

Student Loans in England: Financial Year 2018-19

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Introduction

This publication provides statistics on loan outlays, repayments of loans and borrower activity for English domiciled students studying in Higher Education (HE) and Further Education (FE) in the United Kingdom (UK) and European Union (EU) students studying in England, and covers financial years up to 2018-19. Figures are provided for Income Contingent Repayment (ICR) Loans, which were introduced in 1998/99.

Key Points

- The amount lent to Higher Education borrowers increased by 8.4% to reach £16.2 billion in financial year 2018-19. The amount lent to Further Education borrowers decreased by 5.7% to reach £209.5m in financial year 2018-19. *Table 1A & 1B and Chart 1A and 1B*
- Net repayments posted to customer accounts within Higher Education increased by 8.0% to reach £2.5 billion in the financial year 2018-19. The voluntary repayments within that total decreased by 7.2% to reach £370.3 million. *Table 1A and Note 34*
- The balance outstanding for Higher Education loans increased by 16.6% to reach £121.8 billion at the end of the financial year 2018-19. *Table 1A and Chart 2*
- The average loan balance for Higher Education borrowers in the 2019 repayment cohort on entry to repayment was £35,950. *Table 5A (iii)*
- The total number of borrowers still owing Higher Education loans increased by 6.0% reaching 5.3 million at the end of April 2019 compared to 5.0 million at the end of April 2018. Borrowers in the 2019 repayment cohort became liable to repay taking the number of borrowers liable for repayment and still owing to 4.1 million (an increase of 7.7% compared to April 2018). There were 1.2 million borrowers not yet liable for repayment. *Table 3 (i)*
- The number of Higher Education borrowers who have fully repaid their loan increased to 991,500 (19.3% of those who have become liable to repay). *Tables 3A (i) and 3A (ii) and Chart 6*

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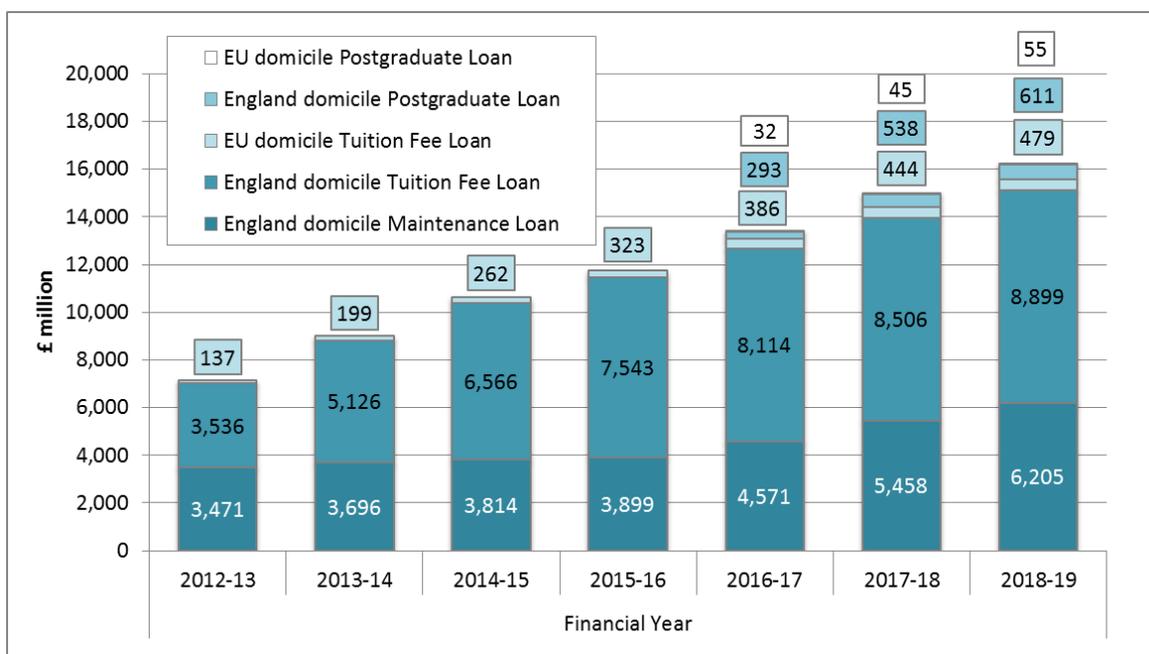
Definitions

Account paid in full	The borrower has repaid the account in full without it being cancelled or written off. This includes accounts with small balance write-offs and includes accounts closed under the Repayment of Teacher Loans (RTL) Scheme.
Advanced Learner Loan	A fee loan payable to Further Education (FE) providers on behalf of FE learners who meet the eligibility criteria and started a FE course on or after 1 August 2013.
Balance transfers	The transfer of a balance between repayment plans which would occur if one plan type has a credit balance and the other a debit balance.
Cancelled loan	The borrower no longer has any liability to repay as provided for in the loans regulations. A borrower's liability shall be cancelled: <ul style="list-style-type: none"> • On the death of the borrower; • On reaching the age cancellation criteria for their loan (age 50, 60, 65 or after 25 years or 30 years depending on the type of loan and year taken out); or • If borrower is in receipt of a disability related benefit and permanently unfit for work.
Domicile	The habitual and normal residence of a student apart from temporary or occasional absences in the relevant period prior to commencement of study.
In arrears	Borrowers who have at least one loan on which repayments are overdue. Arrears also arise when a borrower moves overseas and fails to repay SLC according to their repayment schedule. Additionally any borrower who moves overseas and fails to provide the information required to agree the appropriate repayment schedule will also be placed in arrears.
Income Contingent Repayment (ICR) Loan	Introduced in 1998, repayment is 9.0% of income above the repayment threshold.
Income Threshold	The earnings level at which borrowers liable to repay will make repayments.
Liable to repay	The borrower has reached their Statutory Repayment Due Date (SRDD). See definition of SRDD.
Losses through phishing	Losses through phishing are write offs for loan payments re-directed by a fraudster that would otherwise have gone to a student. Phishing is a fraudulent attempt to obtain from customers information such as usernames, passwords and bank details by masquerading as a reliable entity in an electronic communication such as e-mail or instant messaging. If a student responds to the phishing email, payments that would otherwise go to that student may be redirected by the fraudster.
Maintenance Loan	Maintenance loans are loans to cover living costs.
New borrowers	Borrowers who had no loans at the beginning of the financial year and took out new loans during the financial year.
No live employment at Her Majesty's	Borrowers in the UK tax system where HMRC does not have a record of any current employment when the data cut is taken for the

