

HOW TO DEAL STUDENT LOAN DEBTS?

Construct a Budget Sheet:

- List out all your expenditure and income.
- Time frame you wish to budget for, by term or by month.
- This prevents you from missing any key payments.
- Contact your Student Union or Student Finance to find out about average student expenditure costs.

What to look for when choosing a Student Bank Account:

- Overdraft fees – interest free to what level of debt.
- Any interest that may appear due to overdrafts or loans.
- Does the account become suspended after your degree?
- If the account continues, what are the differences between a student account and a graduate's account?

What type of Loan and what amount can I receive?

Since the fees regarding university placements were altered on the 1st September 2012, loans have also altered. Fees go up, Loans go up to cover them. If you have been approved within the Student Loan Company, your tuition fees will be automatically directly paid to the relevant university. The total loan for any full-time individual from the UK is £9000 for tuition fees each year. For Welsh students, it is a joint loan and grant process for help with tuition fees up to £9000.

Your parents, or your personal income does not affect your ability to receive this loan.

What is the maintenance loan?

- Applies to students who are at the undergraduate stage full time.
- Aim is to assist with every day essential living costs.
- The loan possible is not the same for everyone and is decided upon location factors of the university as well as where you are residing.
- The loan is in most cases supplied to you on a term-by-term basis and spread regularly across the year.

Does not apply if your study is part-time or postgraduate as most of these individuals have a source of income through scholarships, welfare benefits or employment.

What does the grant help with?

Grant is only available Welsh part-time students and takes into account household income, which needs to meet criteria. The main help is for:

- Books and Travel costs.

Who are the Maintenance Grants aimed at?

They are aimed at students who partake in full-time study and their families receive a relatively low income. Therefore your families' income will play a part in the amount of money you will receive. The grant is to assist with living expenditure and will not need to be paid back.

The 'Welsh Assembly Learning Grant'

This is prescribed for Welsh students who have the same factors as English students applying for the maintenance grant.

What is the minimum salary that enforces you to begin paying off your student loan?

Post 1st September 2013 – £21,000 per annum results in you beginning to make repayments at 9% of the difference between your real salary and the minimum salary.

Any contributions to your student loan will be deducted from your wages before you receive them. This is due to HMRC being the collectors of student debt.

Does the loan get written off after a period of time?

Only in the case of 30 years passing by from the time your repayments were due. If you are unfit to work enduringly and can give evidence for this, you can have the loans withdrawn.

Pre 1st September 2012 - £16365 per annum results in you beginning to make repayments at 9% of the difference between your real salary and the minimum salary. In this instance, it is likely you would have been on the 'income based' loans system, which was introduced in 1998 replacing the 'fixed loan' system prior. For the income-based loans the interest is proportionate to inflation and is increased each day from the time you received your initial money.

Does the loan get written off after a period of time?

Any loans that were withdrawn prior to the 2005-2006 academic year are cancelled at the age of 65. In the following academic years, the loan if not repaid will be cancelled after 25 years. If you are unfit to work enduringly and can give evidence for this, you can have the loans withdrawn.

Is there any other finance assistance I could apply for?

Yes and if you can achieve the following you should, as it will only help you further control your fees and expenses as a student:

- Grants – Childcare and Adult dependent Grants
- Bursaries – NHS and Social Work Bursaries
- Allowances – Parents Learning and Disabled student Allowances.

The amount of assistance you receive from your application may be down to a disability, family circumstances or the chosen degree.

Are there particular grants or scholarships associated with certain degrees?

Yes, they are listed at www.turn2us.org.uk or www.scholarship-search.org.uk

Are there any Welfare benefits I can apply for?

This usually only applies to students with a disability or a single parent.

Do Universities ever give out grants themselves?

Yes, they have a sum of money themselves if you can provide evidence you are having problems with money regarding to university.

Are there loans for specific courses that will directly help me get a job?

Yes, these are known as career development loans and can lend you between £300 and £10,000. These loans are government subsidized to an extent that they tend to have a lower interest rate and the government pays this rate while you partake with the course.

Do I have to pay council tax as a student?

No, the only circumstances where a student has to pay council tax is if they are an independent owner of a property or you occupy a residency with an adult who is not your partner or a student. Part-time students have a reduction but are still accountable for some level of council tax payments.

All other types of students have an exemption from the expenditure of council tax.

What types of debt could I receive at university?

- Tuition fees
- Library fines
- Hardship Loans
- Accommodation Costs

What are the punishments for accumulating these debts?

Depending upon the university you are studying the repercussions may differ regarding debt. Potentially a university could prevent you from gaining your degree until the debt has been reprieved. If the debt is not attached to tuition payments, then speak to your student unions that are impartial among these matters and can portray the potential choices in front of you.

How long is a tenancy for University accommodation?

In most cases the length of time for a tenancy is for one university academic year and does not include the holiday period in summer. Payments for your accommodation should be done as a priority as not doing so could lead to your removal from the premises. Further, this could lead to struggles in future years to gain accommodation with the University.

Can the University charge whatever tuition fees they want?

Differing universities across the UK can charge varying costs for the various degrees up to a point, which is controlled by the Government.

Is my Overdraft a priority debt?

If the overdraft is one of interest-free then you should make it a priority so that you maintain the ability to have an overdraft. If the bank see that you are failing to make repayments on the overdraft it may begin to charge interest, making the overdraft rise quickly causing much greater issues. In some cases, you can speak to the bank about payment options once you have achieved your degree or even potentially could have the overdraft extended.



24 Hour IVA Helpline 0800 876 0999
0161 790 0166

Should the house bills be in joint names in shared accommodation?

It is not uncommon in shared accommodation that students have difficulties or disputes regarding the utility bills (gas, water and electricity) within the house. Therefore the best possible way to avoid disputes is to have joint names to hold everyone accountable for the bills in case of late payments.

Which bills should be the priorities?

Electricity and gas are the most important bills to be in control of as if you do not make your payments, the supplying company can simply stop your usage.

Do I need a TV License even though I live in halls?

If there is a TV in a common area of the university, this will be covered by the University. In the case of a separate TV in your room that can carry channels, you will need to subscribe and purchase your own license. In a house full of students in shared accommodation, one license is all that's necessary. If in the shared accommodation, every person has their own tenancy agreement, each person will have to purchase a license for his or her television.