Guide to the new UK Postgraduate Loans

by

FindAMasters

with contributions from

HEFCE
NUS
SFE
Introducing the new UK Postgraduate Loans

There’s a big change coming to postgraduate funding in 2016, as the government introduces student loans for Masters degrees across the UK. Meanwhile, work is continuing on a future PhD loans system.

This booklet includes a simple guide to the postgraduate loans, plus a handy infographic.

We’ve also invited contributions from three organisations who’ve played important roles in preparing for this funding.

The Higher Education Funding Council for England (HEFCE) administer funding for UK universities and provide advice to students. Their 2015 Postgraduate Support Scheme helped pave the way for the Masters loans.

The National Union of Students (NUS) represent students at all levels of study in the UK. Their campaigns have been instrumental in raising the issue of postgraduate funding and making loans available to more students.

And finally, the Student Loans Company (SLC) will be administering the loans. They’ve taken the opportunity to preview their work over the next few months.

The Value of Postgraduate Study
A foreword by the Higher Education Funding Council for England (HEFCE)

As a postgraduate student, you could make a significant contribution to the UK’s economy, society and culture. At the Higher Education Funding Council for England (HEFCE) we work with the Government to provide funding to universities, colleges and other higher education providers to support postgraduate study.

We are also working to understand the barriers to postgraduate study that exist for prospective students (especially those from disadvantaged backgrounds) and how we can help overcome these.

We know that finance is one such barrier. Between 2014 and 2016 HEFCE organised two Postgraduate Support Schemes. These pilot funding projects identified significant latent demand for postgraduate programmes. We therefore welcome the recently announced Government loans that will be available for Masters degrees starting in the autumn this year.

HEFCE also understand the importance of ensuring prospective postgraduates have access to information about further study, whether gained through postgraduate fairs and careers events, or other sources.

Our own "Steps to Postgraduate Study" is a new information resource for anyone considering a postgraduate taught course. It provides links to practical information and suggests questions to ask to make sure you choose the right course.
Making sense of the Masters loans:

The key details

Looking to study a postgraduate course from 2016 and want to know more about the new loans?

This guide will answer your questions about the Masters loans being introduced this year. Loans for PhD students haven’t been confirmed, but we’ve included some of what we know so far.

The following pages provide a detailed FAQ. First though, here are the key points of the scheme:

• Loans of up to £10,000 will be available for Masters degrees. Separate loans for PhD students are under discussion.
• All subjects and modes of study will be eligible, provided they award a Masters degree.
• Applicants will need to be UK nationals, resident in England, or EU nationals, resident in the EU.
• Applicants will also need to be aged 60 or under when they begin their course.
• Loans can be used for a Masters at any UK university.
• Repayments will be made at 6% of income over £21,000.
• Postgraduate loans will be repaid at the same time as undergraduate loans, but repayments won’t begin until 2019.
• The Masters loans will be introduced in time for the coming 2016-17 academic year. PhD loans are expected in future, but no date has been announced.

Want to know more?

Read on for our FAQ summary, visit FindAMasters.com/funding or scan the QR code below to visit our online guide.

Making sense of the Masters loans:

What can you borrow?

Can I borrow more or less than £10,000?
£10,000 is the maximum amount available for the Masters loans. You can borrow less, but you can’t borrow any more. PhD loans have a suggested value of £25,000, but these aren’t confirmed for 2016.

Are the loans means tested?
No, you can borrow up to £10,000 regardless of your personal circumstances or the specific cost of your Masters.

Will a loan cover the full cost of studying a Masters?
Possibly. In most cases a loan will meet the cost of your course (average fees for a UK Masters are around £8,000). Any remaining money will be available for living expenses.

How will the money be paid?
Your Masters loan will be split into three instalments per year, paid directly to you. The exact value of these will depend on the length of your course.

Do I have to repay the loan when I graduate?
Afraid so. But you’ll only begin repayments once you’re earning over £21,000 a year. Better yet, students starting a Masters in 2016 won’t have to begin repayments until 2019.

What are the repayment and interest rates?
Repayments will be deducted from your salary at a rate of 6%. Remember, that’s only 6% of your earnings over £21,000 – not 6% of your total salary. Interest rates are expected to be RPI+3% – much lower than a private lender.