Revenue & Customs (HMRC)	statistics, therefore their latest employment status is given as “to be determined”
Non UK EU borrower	A borrower who was originally domiciled in an EU country prior to entering higher education in England. Such borrowers are eligible from academic year 2006/07 and for Tuition Fee Loan only.
Overdue Debt	That part of the loan balance that is overdue for those borrowers who are in arrears.
Part-Time Loans	New part-time students starting courses from September 2012 onwards at publicly funded universities and colleges are subject to tuition fees of up to £6,750 per year. This group of students are entitled to apply for an up-front fee loan to meet the full costs of their tuition (or up to £4,500 towards their tuition for courses at privately funded universities and colleges).
Postgraduate Loan	Postgraduate loans are loans towards tuition and living costs.
Refunds of income contingent repayments	Where over-repayment is identified, a refund is provided to the customer by SLC.
Repayment Cohort	A borrower is placed in a single repayment cohort. In some circumstances the repayment cohort may change i.e. withdrawal from course of study. The repayment cohort is based on the year of the earliest Statutory Repayment Due Date (SRDD). See definition of SRDD below.
Repayment Plan	The ICR Loan scheme has been separated into different repayment arrangements called Repayment Plan 1, 2 and 3. They differ in the earnings threshold used to trigger repayment and the interest rate applied to outstanding balances. See notes on policy section.
Study Mode	The mode of study (full-time or part-time) when the borrower took out their loan.
Statutory Repayment Due Date (SRDD)	The point a borrower becomes liable to begin repaying a loan, normally the April after graduating or otherwise leaving their course. After the SRDD borrowers are required to make repayments if their income is above the threshold.
Tuition Fee Loan	Tuition Fee Loans are loans to cover all or part of the cost of tuition. They are paid directly to the Learning Provider.
Written off loan	The borrower remains liable to repay but recovery is deemed unlikely by the loan administrator or not possible by legal judgement. From April 2010, student loans are exempt from Individual Voluntary Arrangements (IVA).

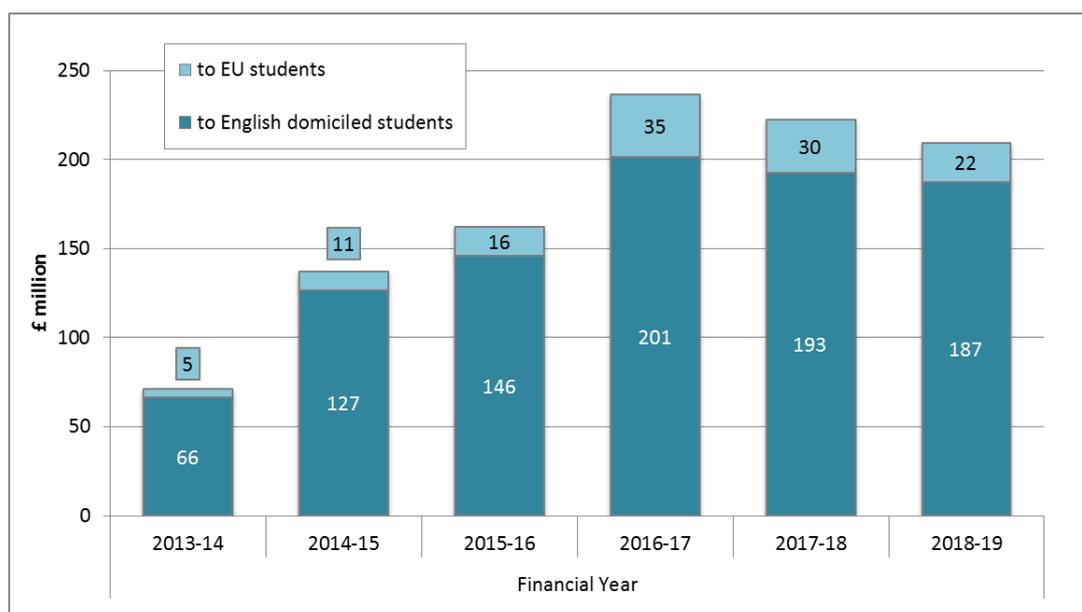
Statistical Commentary

Chart 1a: Total amount lent in financial years 2012-13 to 2018-19 (Higher Education)



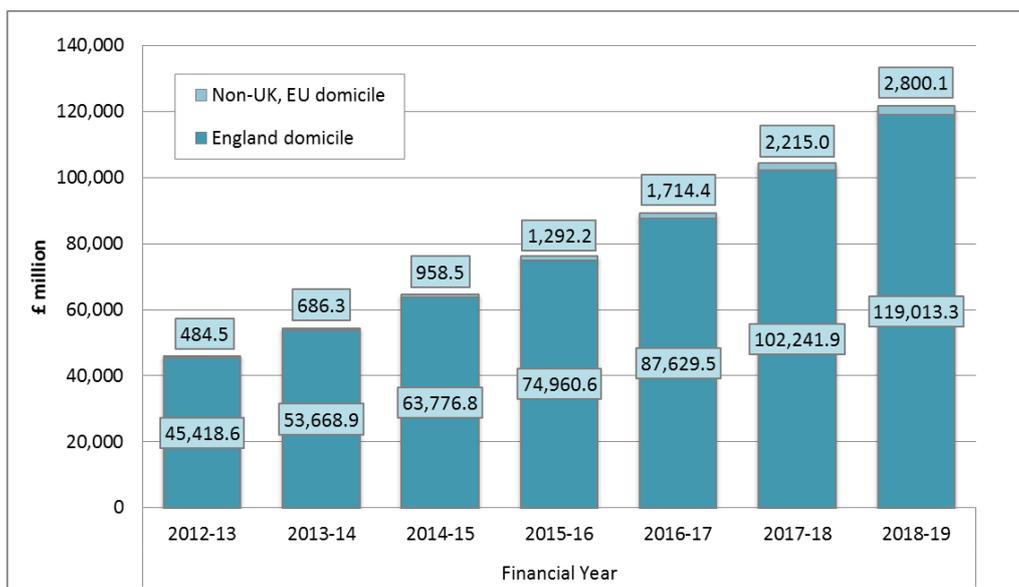
The total amount lent in financial year 2018-19 was £16.2 billion, which is an increase of 8.4% when compared with financial year 2017-18. The amount lent in financial year for Postgraduate education was £665.8 million. See *Table 1A*

