for govt sponsored loans (2002)	Conventional loans. Federal gov't pays the interest on the loans during student's stay at school on full time basis, and provides subsidies during six month grace period.	High
<b>Chile-</b> Credito CORFO	Students accepted to any of the higher education institution that are part of the Council of Chilean University Presidents or are declared eligible by the Ministry of Education. Means-tested. Students must come from families whose monthly gross income does not exceed 120 Unit of Fomento (UF) (2007 1 UF equal to 18,325 Pesos). Covers matriculation and tuition expenses, plus an additional amount of up to 20% for other expenses.	Commercial banks with Corporación de Fomento de la Producción (CORFO) resources.	Co-signatory	No data	Max. 150 UF (\$8,369) a year and it may not exceed the value of matriculation and tuition plus 20 % of other related expenses. 2006 ppp estimate.		Conventional loans. The loans are approved by the banks individually for the needs of each academic year. The banks may define their credit policy and determine which universities and majors they are willing to finance and the starting date of the semester or year. The loans must be repaid within 15 years. The banks may establish the obligation of paying interest during the period of study, and granting grace periods only for the repayment of capital The banks set the interest rates up to a maximum authorized by CORFU.	

<b>Chile</b> - University Credit program (Fondos Solidarios de Credito Universitario)	Means-tested. Covers tuition fees in one of 25 traditional universities. Each university is responsible for collecting the payments.	University Credit Solidarity Funds			1,500,800 (\$4,569) to 2,400,000 (\$7,307) pesos. 2006 ppp estimate.		Income contingent loan. Interest rate 2 percent. After two year grace period, payments of 5 percent of income begins. Maximum repayment periods are 15 years, after which any remnant is written off.	
<b>Chile</b> - Credit from Law 20.027 to Finance Higher Education Studies (Credito de la Ley 20.027 para Financiamiento de Estudios de Education Superior)	Means tested for needy qualified students in all accredited institutions (including private) to cover tuition fees. Payments made directly the institutions	Private financial institutions but the Comision Administradora (made up of Min of Ed, Treasury Budget Director, 3 reps from education institutions) decides which students will receive loans (applications made using the Formulario	Guaranteed by the State (risk of repayment) up to 90 percent of the capital plus interest through the Treasury and by the higher education institution (risk of drops outs) through a financial instrument approved by the Administrative Commission that covers up to 90 percent of the capital plus interest of the loan for a student's first year, up to 70 percent for the second year and 60 percent for the third year.	37,460 students have credit as of 2007 of which approximately 19,000 are in universities.			In-school grace period during which neither the principal nor interest is paid. Also offers the option of paying the interest in advance to reduce the interest rate. Repayment begins 18 months after the student has finished his/her degree in a series of 240 monthly installments divided into three time periods (those in first period slightly lower than those in second which are lower than those in third). Maximum time period for repayment is 20 years. Interest rate calculated on government's long-term borrowing rate.	
<b>China</b> -The General Commere' Student Loans Scheme (GCSL)	All HEI students over 18 years old in both public and private sectors and their parents or guardians.	State-owned banks, commercial banks, credit cooperative unions	Banks		2,000-20,000 yuan (\$1,036 - \$10,362) per year. 2001 PPP Estimate.	No data.	Conventional loan. Commercial interest rates without subsidy from government. Guaranteed through the assets of parents/guardians. Flexible repayment period.	High
<b>China</b> - The Government Supported Student Loan (GSSL)	Poor students in regular higher education institutions. Tuition and living expenses.	Banks. The gov't. subsidizes 50 % of the interest rate.	Gov't. and state banks	Less than 10%	Max. annual borrowing 8,000 RMB yuan (US\$4,145). 2001 PPP estimate.	No data.	Conventional loan. Interest rate fixed at prime or gov't. borrowing rate. Interest rate begins from the origination of loan. Grace period begins 6 months after graduation. Max. repayment period 4 years. Payments made by borrower monthly or quarterly.	Low or Med
<b>China</b> "Special difficulty student loan"	Public sector only. Not for part-time students. Tuition only.	Banks. The gov't. subsidizes 50 % of the interest rate.	Co-signatory	No data	No data.	No data.	Conventional loan. In addition to above, if students with difficulty can not repay the loan and 50% of interest, the university and the center have to repay. University repays 60% and the center repays 40%.. These students account for 10-15% of overall enrollment	High
<b>Colombia</b> ICETEX (the Colombian public student loan bank under the supervision of the Financial Supervision Authority) implemented student aid component of ACCESS project (supported by the World Bank).	For Student Aid component of ACCESS project: Poor (who receive a mix of 25 % grants and 75 percent nonsubsidized loans to study at tertiary level) and middle income (who receive only loans) undergraduate students.	ICETEX a fund manager of 550 public and private funds (of which 226 are public of which ACCESS is one, 278 are cooperatives and 28 are from private sector entities). Manages over \$200 million.	ACCESS program	80,000 students since 2002.			Has 317 agreements with higher education institutions. Each university has an ICETEX office that services loan. Student Aid component of ACCESS: tertiary education institutions involved in allocation of student loans through their student aid offices. 1 percent interest and 10 year repayment period.	

