Parent's Guide to Student Finance England

Student Finance England (SFE) relates to English domiciled students studying higher education courses at universities or colleges in the UK

sfe
student finance england

What is Student Finance?

Student Finance is a combination of loans, grants and other financial support available to help students pay for higher education courses at university or college. www.ucas.com/sfe

To be eligible for SFE support, students must be undertaking an eligible Higher Education (HE) course at university or college and meet the set nationality, residency and previous study criteria.

For a comprehensive overview please visit: www.gov.uk/student-finance/who-qualifies

There are two core parts of the SFE student finance package, a Tuition Fee Loan and a Maintenance Loan.

Tuition Fees

Providers who meet government standards can charge full-time undergraduate students a maximum tuition fee of £9,535 a year (up to £11,440 for Accelerated Degree courses).

A non-means tested Tuition Fee Loan is available to eligible students, which SFE pay directly to the university or college once your child has started their course.

Maintenance Loan

A Maintenance Loan can help with a student's living costs, such as rent, food, travel and other costs.

The amount paid will depend on where a student will live while they study, including if they live in the parental home, live away from home or study an approved year abroad as part of their UK based course.

For an estimate of their student finance entitlement, students can use the calculator on GOV.UK: www.gov.uk/student-finance-calculator

A Maintenance Loan is income assessed, which means the amount a student may receive will be based on the taxable income (wages, interest in savings, taxable benefits etc) of their parents or a parent and their spouse/civil partner or cohabiting partner.

Household income is confirmed via HMRC and is based on the last complete tax year, e.g. if your child starts university in academic year 25/26, your income figure from April 2024 is what will be used.

If your income has reduced by at least 15% in the current tax year, you can request a new assessment is carried out based on the new, lower amount which can entitle students to additional levels of support.

See www.gov.uk/support-child-or-partners-student-finance-application for more information.

Other Support

Students with a disability, a mental health condition, or specific learning difficulty can apply for Disabled Students' Allowances (DSAs) which can help with additional study related costs they may face as a result of their disability.

If they study on an eligible healthcare course (such as nursing) then they could also get additional support from the NHS Bursaries Service. www.nhsbsa.nhs.uk/student-services

Many universities and colleges also offer a range of bursaries and scholarships to students based on criteria varying from academic performance to household income or being from an underrepresented student group.

See university/college websites and www.thescholarshiphub.org.uk for more information.

Application and Assessment Key Messages

Ensure your child applies for their student finance as soon as the application service is launched.

They do not need a confirmed place in order to apply, they can state their preferred choice of course and change it later if need be.

Make sure any evidence/information needed as part of your child's application is supplied right first time so they can be assessed and paid on time.

They'll need things like their National Insurance number, passport, personal bank account details and your email address, which we will use to prompt you to create an account to support your child's application.

If your household income is over a current level (currently £42,875) then the final Maintenance Loan paid to your child will be subject to a process known as an 'Assessed Contribution'.

The 'Assessed Contribution' is a government estimate of the level of financial support parents can provide towards their child's living costs based on the declared level of income.

If you have other child dependants, make sure you provide this information in the relevant section of the application form, particularly if they are also in higher education.

This will allow SFE to accurately assess a student's entitlement.

How do repayment's work?

In the April following on from your child leaving/withdrawing from their course they will 'enter their repayment period, but this does not necessarily mean they will need to start making repayments at this point.

Students must earn above a minimum threshold before they start to repay and the threshold for undergraduate students who started their course from **1st August 2023** will be **£25,000**.

These are known as Income Contingent Plan 5 Loans and from April 2027 the threshold is set to increase annually in-line with average earnings increases (RPI).

Once your child is employed and earning above the threshold, deductions of 9% on what they earn above this will be made from their pay via the HMRC tax system.

For example, based on the current thresholds, if they earn £30,000 annually with a monthly salary of **£2,500 then their monthly repayment would be £37**.

Any outstanding loan balance will be written off **40** years after your child enters repayment, so they may **NOT** repay their entire balance. Repayments are linked to what they earn and not what they have borrowed.

Repayment Key Messages

It is important that your child reads and understands the full conditions of their student loan. Particularly the interest rate, as this will be applied throughout the life of the loan based on the Retail Price Index (RPI) which gets adjusted each year.

It is the student's responsibility to inform SLC of any changes to their circumstances, including if they change address, they stop working or if they leave the UK for over three months to live, work or travel overseas.

A student loan will not impact your child's credit rating. A lender will likely ask for details of the repayments, but they are not seen as negative borrowing on a credit score rating.

Students can choose to make extra repayments towards their loan balance in addition to the repayments they must make when their income is over the threshold.

Because a loan will be written off at the end of the 40-year term, students should carefully consider their situation before making any voluntary repayments as these cannot be refunded.

For more information, please see: www.gov.uk/repaying-your-student-loan