Chart 1b: Total amount lent in financial years 2013-14 to 2018-19 (Further Education)



Within the Further Education sector, a total of £209.5m was lent in 2018-19, a decrease of 5.7% on the previous year. *Table 1B*

Chart 2A: Total balance of income contingent student loans at the end of financial years 2012-13 to 2018-19 (Higher Education)



The total loan balance at the end of financial year 2018-19 is £121.8 billion, which is an increase of 16.6% when compared with 2017-18. See Table 1A

The loan balance is increasing each year as new lending and the interest added to the existing balance outweighs the repayments and write-offs from borrowers' accounts.

The Further Education balance reached £1.0 billion, a 23.9% increase on 2018-19 as shown in Chart 2B below. See Table 1B

Chart 2B: Total balance of income contingent student loans at the end of financial years 2013-14 to 2018-19 (Further Education)

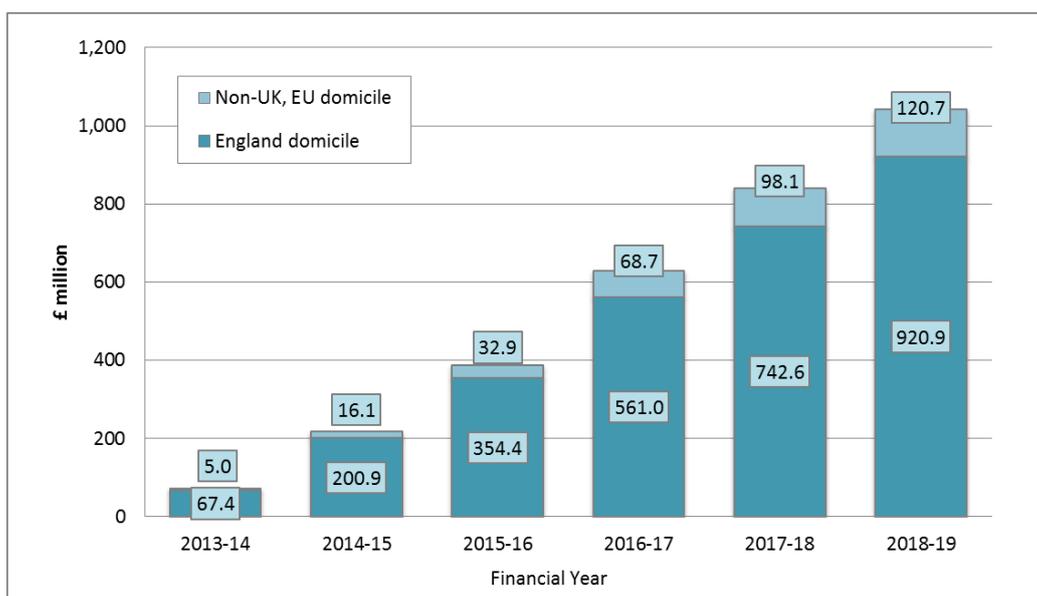
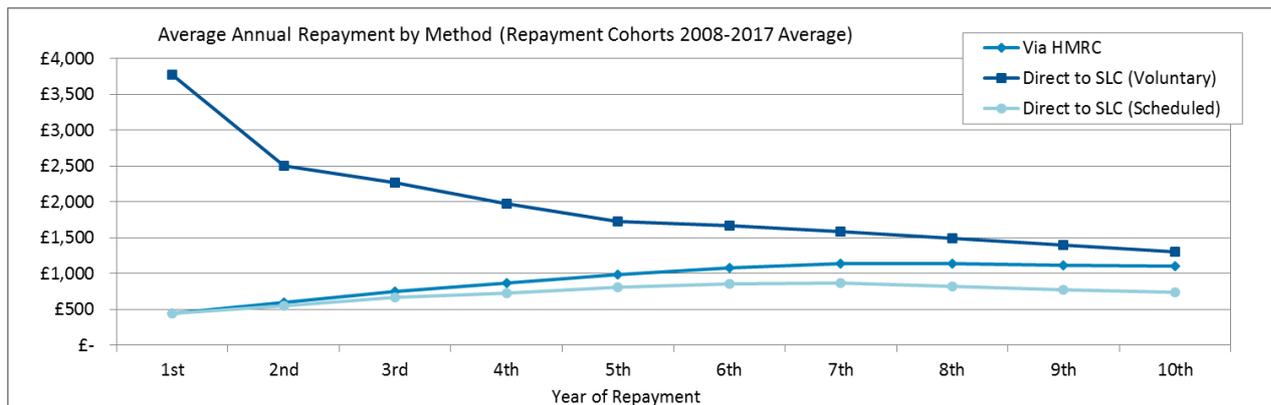


Chart 3: Average annual amount repaid by Higher Education ICR Student Loan borrowers by repayment method (Repayment cohorts 2008 to 2017)