<b>England and Northern Ireland</b>	For full-time students from England and Northern Ireland. The loan covering tuition fees is for all eligible students and the loan covering living costs is partially means-tested (two-thirds of the maximum loan is available to all, while the remaining one-third depends on the student and family income).	Gov't	Gov't	N/A	All eligible students get income-contingent loans to cover full tuition fees, which vary among institutions to a maximum in 20007/08 of £3,070 (US\$4,680 using 2007 estimated PPP of US\$1= £0.656). The maximum means-tested maintenance loan for living costs is £6,475 (US\$9,870)) per year for students studying in London.	N/A	Income contingent loan. Repayment starts after student has left university and is earning over £15,000 (US\$22,865). For students starting their course in September 2006 or later, the Government will write off any student loan balance (except for arrears) which are left unpaid 25 years after their liability to repay has commenced, which is the April after the course finished. Interest rate starting in the fall of 2007 is 4.8 percent reflecting current rate of inflation in line with the Retail Prices Index..	Med
<b>Ethiopia Graduate Tax</b>	All enrolled public sector students eligible. Covers full costs of meals, accommodation, and health services and student portion of instructional costs (15 percent of total).	Gov't	Gov't	Close to 100 percent of public sector students.	3,625 -5,871 birr [US\$1,290 – 1,814]per year (2008/09)		Students enter into contractual agreement to repay the amount owed in form of a graduate tax. Amount is calculated at beginning of each academic year based on costs incurred in each institution and program of study. Total amount repayable is subject to a service fee or interest charge, determined in relation to bank rate in use at time of the conclusion of agreement. Repayment maximum of 15 years. Repayment begins one year after graduation and are deducted from earnings in the form of a tax. Employers are obligated by law to collect and transfer it to the Federal Inland Revenue Authority or the Treasury. Minimum monthly amount to be deducted from earnings is 10 percent, but beneficiaries may decide to deduct more (but not more than one-third). Five percent discount for paying up front. A certain percentage of students are exempt from paying tax if become teachers or other professions deemed to be of public interest. If a borrower goes abroad before completing repayment, he/she must produce a guarantee for the payment of outstanding amount.	
<b>Germany BAfoG System (half grant/half loan).</b>	Public and private sectors. Maintenance only. Limited to students with financial need. No academic selectivity other than satisfactory academic progress. Includes all post-secondary institutions	Gov't.	Gov't.	Between 10% and 25%	No data.	No data.	Conventional loan. Debt forgiven on occasion of borrower's low earnings. Zero rate of interest. Repayment period up to 20 years, starting 5 years after graduation. Payments made by borrower monthly or quarterly.	High
<b>Germany- Bank Loan</b>	Public and private sectors. Maintenance only. No academic selectivity other than satisfactory progress. Includes all post-secondary institutions. Objective is to support students in later phase of studies for a limited time (Max.2 years) e.g. when no more BAfoG available or parallel to BAfoG.	Banks	Gov't. through guarantee	Less than 10%	900 - 3,600 Euro (US\$2,950). 2001 PPP estimate.	No data.	Conventional loan. Interest rate: European Interbank offered rate. 2 years of repayment period. Payments made by borrower monthly or quarterly.	Low or Med

<b>Ghana</b> Students Loan Trust Fund replaced the SSNIT Scheme in 2005.	Under the SLT both public and private sector students are able to access the loans. For new students 2006/07 academic year (those who started with SSNIT will continue with that scheme). For living expenses. Means-tested.	Sources of loanable funds for the SLTF are: money paid into Trust representing up to 10 percent of all inflows into Ghana Education Trust Fund; voluntary contributions; resources from Ghana's international partners; contributions from corporate sector and loans from the SSNIT.	Guarantors: beneficiaries bear full credit risk for the loans. Parents act as primary guarantors provided they contribute to SSNIT Pension Fund. If parent doesn't contribute to SSNIT, another person who is a SSNIT contributor may be found to be a secondary guarantor. Guarantor must be in employment with at least 60 months of contribution to SSNIT pension Fund.	Since 2005, 5,000 students have benefited. Total of 110,180 students in tertiary education institutions in 2006.	For 2006-07, the loan amounts depend on program of study. Current amount for science students is GH¢4.2 m (\$2,324) and GH¢3.8million (\$2,102) for humanities students per year. Starting in 2007-08, loan will be based on needs of each student determined as the difference between full cost of study and estimated family contribution. 2006 ppp estimate	No data.	Interest rate equal to the prevailing 182 day Gov't of Ghana Treasury Bill compounded annually during course of student and one year grace period and interest rate equal to the prevailing 182 day Gov't of Ghana Treasury Bill plus 4 percent compounded semi-annually during the repayment period. Repayment must begin within 2 years of course completion. 15 year repayment period (for a four year academic program, 1 year of national service, 1 year of grace period and 9 years of repayment). Modes of loan repayment: Periodic (monthly) deductions from beneficiary's salary by his/her employer; direct periodic payments to the SLTF by beneficiaries who work for self; outright payment of total loan amount due or encourage employers to pay off the loans.	Med