What if I already have an undergraduate loan?
You’ll repay your Masters loan at the same time as your undergraduate loan, but repayments will be separate.

So, if you have a Bachelors loan and a Masters loan (and you’re earning over £21,000), you’ll normally make two payments from your salary each month: 9% for your undergraduate loan and 6% for your postgraduate loan.
HOW MUCH?

10K
That’s enough for...

That’s enough for:

1 MASTERS DEGREE

15384 CUPS OF TEA

333 TAKEAWAY PIZZAS

2500 LETTERS HOME TO MUM

WHERE?

ANYWHERE IN THE UK

This includes...

SCOTLAND

NORTHERN IRELAND

WALES

ENGLAND

WHAT?

ANY TAUGHT OR RESEARCH MASTERS DEGREE

Such as...

MA

MSc

MBA

LLM

MRes

WHO?

YOU (hopefully)

You must be...

AGED 60 YEARS OR UNDER

A NEW STUDENT (STARTING AUGUST 2016 OR LATER)

A UK RESIDENT (MOST RECENTLY IN ENGLAND)

WHEN?

FROM 2016/17

Which means...

LOANS WILL BE AVAILABLE FOR THE NEXT ACADEMIC YEAR

FIND OUT MORE! Read more about the loans on FindAMasters.com

Read our detailed FAQ
Sign up for email updates

Check out our guide to repayments
Search for your ideal Masters
Making sense of the Masters loans:

What can you study?

Which types of Masters are eligible for a loan?
All of them. No, really. Provided your course awards a full Masters degree, you’ll be able to take out a loan to study it.

What counts as a full Masters degree?
Any course that awards a Masters qualification. Normally these programmes are worth 180 credits or more and require at least a year of full-time study.

What about other postgraduate certificates and diplomas?
Shorter courses like Postgraduate Certificate (PGCert) and Postgraduate Diploma (PGDip) programmes aren’t eligible for loans. This also excludes postgraduate teacher training qualifications such as the PGCE.

Does it matter what subject I’m studying?
No, loans are available for all subject areas and degree types. You can study an MA in History, an MSc in Physics or an MBA in Finance – all are eligible for a loan.

Are all part-time courses eligible?
Part-time Masters degrees must be studied at a minimum of 50% intensity when compared to an equivalent full-time course. So, if a full-time student completes your Masters in one year, you would be expected to complete it in no more than two-years part-time.

How long can my course last?
Loans are available for full-time Masters lasting up to two years and part-time Masters lasting up to four years. Longer courses will still receive a maximum loan of £10,000, but this will be spread across your course.

Are loans available for integrated and undergraduate Masters degrees?
No. Your Masters has to be a postgraduate course. Undergraduate programmes will still be eligible for their own student loans.

Can I receive a loan to study a PhD?
The loans being introduced in 2016 are only for Masters degrees. That includes courses like the MRes (Master of Research) and standalone MPhil (Master of Philosophy) degrees, but not higher level research degrees such as the PhD.

A separate system of £25,000 loans for PhDs is being considered, but hasn’t yet been finalised.

Making sense of the Masters loans:

Who is eligible?

So, are loans available for students from Scotland, Wales and Northern Ireland?
Yes. Provided you now live permanently in England, it doesn’t matter which part of the UK you are originally from, or where else you’ve lived.

What counts as being resident in England?
In order to qualify for a loan you’ll need to prove that England is your normal place of residence. This means that you aren’t simply living there as a student (and that you haven’t moved just to study a Masters).

Do I have to study in England as well?
No, the loans are ‘portable’. This means you can use them to study anywhere in the UK.

What if I live elsewhere in the UK?
Other parts of the UK are considering their own postgraduate loan schemes. In fact, proposals have already been put forward for Masters loans in Scotland and Northern Ireland.

Keep an eye on FindAMasters.com or follow us on social media for updates.

What are the eligibility criteria for EU students?
EU students from outside the UK should be able to receive loans provided they are normally resident within the EU.