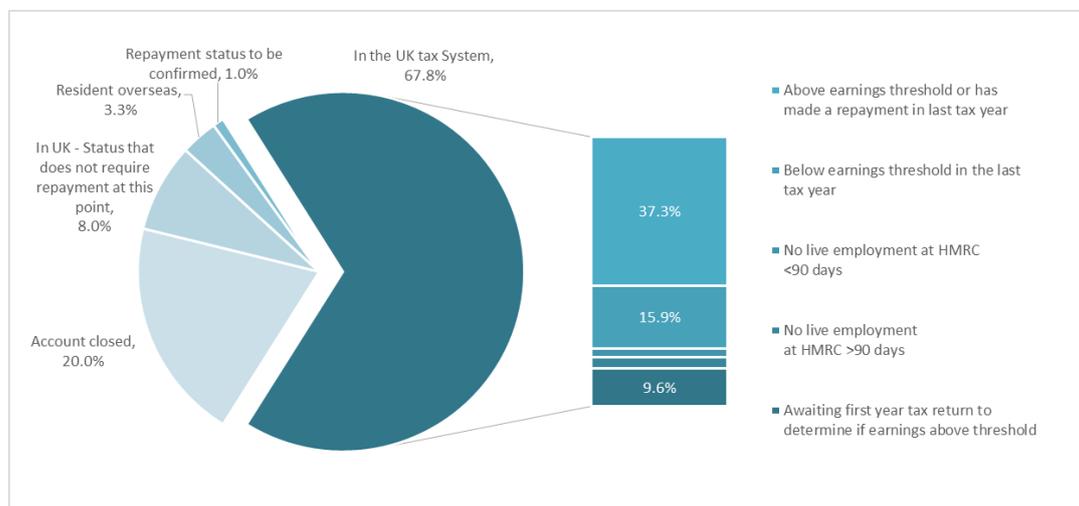
Average Annual Repayment - All Cohorts										
Year Of Repayment	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
via HMRC	£ 440	£ 600	£ 750	£ 870	£ 990	£ 1,080	£ 1,140	£ 1,140	£ 1,120	£ 1,100
Scheduled	£ 450	£ 550	£ 670	£ 730	£ 810	£ 860	£ 870	£ 820	£ 780	£ 740
Voluntary	£ 3,770	£ 2,500	£ 2,270	£ 1,970	£ 1,730	£ 1,670	£ 1,590	£ 1,490	£ 1,400	£ 1,300

The above table is generated using the average annual repayment (by method) for repayment cohorts 2008 to 2017. See Table 4

The most recent data points for financial years 2012-13 onwards show the effect of the increase income threshold which reduces the repayment amounts if the borrower income does not increase to the same extent. For later years of repayment there will be downward trend on the average HMRC repayment as borrowers start to fully repay. At the point they fully repay they are more likely to be repaying at a level above the average of those left in the cohort at that point.

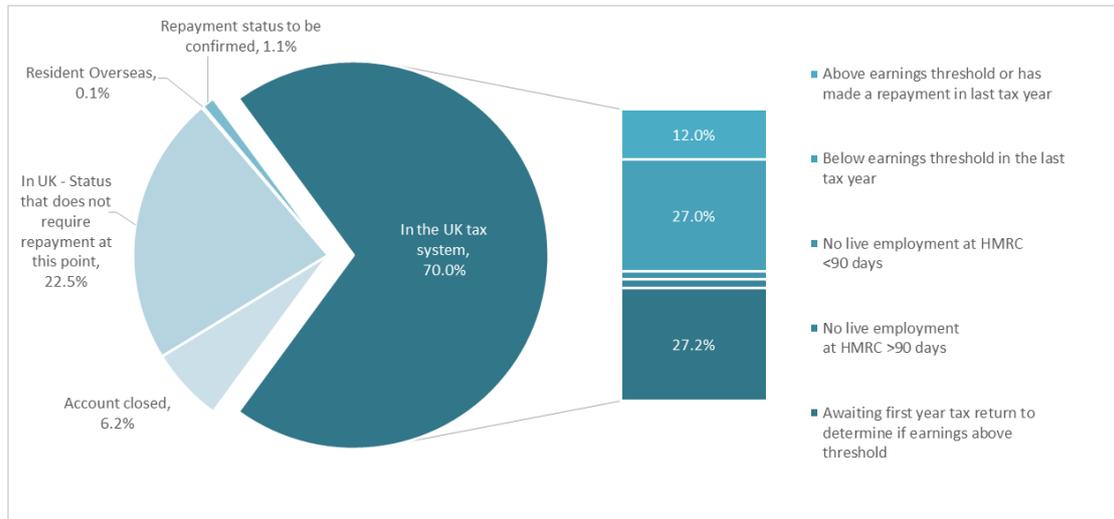
Scheduled and voluntary payments are made directly to SLC, outside of the HMRC deduction system. Scheduled payments are made by borrowers nearing the end of their repayment term. Borrowers can opt to move onto a direct debit scheme paid directly to SLC to avoid overpayment via PAYE deductions. Voluntary payments are additional payments a borrower can choose to make at any point in the repayment term.

Chart 4a: Borrowers by repayment status as at the beginning of the FY 2019-20 (Higher Education)



The above chart includes all borrowers in all repayment cohorts as at 30 April 2019. 20.0% no longer retain any loan balance mainly due to full repayment and 67.8% are in the UK tax system. *Table 3A (i) and (ii)* shows how the number and percentage of borrowers in each repayment status varies by cohort.

Chart 4b: Borrowers by repayment status as at the beginning of the FY 2019-20 (Further Education)



The above chart reflects the Further Education sector where 6.2% no longer retain any loan balance mainly due to full repayment and 70.0% are in the UK tax system. *Table 3A (iii) and (iv)*

Chart 5: Average Loan Balance on entry into repayment by repayment cohort as at the beginning of FY 2019-20 (Higher Education)