<b>Hong Kong</b> Local Student Finance Loans	Full time students enrolled in government funded institutions. Means-tested. For living expenses.	Gov't.	Co-signatory	29% (2003/04)	Maximum HK\$ 33,190 (US\$4,255 2004 PPP Estimate)	Maximum HK\$ 100,350 (US\$14,440 2002 PPP Estimate)	Principle and interest accrued (2.5 percent annually from commencement of repayment period) are repayable in 20 quarterly installments within 5 years after graduation or when student ceases to be a student of the institution.	Low
<b>Hong Kong</b> Non-means Tested Loan Scheme "NLS"	Full time and part time university students only, non means-tested. For tuition fees.	Gov't.	Co-signatory	29% (2003/04)	Maximum is capped at tuition fees payable.	Maximum HK\$ 126,300 (US\$18,170 2002 PPP Estimate)	Conventional loan. NLS loans charge interest at the government's no-gain-no-loss rate, which is currently set at 2.174 percent below the average best lending rate of the note-issuing banks plus a risk-adjusted factor that seeks to cover the government's risk in disbursing unsecured loans once the loan is drawn down and throughout the repayment period until the NLS loan is fully repaid. No grace period. Repayment begins upon graduation or termination of study. Repayment period includes 40 quarterly installments within a period of 10 years.	No subsidy
<b>Hungary</b> Diákhitel Központ's Student Loan Scheme	Available to all publicly supported or privately funded students (Hungarian or from an EU member state) who are under 40. Ten semester limit.	Money and capital markets	Government guarantees all Diákhitel Központ's payment obligations to finance the student loan scheme. No guarantee for repayment of individual student loans.	In 2006/07, of 416,324 students in higher education, there were 234,162 borrowers of which 85,338 were in the repayment phase.	During 2006/07 academic year, minimum loan of HUF 100,000 and a maximum of HUF 300,000 for state-financed students and HUF400,000 for self-funded students per academic year.		Variable rate of interest calculated as the sum of the following components expressed in percentage: (a) weighted, average cost of funds including any interest or interest-type or additional costs of the funds used for financing the loan scheme; (b) risk premium that covers default on repayments by the single risk community of students; (c) premium covering cost of operating the scheme. Interest rate is determined by Student Loan Centre (SLC) in half-yearly interest periods. The SLC may not increase the sum of risk premium and operating costs premium to more than 4.5 percent within the interest rate. Interest accrues from first day of loan disbursement. Repayment begins after a three month grace period and, for two years, is set at 6 to 8 percent of the previous year's minimum wage. After the second year, students must pay 6 to 8 percent of their average gross monthly income two years before the current year or 6 to 8 percent of the minimum wage until the loan is repaid. If the borrower takes a parental leave or temporary disability leave, he/she may request a suspension of repayments. The government may cover the interest	

<p><b>India</b> - Comprehensive Educational Loan Scheme (framed by the Gov't of India in consultation with Reserve Bank of India and Indian Bankers Association). <b>Objective:</b> to reduce public subsidy to higher education.</p>	<p>Public and private sectors of all post-secondary institutions. Applicable for "tuition" or "maintenance". "Need" or "Family means" not relevant. Academically selective (merit).</p>	<p>Banks</p>	<p>No security required up to Rs 400,000. For loans exceeding Rs 400,000 [US\$44,395] there must be either collateral security of suitable value or co-obligation of parents/guardians/third party.</p>	<p>5 percent of currently enrolled students.</p>	<p>Scheme too new to have this data. Maximum amount awarded is Rs 750,000 (\$83,240) for study in India and Rs 1,500,000 (\$166,480) for study abroad. 2004 PPP estimate.</p>	<p>Scheme too new to have this data.</p>	<p>Conventional loan. Student and parents are joint-borrowers. Interest rate depends on the size of the loan. Up to Rs 400,000 it can not exceed the PLR of the bank. Above Rs 400,000 it may be PLR+1 percent. Penal interest at 2 percent charged for loans above Rs 400,000 for the overdue amount and overdue period. Interest period includes in-school year (from origination of loan). Grace period is either 1 year after course is completed or 6 months after getting a job, whichever is earlier. Repayment period ranges 5-7 years. Payments made by borrower monthly or quarterly. 1-2 % interest concession may be provided for borrowers if the interest is serviced during the study period when repayment holiday is specified for interest /repayment under the scheme. Paid interest is deductible on income taxes. Debt forgiven on the borrower's death.</p>	<p>No subsidy or low subsidy</p>
<p><b>Indonesia</b> - The Sampoerna Facility risk sharing facility with BII and IFC</p>	<p>Undergrad and graduate university students in state and private universities. Will (starting in 2007) extend loans to parents and students who have difficulty affording tuition and/or University entrance fees. Will be first facility in world using a risk sharing mechanism to leverage contributions from an education foundation into student loans.</p>	<p>Sampoerna and BII will administer and fund the portfolio</p>	<p>Sampoerna takes the first losses. Bank Internasional Indonesia (BII) a local commercial bank joins IFC to provide guarantee for second losses thus allowing Sampoerna to leverage its contribution by 7 times and also lower interest rates to an attractive level. IFC's total risk up to \$10 million.</p>		<p>Individual loans will be up to US\$11,000</p>			