Are loans available for international students?
International students from outside the EU won’t normally be eligible for a Masters loan, but exceptions may apply if you have the right to reside permanently in the UK.

I heard the age cap for the loans was 30, has this changed?
Yes, the age cap for the loans has been lifted from 30 to 60 after campaigning by groups such as the NUS. You can read what they have to say about this on page 11.

What if I’m already studying a Masters?
The loans are intended to make postgraduate study accessible for new students. Unfortunately, this means that they won’t be available to existing students. In order to be eligible for a loan your Masters will need to begin on or after 1st August 2016.
#capsoff - a statement from the NUS

Sometimes an argument is so compelling and the pressure so overwhelming that the government are forced to change their minds. This government has not been one for U-turning; it seems to make decisions with far more conviction than the coalition, no longer having a junior partner to appease.

This is what makes the #capsoff campaign so unique. Students and their unions around the country made a compelling case for removing the age cap of 30 on the planned Masters loans for students.

The government responded by raising the age cap to 60, and making other key positive changes, such as lowering the repayment rate to 6% and opening the loans up to distance learners and research Masters students.

The response was the result of intelligent and targeted campaigning. While the immediate reaction to the age cap was to call the government out for ageism and discrimination, NUS went beyond this to challenge the government’s evidence for justifying the age cap. We focused on three key areas:

• Many over 30s have financial need because of larger debts and monthly outgoings, especially those with families to look after.

• Specific protected groups, such as women, carers, and the disabled, would be put at a severe disadvantage.

• Investing in mature postgraduate study is good for the economy, helping to upskill and reskill our workforce to help cut unemployment and improve productivity, which is the key issue in our economy at the moment.

It was these three key arguments that supported the #capsoff campaign. When students lobbied their local MPs and showed them the evidence, the concern spread across all the political parties. We think government realised that the evidence was overwhelming and that they needed to reassess the situation.

We’re obviously delighted with the outcome of the #capsoff campaign. The loans scheme isn’t perfect, but it is now far more accessible and also more affordable. We hope that it will encourage more students, particularly now those over 30, to take up a Masters degree and expand their knowledge and skills.

But this isn’t the end. There is still work to be done to ensure that similar schemes are available in Wales, Scotland and Northern Ireland. And finance isn’t the only barrier to study, and there are still concerns that £10,000 will not be enough in many cases, especially with fees continuing to rise.

Our campaigning for postgraduates continues, including initiatives like the Postgraduate Champions campaign, with members including FindAUniversity. NUS want to look closer at some of the non-financial barriers which can lead to low numbers of applications and places for students from black and minority ethnic backgrounds. We also want to ensure that fees do not continue to rise and make Masters degrees unaffordable again.

Adam Wright, Lead Policy Officer, NUS

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Postgraduate Loans - what’s next?
Advice from Student Finance England

If you’re starting a postgraduate Master’s course in 2016 you may be able to apply for a Postgraduate Loan. Loans of up to £10,000 will be offered as a contribution towards course and living costs while you’re studying.

Student Finance England (SFE) are the official body responsible for administering the loans scheme. When the time comes we’ll be helping you with your applications, but, in the meantime, we want to make sure you have the best information about the scheme.

This booklet provides a guide to the loans, including information on eligibility criteria and available courses. Once the loans are introduced our dedicated student finance zone will be the official place for all student finance information and resources.

We’ll be offering an Introduction to Postgraduate Loans quick guide as well as a Postgraduate Loan film. More detailed information will be added in the spring.

We’ll also be available to answer your questions about Postgraduate Loans during Student Money Week. Our experts will be running dedicated surgeries between the 8th and 14th of February, this year.

You can stay in touch with all these activities by keeping an eye on the Student Finance England Facebook and Twitter accounts, below.

Applications for the loans will open this summer. When it’s time to apply you should search for Postgraduate Loans on www.gov.uk

Follow us on Twitter, like us on Facebook and watch our films on YouTube for the most up to date information.

Twitter/SF_England
Facebook/SFEngland
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Sign up today and you could win a £5,000 Masters or PhD scholarship!

Our mobile-friendly sites mean you can search for postgraduate courses, get funding information, read study articles, and find out about our postgraduate study fairs on-the-go.

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