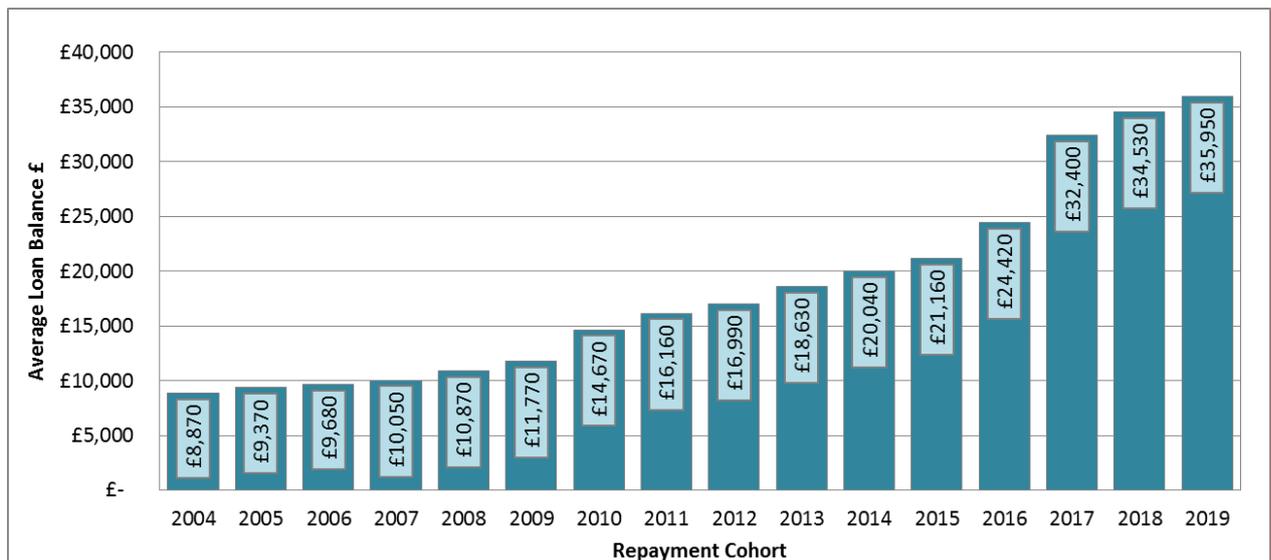
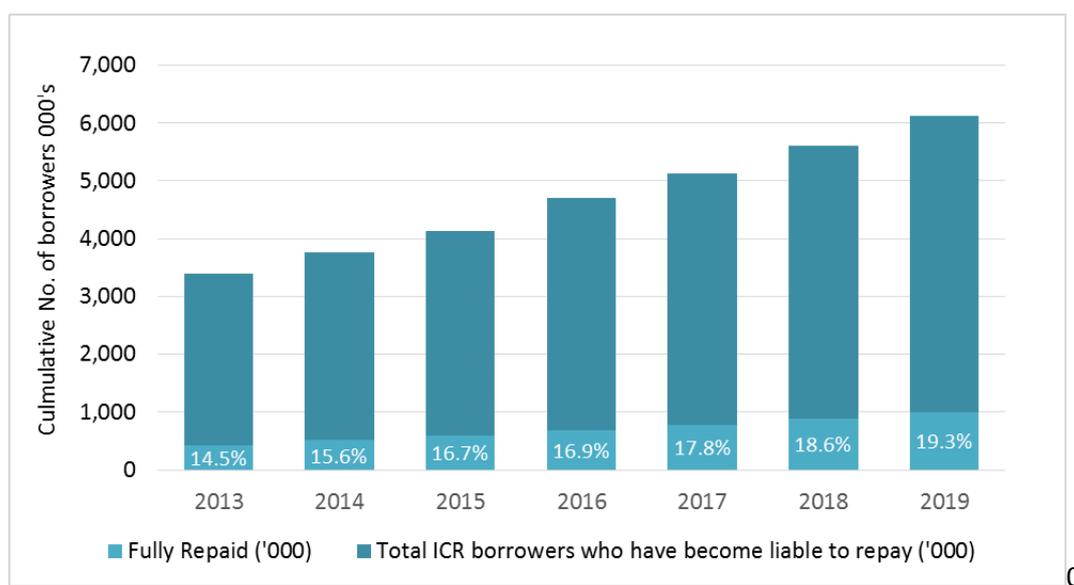


Chart 5 shows the average loan balance for borrowers at the point where their liability to repay first began. The average loan balance reflects the amount paid to borrowers, plus interest added whilst they were studying, minus any voluntary repayments made by borrowers prior them becoming liable to repay.

The average loan balance for the 2019 repayment cohort on entry to repayment was £35,950. Full-time students completing three or four year courses since entry in 2012/13 are included in this average but the average balance is diluted by other borrower types in the same repayment cohort (e.g. borrowers who entered prior to 2012/13 and Part-time Tuition Fee Loan borrowers). See Table 5A (iii)

For the 2019 repayment cohort the average balance for a Further Education borrower on entry into repayment was £3,070, an 8.1% increase on the prior years' repayment cohort. See Table 5A (vi)

Chart 6: Cumulative number of borrowers who have fully repaid (Higher Education)



Year Of Repayment	No. Of ICR Borrowers ('000s)	
	Who are liable to repay	Fully Repaid
2013	2,970.6	431.0
2014	3,261.6	509.6
2015	3,540.3	592.3
2016	4,015.5	680.0
2017	4,352.4	776.8
2018	4,722.8	880.4
2019	5,131.9	991.5

As at 30 April 2019 there are 991,500 borrowers who have entered repayment since ICR loans were introduced in 1998 and have fully repaid. See Table 3A(i).

Please note: the figures at the end of previous financial years are taken from the equivalent table in the previous year's publications.

Data Sources

1. This publication uses data from a single source: administrative data from the SLC Customer Ledger Account Servicing System (CLASS). For details of the administrative sources see the published Statement of administrative sources published on the SLC website using the following link:

<https://www.gov.uk/government/publications/slc-statistics-policies-and-procedures/slc-statistics-statement-of-administrative-sources>

Data Quality

2. SLC has published the Quality Guidelines that it follows. As per those guidelines a Quality Plan is produced for each publication. The Quality Plan stipulates two stages of Quality Assurance. Data is extracted from the administrative systems then reviewed using a standard Quality Assurance checklist. The statistical tables created using that data are quality assured using the Statistical Quality guidelines. Further details can be found by following the link below:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/791209/slc_statistics_-_quality_guidelines.pdf

Data Uses

3. SLC has published a Uses Made document for Official Statistics. Further details can be found by following the link:

<https://www.gov.uk/government/publications/slc-statistics-policies-and-procedures/slc-statistics-use-made-of-the-official-statistics>

Revisions

4. Revisions within the data are denoted with an [r]. Some of these revisions may be carried over from the previous year's publication and are, therefore, not revisions to this year's publication. Further details can be found by following the link:

<https://www.gov.uk/government/publications/slc-statistics-policies-and-procedures/slc-statistics-revisions-policy>

Changes included in this Statistics Publication

5. In previous years we have had to mark the figures relating to self-assessment repayment as estimate due to this being provided later than anticipated. For 2018-19 this has been provided as expected allowing this to be included as final the 2018-19 figures.