<p><b>Japan</b> Independent Administrative Institution Japan Student Services Organization (JASSO) Loans (First Class Loans: <i>Interest Free</i>)</p>	<p>Public sector. Means-tested. High school, junior college, university, and specialized training college. Maintenance only. Academically selective.</p>	<p>Gov't.</p>	<p>Co-signatory or Guaranty Agency</p>	<p>In 2006, 241,403 students received interest free loans. Overall, 23.3 percent of undergraduates in 2 and 4 year programs receive interest free or interest bearing student loans.</p>	<p>Monthly loan is ¥45,000 (2006 PPP US\$363) for national and public university students living at home or ¥51,000 (US\$411) for those who are not. Monthly loan is ¥54,000 (US\$435) for private undergraduates living at home or ¥64,000 (US\$516) for those who are not.</p>	<p>No data.</p>	<p>Conventional loan. Debt forgiven on occasion of borrower's death or disability or when a graduated student has received outstanding results during academic program. Zero rate of interest. Grace period: 6 months after leaving school. Maximum repayment period is 20 years. JASSO decides the repayment period depending on the total amount of indebtedness. Repayments are automatically deducted from borrowers bank account in monthly or both monthly and semi-annual installment. Additional charges are imposed on overdue repayments. A 10 percent annual interest is added to overdue installments (excluding interest) as an overdue charge, pro-rated by the number of days delayed.</p>	

<p><b>Japan</b> Independent Administrative Institution Japan Student Services Organization (JASSO) (Second Class Loans: <i>Interest Bearing Loan</i>)</p>	<p>Public sector. Means-tested. For tuition and maintenance expenses. Junior college, university, specialized training college.</p>	<p>Gov't.</p>	<p>Co-signatory or Guaranty Agency</p>	<p>In 2006, 491,143 students received interest bearing loans. Overall, 23.3 percent of undergraduates in 2 and 4 year programs receive interest free or interest bearing student loans.</p>	<p>Applicants choose from monthly loans ranges ¥30,000/month (\$242) to ¥100,000/month (\$806). 2006 ppp estimate.</p>	<p>No data.</p>	<p>Conventional loan. Debt forgiven on occasion of borrower's death or disability. Variable interest rate, at approximately prime, or government borrowing (Max.3%per year). Grace period: 6 months after leaving school. Maximum repayment period is 20 years. The JASSO decides the repayment period depending on the total amount of indebtedness.</p>	<p>Low</p>
<p><b>Kenya - Higher Education Loan Board -HELB Loans</b></p>	<p>Students in public and private sector institutions. Tuition and maintenance. Means tested.</p>	<p>Gov't.</p>	<p>Co-signatory</p>	<p>Approx 28,900 students awarded loans in 2006/2007. In 2004, public and private enrollment in tertiary education was 102,798.</p>	<p>Max. Kshs 60,000 [US\$2,032] in 2008.</p>	<p>No data.</p>	<p>Conventional loan. Interest rate 4 percent and is not accrued during inschool years and grace period. Grace period 1 year after graduation. If in formal employment, borrower has to authorize employer to deduct the loan repayment and remit to the Board. Loan repayments may not be more than one-quarter of borrower's monthly salary.</p>	<p>High</p>
<p><b>Lesotho National Manpower Secretariat Loan Bursaries Scheme</b></p>	<p>Tuition and maintenance.</p>	<p>Gov't</p>	<p>Guaranteed by parents or guardians</p>	<p>Total number of students supported in 2003/04 was 8,593.</p>	<p>Total expenditure in loan bursaries in 2002/03 was M195 million (US\$119,631,000).</p>		<p>Repayment expected within 5 years in equal monthly installments, with no interest on outstanding debts. No provision for postponement or remission of repayment in cases of unemployment or illness. Those who completed their studies and worked in Public Service required to pay back 50 percent of total loan bursary; those who work in the private sector in Lesotho are required to repay 65 percent and those who work outside Lesotho are required to repay 100 percent.</p>	

<p><b>Malaysia</b> PTPTN Education Loan Scheme</p>	<p>Means tested.</p>	<p>Gov't</p>	<p>Students who take loan must take insurance coverage.</p>		<p>Amounts differentiated by institution, level of study and field of study as well as by income of parents/guardian. For student at public institutions, loans range from RM1,000 (US\$561) to RM6,500 (US\$3,650) annually. For students at private institutions loans range from RM 3,700(US\$2,078) to Rm 20,000 (US\$11,235) annually.</p>		<p>Appointment of insurance company and one-time payment of premium (deducted from loan total) handled by PTPTN. The loan is disbursed via the higher education institution, which deducts the tuition fee incurred and transfers the remaining funds to the borrower's bank account. Repayment commences 6 months after completion. Monthly installments include administrative cost of 4 percent based on repayment balance. Repayment periods range from 60 to 240 months depending on the amount of the loan. Payment may be made by check, via online payment and through deductions made by employer for Inland Revenue Bureau.</p>	
<p><b>Malawi</b> University Students Loan Scheme</p>	<p>Public sector. To cover student fees. Means tested.</p>	<p>Gov't</p>	<p>Student sign agreement. Student may not be allowed to seek employment abroad until loan repaid.</p>		<p>Up to K25,000/year (US\$778) to pay the student contribution at the U of Malawi. 2006 ppp estimate.</p>		<p>Maximum repayment period of 10 years. First installment due within 6 months of student obtaining his/her first employment.</p>	
<p><b>Mexico</b> - El Credito Educativo SOFES (Sociedad de Formento a la Educacion Superior) - created in 1988</p>	<p>Private sector only. 90 selective member private universities - Federacion de Instituciones mexicanas de Educacion Superior - founded SOFES which now covers 40 more universities. Both need and merit based (students who bring collateral are preferred and can get a higher loan amount). Implementing agency is SOFES.</p>	<p>SOFES using World Bank loan that was guaranteed by Federal government through the development bank Banobras (financial intermediary)</p>	<p>Co-signatories when they are available. Universities have to take over loan from SOFES after 9 months of default.</p>	<p>27,000 students in 2005 of which more than 90 percent undergraduates. In 2005, 29 percent of the students receiving SOFES credit were from the lowest income level.</p>	<p>Depends on socio-eco background of student and on field of study.</p>		<p>2 percent real interest rate (adjusted monthly with rate of inflation), i.e. inflation rate plus 2% points. During their studies, student pay interest on their outstanding debt. After graduation, repayment of the loans start after a grace period of 6 months. Monthly installments are annuities. The debt repayment period is twice the length of the study loan (so students who had a SOFES loan for 4.5 years have to repay in 9 years). Financial risk associated with debtor's death is covered by mandatory life insurance for SOFES recipients.</p>	
<p><b>Namibia</b> Income Contingent Loan Scheme. Est. 1997.</p>	<p>For public university students. One loan offered for tuition fees and one for living expenses.</p>	<p>Scheme established legally as a fund, with power to invest and borrow money, but required under its legislation to take advice of Gov't on certain policy matters.</p>		<p>4,000 per year. 22,000 between 1997 and 2006 with total amount of N\$400 million.</p>	<p>Maximum of N\$15,000 [US\$3,520] (engineering students).</p>		<p>Uses social security system to collect payments from borrowers. In addition to the loan, the package can include a grand. For the tuition, a discount of 10 percent is granted to those who pay up front. Repayment is income contingent and can cost as much as 10 percent of graduate's salary with payments starting when borrower reaches a minimum weekly income of \$17 per week. The loan carries an interest rate of 1 to 2 percent above inflation. Length of repayment period designated as the number of years the student was in receipt of a loan during study.</p>	

<b>The Netherlands</b>	All higher education students, not means-tested.	Gov't.	Gov't.	22,000 b	Max. Euro 260 /month (US\$294 at estimated 2005 ppp).	No data.	Conventional loan. Any outstanding debt is cancelled at the end of 15 years. Interest rate is tied to market rate and is 2.7 percent (2005). Repayments begin two years after the student leaves higher education. Monthly payments calculated such that the loan is repaid over 15 years as in mortgage type loans. However, a person with a lower income can make lower repayments, and for very low incomes repayment is zero.. Thus, the loans can be perceived as part of a mortgage type system with abatement of repayment for low earners or as a system with income contingent repayments. Any outstanding debt is cancelled at the end of 15 years. 2007 changes to include: splitting loans into 2 parts - one for fees, which can be increased and one for living costs, which cannot. Repayment period will be extended to 25 years.	High for very low income and low for high income group.
<b>New Zealand</b>	Public sector only. Students studying at a public tertiary institution such as a university, polytechnic, or College of Education can borrow up to the full amount of their fees as well as funds to cover living expenses and equipment and textbook costs .	Gov't.	Government directly	Since 2001, approximately 150,000 students have taken out student loans, and since 1992, about 175,000 people have repaid their loans in full. As of 2005, 445,000 people had undischarged loan balances. Sixty percent of eligible students borrowed through the scheme in 2003.	Each student can borrow up to full tuition fee cost. Each student can also borrow up to NZ\$1000 (US\$680) per year to cover costs related to their studies such as equipment, textbooks, and field trips and up to NZ\$150 (US\$102) a week for living costs while studying or on study breaks of 3 weeks or less, less any net entitlement to student allowances. For example, if a student gets a Student Allowance of NZ\$50 (\$34) a week after taxes, he/she can only borrow up to NZ\$100 (\$68) a week for living costs. A student is charged NZ\$50 (US\$34) for each new loan account established, and this charge is added to their loan balance. 2006 ppp estimate.	In 2001, the median loan balance on leaving study was \$9,250[1]. Median repayment time is 6.7 years (New Zealand Ministry of Education, 2006).	A government-funded, income-contingent student loan program. Borrowers make repayments through the tax system to the Inland Revenue Department once their income is above the repayment threshold even if still studying. The annual repayment obligation is 10 percent of their income above this threshold. In 2006, the repayment threshold is NZ\$17,160 (US\$11,673) a year before taxes, which is reviewed on April 1 each year. Students can make extra payments at any time to pay off the loan faster and to pay less in interest. In an effort to stem brain drain, the government passed legislation in December of 2005 that, effective April 2006, abolished interest payments for students who have been in the country for six months of the previous fiscal year. Interest will continue to be charged at an interest rate of 6.9 percent (base interest rate of 3.8 percent plus interest adjustment rate of 3.1 percent) to each student's loan, but will be written off automatically for eligible students at the end of each tax year. The government also offered amnesty of interest payments to New Zealand graduates living abroad with outstanding student loans (estimated at 62,000 people) who move home. Interest of 6.9 percent will be charged to those students who are living overseas.	Middle/high
<b>Peru INABEC</b>	Means tested. Covers tuition costs and/or living expenses for technical and higher education students.	Gov't		12,500 students in 2007	S/. 6,000 (US\$3,820) per year for a university student. 2006 ppp estimate.		Interest rate 12.5 percent. Grace periods after graduation. Repayment period of 4 years.	