Notes on Policy

6. Complete information on the student finance arrangements in England can be found at: <https://www.practitioners.slc.co.uk/policy/>

7. Further information on the repayment terms of loan borrowers can be found at:
<https://www.gov.uk/repaying-your-student-loan>

Eligibility for Loans

8. ICR student loans have been available since the academic year 1998/99.
 - i. From 1998/99, maintenance (living cost) loans have been available to eligible new English domiciled students on full-time undergraduate funded courses.
 - ii. From 2006/07, tuition fee loans have been available to eligible new English and EU domiciled students on full-time undergraduate funded courses.
 - iii. From 2012/13, tuition fee loans have been available to eligible new English and EU domiciled students on part-time undergraduate funded courses.
 - iv. From 2013/14, advanced learner loans have been available to eligible new UK and EU domiciled learners on eligible Further Education courses.
 - v. From 2016/17, postgraduate Master's loans have been available to eligible new English and EU domiciled students on Master's courses.
 - vi. From 2017/18, postgraduate loans have been available to eligible new English and EU domiciled students on Doctoral courses.
9. For information on student support arrangements in place for England domiciled HE students and non UK European Union students who study in England, visit:
<https://www.gov.uk/browse/education/student-finance>

Repayment of Income Contingent Loans

10. Full-time Higher Education borrowers become liable to repay their loans the April after they leave their course. In this publication, borrowers are grouped into repayment cohorts based on the year in which they first became liable to repay.
11. Borrowers in the UK predominantly repay their loans through the UK tax system. Repayments through the tax system (either PAYE or Self-Assessment) begin once the borrower becomes liable to repay and is earning over the relevant repayment threshold
12. Borrowers who move overseas must inform SLC of their total income and if that is above the relevant repayment threshold for the country they live in, they then make monthly repayments directly to SLC. Arrears can accrue on these accounts where a borrower fails to make the required repayments, or fails to provide the required information to the SLC.
13. SLC also collects monies directly from borrowers when they make a voluntary repayment or switch to direct debit repayments (because they are nearing the end of repayment).
14. The data held by SLC at 30 April 2019 for repayments via HMRC, and the resultant status information, interest applied and outstanding balance, represent mostly the effect of repayments in tax year 2017-18. Backdated information can be received from HMRC, effecting multiple tax years.
15. *Tables 4 and 5* of this publication present the data by tax year in order to represent a time series from the point of view of the borrowers.

Repayment Plan 1

16. Students who began their course prior to 1 September 2012 are on Repayment Plan 1. Repayments for Repayment Plan 1 loans are at the rate of 9% of income above the income threshold:

17. The table below shows the change in income threshold for Plan 1 by financial year:

Period Applicable	6th April '00 to 5th April '05	6th April '05 to 5th April '12	6th April '12 to 5th April '13	6th April '13 to 5th April '14	6th April '14 to 5th April '15	6th April '15 to 5th April '16	6th April '16 to 5th April '17	6th April '17 to 5th April '18	6th April '18 to 5th April '19
Annual Repayment Threshold	£10,000	£15,000	£15,795	£16,365	£16,910	£17,335	£17,495	£17,775	£18,330

18. The interest charge is affected by a cap at the bank base rate of +1%. The interest rate is the lower of the Retail Prices Index (RPI) at the preceding March, or 1% above the highest base rate of a nominated group of banks calculated regularly during the year. The interest rate does not affect the monthly repayment amount of Income Contingent Loans; it will affect the time taken to repay.

The RPI at March 2015 was 0.9% so the cap did not apply between 1 September 2015 and 31 August 2016 where the interest rate was 0.9%. The RPI at March 2016 was 1.6% so the cap was applied from 1 September 2016. The interest rate was at 1.25% because the bank base rate was 0.25% at that point.

This rate continued until 1 December 2017 when the interest rate increased to 1.5% until 31 August 2018. From 1 September 2018 the Plan 1 interest rate increased to 1.75%.

Repayment Plan 2

19. Students who begin their course on or after 1 September 2012 is on Repayment Plan 2 and are subject to a different income threshold for repayment which is £21,000 from April 2016. This increased to £25,000 in April 2018. They make repayments at 9% of their income above the threshold.

20. Borrowers normally become liable to make repayments from the April after they leave their course, however borrowers with Repayment Plan 2 loans did not first become liable to repay until April 2016 as repayments could not be taken through the tax system.

Repayment Plan 3

21. Students who have taken out a postgraduate loans are on Repayment Plan 3. The income threshold is set at £21,000, with borrowers repaying 6% of earnings above this threshold.

22. Borrowers normally become liable to make repayments from the April after they leave their course, however borrowers with Repayment Plan 3 will first become liable to repay from April 2019 as repayments cannot yet be taken through the tax system.

23. The Repayment Plan 3 interest rate is the inflation rate (RPI) +3% throughout the term of the loan. Where borrowers also have an outstanding Plan 1 or Plan 2 loan, repayment of the two loans will be made concurrently, totalling 15% of earnings above the threshold (9% for the Plan 1 or Plan 2 loan, plus 6% for the Plan 3 loan).

Interest Rates

24. Whilst in repayment the annual Retail Price Index from March to March is always used as the basis for the interest rate for all types of student loan from the following September to August. However, additionally for Repayment Plan 1 ICR loans, the interest rate cannot be more than 1% higher than the base rate of major banks.

Period Applicable	1 September 2014 to 31 August 2015	1 September 2015 to 31 August 2016	1 September 2016 to 31 August 2017	1 September 2017 to 31 August 2018	1 September 2018 to 31 August 2019
RPI @ March	2.5%	0.9%	1.6%	3.1%	3.3%
Maximum Interest Rate (Plan 2)	5.5%	3.9%	4.6%	6.1%	6.3%

25. The Repayment Plan 2 interest charge is set each year from 30 September to 31 August. The interest rate whilst studying is RPI+3% and remains so up until the April after leaving the course. Once borrowers are due to repay, interest will be variable and income contingent.
26. A Variable Interest Rate (VIR) is an interest rate dependent upon the borrower's earnings once they become liable to repay. It was a system introduced for loans taken out by England and Wales-funded entrants from 2012/13 onwards. The loans are known as Repayment Plan 2 loans. The interest rates are based on the UK Retail Price Index (RPI) plus (VIR) and are added to the amount owed from the day of first payment until the loan is repaid in full. The RPI part of the interest rate is updated once a year in September, using the RPI from March of that year. Until the Statutory Repayment Due Date (SRDD) is reached the VIR part of the interest is 3%. The earliest SRDD for Plan 2 loans was April 2016 so the first tax year where the interest actually started varying was 2016-17.
27. Once the SRDD is reached the interest rate is dependent on the borrower's earnings. Borrowers who do not respond to requests for information or evidence become 'Non-compliant' and incur the highest interest rates of RPI + 3% irrespective of income, until all required information is received.
28. Those earning £21,000 or less will be charged at the rate of inflation (RPI), interest rates for those earning between £21,000 and £41,000 will be on a sliding scale from RPI to RPI+3%; and those earning £41,000 or more will accrue interest at RPI+3%. Anybody finishing or leaving their course before April 2018 is charged RPI only from the April after they leave until April 2018.