<b>Philippines</b> "Study Now Pay Later (SNPL) Student Loan Program.	Public and private sectors. Limited to students with financial need. Academically selective. Given to priority programs stated by the (CHED) Commission on Higher Education. Covers matriculation and other fees and expenses for books, and room and board.	Gov't.	Government	No data	covering tuition and fees and allowance, maximum of P 7,250 (US\$547, 2004 ppp estimate) per semester.		Conventional loan. Interest rate is below inflation rate (but positive): A simple interest of 6% per annum. Grace period is 12 months after leaving the school. Regular repayment period is 5 years. Repayments made by borrower to lender or holder of a note, not only monthly but also regularly.	High
<b>Rwanda</b> The Student Financing Agency for Rwanda (SFAR) student loan scheme set up in 2003 under Ministry of Education (student loans made since 1980, but never collected). In 2007 law enacted making it an independent entity.	University student. Tuition and maintenance. Not means-tested through 2007. From 2008, means-tested, 75 percent tuition for science courses and 25 – 50 percent tuition for humanities. Means-tested monthly upkeep package.	Gov't	Government	About 60 percent of higher education students receive SFAR loans and bursaries. 22,000 former and current university students owe money.	Frw 1,200,000 to 1,500,000 [US\$6,445 to 8,057].		Through 2007, loan for 100 percent of tuition and also included a monthly Frw 25,000 upkeep package. From 2008, means-tested, 75 percent tuition for science courses and 25 – 50 percent tuition for humanities. Means-tested monthly upkeep package. Interest accrues during inschool and grace period (one year after graduation). Interest rate is 5 percent. Loan repayment may be deferred in cases where borrower has genuine reason why he/she cannot pay. Loans are forgiven in event of death or physical incapacitation.	
<b>Republic of Korea</b> "Ministry of Education and Human Resources Development (MOE & HRD) Loan Scheme"	Includes public and private sectors within the country, and all post secondary institutions. For tuition and fees only. Need- based by design, but not strictly carried out in practice. No academic selectivity.	Banks Gov't. [=Subsidize interest rate]	Co-signatory	6.4 % of the population of higher education students (in 2000)	Minimum Won 2,031,500 (\$3,097)- Max. Won 4,538,800 (\$6,919). 1999 PPP Estimate (up to the full tuition and fees in a domestic institute). The average borrowing amount per borrower in 2000 was 2,115,000 wan [\$3,324]		From 2008, means-tested, 75 percent tuition for science courses and 25 – 50 percent tuition for humanities. Interest rate of 7.65 percent charged starting in 2008, however, 383,000 needy students will still be given 2007 interest rate (6.35 percent) and 70,000 students from the lowest income bracket will not be charged interest at all.	middle-high
<b>Republic of Korea</b> "Government Employees Pension Corporation (GEPC) Loan Scheme"	Includes public and private undergraduate sectors, both domestic and overseas. For tuition and fees only. For government employees and their children	Gov't (State and Local)	Co-signatory	6 % of the population of higher education students (in 2000)	Up to full tuition and fees for domestic schools, and up to \$5,000 for school overseas.	[1] More recent data is not available, but it is thought that the leaving study loan balance has risen by no more than 3 to 4 percent since then. (Ministry of Education, 2006).	Conventional loan. 0% of interest rate. 2 years of grace period. 4 years of repayment period for 4-college , 3 years of repayment period for 2-year college.	high
<b>Republic of Korea</b> "The Korea Research Foundation's Interest-free Loan Program.	Includes public and private sectors, and all post secondary institutions. For tuition or maintenance. Limited to students with financial need. With academic selectivity and with a focus on students from farming and fishing villages	Gov't.	Individual Credit	0.15 % of the population of higher education students (in 2000)	Won 2,031,500 (\$3,097) - Won 4,538,800 (\$6,919).(covering tuition and fees).		Conventional loan. Debt forgiven on occasion of borrower's death, disability, or extreme poverty. Zero rate of interest. Repayment begins 13 months after graduation. The maximum payment period is twice the period during which the loan was borrowed. Payments made by borrower to lender or holder of note, monthly or quarterly.	high