The table below indicates the variable part of the interest in force at the end of tax-year 2017-18

Year Ending	Variable Part of Interest Rate Incurred					Of those incurring 3%	
	0%	0.01 - 0.99%	1.00 - 1.99%	2.00 - 2.99%	3%	Compliant	Non-Compliant
2017-18	74.0%	14.6%	6.9%	2.0%	2.5%	46.8%	53.2%

29. The majority of Plan 2 borrowers in tax year 2017-18 earned less than the Plan 2 earnings threshold of £21,000 per year and so incurred an interest rate of RPI + 0%.
30. The Repayment Plan 3 interest rate is the inflation rate (RPI) +3% throughout the term of the loan. Where borrowers also have an outstanding Plan 1 or Plan 2 loan, repayment of the two loans will be made concurrently, totalling 15% of earnings above the threshold (9% for the Plan 1 or Plan 2 loan, plus 6% for the Plan 3 loan).

Related Statistical Publications

31. SLC also produces the Official Statistics: 'Student Support for Higher Education in England'. This publication provides statistics on English domiciled and EU domiciled applicants studying in England, which have been approved for student support by academic year of application. The latest publication can be found at:
<https://www.gov.uk/government/statistics/financial-support-for-students-in-higher-education-england-2018>
32. Statistics on Advanced Learner Loans paid to FE learners (originally called 24+ Advanced Learner Loans) covering the period August 2017 to January 2018 were published in SLC OSP02/2018 on 29 March 2018. These can be found at:
<https://www.gov.uk/government/statistics/advanced-learner-loans-paid-in-england-2018-to-2019>
33. The Department for Education produces the Official Statistics 'Student Loan Forecasts, England'. This publication presents forecasts of higher education student numbers, student outlay and student loan repayments in England. This publication series can be found at:
<https://www.gov.uk/government/collections/statistics-student-loan-forecasts>

Factors Affecting Time Series

34. The balance of direct repayments categorised as scheduled and voluntary has started to change in financial year 2017-18 due to a change in the system used by SLC to recover loan overpayments. For accounts in all cohorts up to and including 2017 these recoveries were recorded as voluntary repayments. For accounts in the 2018 cohort onwards there is a special category of repayment for Loan Overpayment recovery which can be included in the scheduled repayment category. The apparent reduction in voluntary repayments from 2017-18 onwards is really indicating that voluntary repayments have been overstated in the past and a portion of them were really recoveries of loan overpayment. The data to restate the history is not currently available.
35. The number of HE borrowers becoming liable to repay for the first time in April 2016 (the 2016 repayment cohort) was uncharacteristically large at 473,000, an increase of 71.0% compared with April 2015. This increase was explained by many post-2012 entrants to HE, who would ordinarily have entered repayment earlier (with loans for fewer years of study), entering repayment later than is normally the case in April 2016. The 2017 repayment cohort is more reflective of the full- and part-time Repayment Plan 2 loans (paid out under the post-2012 fee regime).
36. The 2016 repayment cohort is atypical within the time series. Borrowers who withdrew from their courses in 2012/13 or 2013/14 would normally have been placed in the 2014 and 2015 cohorts respectively but repayment was deferred because the Plan 2 repayment regime did not begin until April 2016. Hence, the 2016 cohort includes three years' worth of year 1 withdrawals rather than just one year's worth. The 2014 and 2015 cohorts are also atypical because they will not contain the usual number of withdrawal students. Hence, the typical cohorts are 2013 and 2017 with the three intervening cohorts of 2014, 2015 and 2016 being atypical. The impact would be as follows compared to typical years:

- i. Higher average balance per person in 2014 and 2015 and lower average balance per person in 2016 (Table 5).
 - ii. Higher likelihood of being in a repaying category in 2014 and 2015 and lower likelihood of being in a repaying category in 2016 (Table 3).
 - iii. Higher average repayment amount per person (Table 4) in 2014 and 2015 and lower average repayment per person in 2016.
37. Note however, that there are additional factors in 2016 to the above impacts caused by the nature of Plan 2 accounts. 77% of the 2016 cohort borrowers have Plan 2 full-time accounts. The factors are:
- i. The average balance for Plan 2 full time borrowers will be higher due to the higher Tuition Fee loan borrowing
 - ii. The average balance for Plan 2 borrowers will be lowered by the inclusion of part time borrowers with lower borrowing than full time students
 - iii. The average repayment amount for Plan 2 borrowers will be lower due to the higher repayment threshold
38. Additional repayment status verification processes which include checks with DWP for borrowers on benefits have led to a modified profile across certain repayment categories as shown in Table 3. Borrowers now move more quickly from the “No Live Employment” categories into the category called “Status that does not require repayment at this point”. The effect is more prominent for the new cohorts than for the old ones because the old cases only need to enter the new processes when they move out of live employment.
39. The first two repayment cohorts (2000 and 2001) are atypical because they will comprise borrowers on one year courses (such as Higher National Certificate (HNC) and Postgraduate Initial Teacher Training) or they will be students who dropped out before completing three years of study. The first repayment cohort containing graduates from three year courses is the 2002 cohort.
40. From April 2005 the income contingent repayment threshold changed from £10,000 to £15,000. Those borrowers prior to April 2005, who were earning more than £10,000 and less than £15,000, would cease repaying until their income reached the new threshold. The threshold remained at £15,000 until April 2012 when it increased to £15,795 and it has been increased every year since in line with inflation.
41. From 2009, SLC have been taking action against those borrowers who moved overseas and did not provide SLC with adequate information to allow the processing of repayments. One of the measures is to place borrowers in arrears so that legal action may be brought against them. This necessary change in the process led to an increase in the number of borrowers residing overseas and in arrears. It should be noted that the figure will also include UK borrowers who have moved overseas after completing their studies.
42. The 2010 cohort of EU borrowers is the first significant group of EU borrowers who have come into repayment, comprising mainly of 2006/07 entrants on three year courses. The 2011 and 2012 cohorts include some 2006/07 entrants on longer courses, as well as those who started their 3 year degree courses in 2007/08 and 2008/09 respectively. Academic Year 2006/07 was the first year that non-UK EU domiciled students could be awarded tuition fee student loans, therefore EU borrowers in repayment cohorts prior to 2010 will mostly comprise of those borrowers on one or two year courses or those who have dropped out of their course.