<p><b>South Africa - National Student Financial Aid Scheme (NSFAS).</b> <b>Objective:</b> address inequities in access to higher education.</p>	<p>Be admitted into a public university or technicon, be financially needy. Means tested. Loans usually cover tuition costs but in cases of extreme need they may also cover living costs and traveling expenses. Good academic progress is required for the award of the loan.</p>	<p>Gov't.</p>	<p>Gov't.</p>	<p>Approximately 20 percent of student according to NSFAS data.</p>	<p>In 2006, the minimum NSFAS loan was R2,000 (US\$770) and the maximum was R32,500 (US\$12,500). 2005 ppp estimate.</p>	<p>No data.</p>	<p>Income contingent loan. Interest rate is variable at rate of inflation (zero real interest) plus an additional 2% added to cover administrative and long-term unemployment/default costs. Interest is charged from the origination of loan until the completion of the loan repayment. There is no maximum repayment period and interest continues to accrue during times of unemployment or when salary is below R26,300. Repayment of loans starts when an individual is in full time permanent employment and his/her annual salary is at least R 26,300 (US\$10,115), which is considered the threshold level of income. The repayment rate starts at 3 percent to 8 percent of the salary. The period of repayment varies according to individual circumstances. Special legislation (TEFSA Act 121of 1993) allows NSFAS to require employers to deduct loan repayments from the monthly salaries of graduates. In some universities, students who pass all courses at the end of the year qualify for a 40 percent rebate on their loans, and those who pass half of their courses, to a 20 percent rebate.</p>	<p>Low</p>
<p><b>Sweden</b> CSN- The Swedish National Board of Student Aid</p>	<p>All higher education students are entitled to support for up to 6 years of study. A minimum level of academic achievement is required for the continuation of eligibility. Means-tested with respect to students' own income. Parents' or spouses' income are irrelevant. Covers living expenses.</p>	<p>Gov't.</p>	<p>Gov't.</p>	<p>CSN awards about 23 billion Swedish Kroner per year to 900,000 students (grants and loans)</p>	<p>Max of SEK1,230/week (US\$134/week at 2006 PPP)</p>	<p>No data.</p>	<p>Repayment of study loan is made in the form of annuities and begins not less than 6 months after final receipt of study assistance. Maximum repayment period is 25 years or until aged 60. The interest is compounded starting from first payment . Since 2001, all borrowers must pay at least 5 percent of their income towards loan repayment and the annual amount of payment increases each year by 2 percent. The government fixes the rate of interest annually at the government rate minus a 30 percent subsidy. The system also permits income-contingent repayment.</p>	<p>Low</p>
<p><b>Sweden</b> Supplementary Loan</p>	<p>Must be 25 years of age or older and a full time student, have student aid for the weeks for which supplementary loan is sought, and have previously had an income of at least SEK163,095 (US\$16,866 2003 PPP). Loan may be received for a maximum of 120 weeks.</p>	<p>Gov't</p>	<p>Gov't</p>		<p>SEK405/week (US\$44/w 2006 PPP)</p>		<p>Same as above</p>	<p>Low</p>
<p><b>Swaziland.</b> Loan component of scholarship.</p>	<p>Students in public sector institutions. Tuition and other fees.</p>			<p>All govt sponsord students.</p>			<p>5 percent simple interest once payment begins. Grace period until employment obtained. Payment of 50 percent of total amount received from the government. Repayment period of 4 to 8 years.</p>	

<b>Taiwan</b>	All higher education institutions For students whose family income is less than 1.20 million New Taiwan Yuan (US\$65,075 2002 PPP), and for students whose family income is over 1.20 million New Taiwan Yuan, but has more than two children enrolled in higher education institutions	Gov't	Gov't	63.48% of the total 6.90 million families in Taiwan (in 2003) were eligible		Conventional loan. The interest rate is 2.925% (in Aug. 2004). Grace period is one year after graduation, or finishing army service, or educational internship. Since February 2003, during in-school years and grace period, (1) there's no further interest subsidy for students from families with income of over 1.20 million New Taiwan Yuan; (2) for students from families with income between 1.14 and 1.20 million New Taiwan Yuan, the government pays half of the interest; (3) for students from families with income below 1.14 million New Taiwan Yuan, the government pays full interest;	
<b>Tanzania</b> Higher Education Student Loans Board Loan (Est. 205)	All full time university students. Tuition fees, other academic fees, room and board. Means tested.	Gov't	Collateral or one or two guarantors depending upon amount of money applied for.	In 2007, 55,628 students received loans amounting to Tsh99.2 billion [US\$250,739,000].	Amount of loan awarded to each individual student depends on means-testing results as well as the upper loan limit for each item. Means-testing results have been categorized as A (100 percent), B(80 percent), C(60%), D (40%) , E (20%) and	No interest charged. Monthly repayment begins one year after completion.	
<b>Thailand</b> Thailand Income Contingent and Allowance Loan (TICAL)	Tuition	Gov't	Gov't			Income contingent loan. Zero real interest, but adjusted annual by existing rate of inflation. Repayment begins when their post graduation income has reached sufficiently high level (as of 2006 set at 15,000 baht per month - US\$1,187 at 2004 estimated ppp). Tax offices responsible for collection.	
<b>Turkey</b> Student Loan Scheme	Public higher education students. Applicable for "tuition" with a education susidy loan available for "maintenance". "Family means" relevant. No academic selectivity other than satisfactory academic progress.	Gov't.	Gov't.	486,000 students were benefiting from tuition loans as of 2005.	Tuition Loans: Minimum TL 48,000,000 (\$175) - maximum TL 708,000,000 (\$2,950). Maint.Loans: Min. TL 360,000,000 (\$1,319)- Max. TL 1,080,000,000 (US\$2,957)	Conventional loan. Debt forgiven upon borrower's death. Interest rate is determined according to Consumer Price Index (CPI) of State Statistical Institution (based on inflation). Interest is accrued during lending period, but not during the grace and repayment periods. Repayment starts after 2 years from graduation and paid to Yurt-Kur in quarterly installments. Total repayment period is equal to half of the lending period.	Med
<b>United States</b> Federal Perkins Loans	undergraduate and graduate students with financial need.		Government		Up to \$4,000 a year to undergraduates	Loan made through participating school to students who demonstrate great financial need. Repaid by students to their school. Interest rate is 5 percent and repayment period is up 10 years depending on amount owed.	

USA Subsidized Stafford Loans	All students enrolled at least half time at eligible postsecondary education institutions. Need based.	FFEL (the Federal Family Education Loan), from lenders (i.e. banks, credit unions, etc.); FDLP (the William D. Ford Federal Direct Student Loan referred to as Direct Stafford Loans), from the US Department of Education	Gov't	37.8% (2000)	Maximum not exceeding a student's "unmet financial need" and subject to annual and aggregate loan limits that are (as of 2007) \$3,500 for the first year, \$4,500 for the second year and \$5,500 for the third year and beyond. Maximum total debt from Stafford loans \$23,000.		Conventional loan. Interest rate is adjusted annually (may not exceed 8.25 percent) and in 2007 is 7.22 percent for loans in repayment. The Government pays all interest accruing on the outstanding principal while the borrower is attending school at least half-time, for 6 months after attendance (the "grace period"), and for periods of authorized deferment. Repayment period depends on the amount of loan and the repayment plan that is chosen. Direct Loans have four repayment plans (standard repayment with repayment period up to 10 years; extended repayment plan with repayment period from 12 to 30 years; graduate repayment plan with increasing monthly loan payments and 12 to 30 year repayment period; income contingent repayment plan with repayment amounts based on adjusted gross income) FFEL loans also have four repayment plans available including the standard repayment plan with a repayment period of up to 10 years; the graduated repayment plan with increasing monthly payments and 10 year repayment period; the income sensitive repayment plan similar to the Income Contingent Repayment Plan and the Extended Repayment plan	
USA Unsubsidized Stafford Loans	all students enrolled at least half time at eligible postsecondary education institutions, non need-based	FFELP (the Federal Family Education Loan), from lenders; FDLP (the Federal Direct Loan), from Gov't	Gov't	29.6% (2000)	Maximum not exceeding a student's "unmet financial need" and subject to annual and aggregate loan limits that are (as of 2007) \$3,500 for the first year, \$4,500 for the second year and \$5,500 for the third year and beyond. Maximum total debt from Stafford loans \$23,000.		Conventional loan. No in-school grace period. Interest begins accruing upon disbursement of loan. Interest rate is adjusted annually (may not exceed 8.25 percent). The interest rate is 7.22 percent in 2007 for loans in repayment (and 6.62 percent during grace and deferment periods). Repayment of principal begins after a six month grace period. See above for repayment periods. A fee up to 4 percent of the loan is deducted proportionately from each loan disbursement. For the FFEL Stafford Loans a portion of the fee goes to the federal government and a portion goes to the guaranty agency (the organization that administers the FFEL Program in a student's state) to reduce the cost of the loans. For the Direct Stafford Loan, the entire fee goes to the government.	
USA PLUS (Federal Parent Loan for Undergraduate Students)	parents of undergraduate students, non need-based.	FFELP, from lenders such as banks and credit unions; FDLP, from US Department of Education	Gov't	8.1% (2000)	no fixed annual or aggregate limit, but maximum should not exceed a student's "unmet financial need"		Conventional loan. Repayment terms and options the same as for Stafford Loans except that the Direct Plus Loans do not have the Income Contingent Repayment Plan option. Interest rate of 8.02.	
Wales Student Loans	For full-time students from Wales. The loan covering tuition fees is for all eligible students and the loan covering living costs is partially means-tested (two-thirds of the maximum loan is available to all, while the remaining one-third depends on the student and family income).	Gov't	Gov't		All eligible students get income-contingent loans to cover full tuition fees, which vary among institutions to a maximum in 20008/09 of £3,145 (US\$4,794 using 2007 estimated PPP of US\$1= £0.656). The maximum means-tested maintenance loan for living costs is £4,625 (US\$7,050) per year for students studying in Wales.	N/A	Income contingent loan. Repayment starts after student has left university and is earning over £15,000 (US\$22,865). Interest rate starting in the fall of 2007 is 4.8 percent reflecting current rate of inflation in line with the Retail Prices Index..	