Notes for Users

Repayments via Self-Assessment (*Table 1*)

43. It has been necessary to estimate some of the repayments made via self-assessment in the financial years 2016-17 and 2017-18 in order to maintain a comparable time series with earlier years. This is due to some information not being received until after the usual capture date for *Table 1*. The estimates are based on actual data for self-assessment repayments posted in the first weeks of the next financial year. Where figures have been impacted they are clearly marked with an 'e' for estimate.

Repayment Status (*Table 3*)

44. Some of the repayment status categories in *Table 3* are the result of information received from HMRC. This information is received on a monthly basis, giving the up to date employment status of borrowers. Borrowers are grouped as follows:
- i. If HMRC cannot identify the borrower in their records from the information provided by SLC the borrower will be in the category of "Not Currently Repaying - Further Information Being Sought".
 - ii. If HMRC identifies a status such as on Incapacity Benefit then they will be placed in the category of "Status that does not require repayment at this point". However the vast majority in that category are placed there by subsequent SLC processing (checks with DWP to find that the borrower is on Benefits or direct contact with the borrower to establish their status). Many of the borrowers in this category have been found to have returned to study.
 - iii. If they are in their first year of liability and it shows they are in employment then they will be in the category of "Awaiting first tax year return to determine if earnings above threshold".
 - iv. If HMRC have found the borrower but there is no employment record at the end of the latest month they are in the category of "In UK tax system – No Live Employment at HMRC".
 - v. Once the borrower has been in the tax system for one tax year HMRC will be able to pass on returns from the borrower's employer(s) to show if the borrower is above or below the earnings threshold for repayment. HMRC notify SLC of repayments deducted by employers during a year once employers provide those details to HMRC on their annual returns after the end of the tax year. So it is only when that happens, that SLC will know if a borrower has been above or below the earnings threshold. The borrower will then be shown in the appropriate category.
 - vi. However, if the borrower has ceased to have an employment record they will revert to being in "In UK tax system – No Live Employment at HMRC"
45. The profile of EU borrowers is different to that of UK National borrowers for a number of reasons: firstly only those who have worked in the UK will have a National Insurance Number; secondly they are more likely to go overseas after HE than UK national borrowers. Although the profiles are different it should be noted that the majority of borrowers who are known to be resident overseas are UK nationals.
46. The 2010 repayment cohort contains the first significant group of EU Tuition Fee Loan borrowers. The group will predominantly comprise of the 2006/07 entrants who have completed three year courses. EU borrowers in earlier repayment cohorts will mostly comprise of those borrowers on one or two year courses or those who left their courses early.

Repayments via direct repayment channel to SLC (*Table 4*)

47. The average repayment direct to SLC is significantly higher than repayments made via HMRC. This is because some borrowers have chosen to make direct repayments to repay their balance in full or make large lump sum repayments to reduce the balance. Direct repayments to SLC include voluntary repayments which can be made by borrowers who are not yet due to repay, and additional voluntary repayments from borrowers who are also making repayments via HMRC.

Repayment cohorts prior to 2016 were predominantly borrowers with Repayment Plan 1 loans, whereas repayment cohorts 2016 onwards are predominantly made up of Repayment Plan 2 borrowers (who have larger loan balances and are charged a higher interest rate whilst studying). Details of repayment thresholds for each country of residence can be found at:

<https://www.gov.uk/government/publications/overseas-earnings-thresholds-for-plan-1-student-loans>

<https://www.gov.uk/government/publications/overseas-earnings-thresholds-for-plan-2-student-loans>

<https://www.gov.uk/government/publications/overseas-earnings-thresholds-for-postgraduate-student-loans>

Loan Balances (*Table 5*)

48. The average loan balance for each repayment cohort at the point they become liable to repay has always been higher than for the preceding cohort. The 2017 cohort continues that trend but the increase is lower than might be expected given that 2016 was the first repayment cohort affected by the higher fees of up to £9,000 per year - see 'Factors Affecting Time Series'. Thereafter, for each cohort the average balance tends to go up before coming back down. Interest added to the balance in the early years of repayment has tended to outweigh the repayments made and many of the borrowers have gone on to take out further loans after their initial loans became liable for repayment. Table 5 excludes those who have fully repaid their loans; therefore figures on average amount owed cover those who have a remaining balance only.

Rounding

49. All borrower numbers and amounts have been presented rounded to the nearest 100 and £100,000 unless specified otherwise. All totals and averages are calculated from un-rounded numbers. Where numbers equal zero or rounded figures result in zero, this is presented as null or negligible " - " on the tables.

User Consultations

50. Consultation exercises are conducted by SLC on the Official Statistics it produces in order to understand who uses the publications, for what purpose, and to find out how they can be made more useful in terms of content, methodology, timeliness and presentation. As part of the

consultation process SLC runs surveys. See the User Consultation Survey section of the SLC website at:

<https://www.gov.uk/government/publications/slc-statistics-policies-and-procedures/slc-statistics-user-engagement-strategy>

National Statistics

This is a National Statistics publication. National Statistics are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure they meet customer needs. They are produced free from any political interference.

This publication series was awarded National Statistics status in October 2011 following a full assessment against the code of practice, which can be found at:

<https://www.statisticsauthority.gov.uk/publication/statistics-on-higher-education-in-england-and-the-uk-letter-of-confirmation-as-national-statistics/>

Tables 3, 4 and 5 were awarded National Statistics status in April 2014 having initially been assessed as a separate publication, which can be found at:

<https://www.statisticsauthority.gov.uk/publication/statistics-on-student-support-and-student-loans-letter-of-confirmation-as-national-statistics/>

These tables were subsequently merged into this publication.

Since the assessments by the Office for Statistics Regulation we have continued to comply with the Code of Practice for Statistics, and have made a number of improvements including the following:

- **Further Education Borrowers** - Tables have been added throughout the publication to represent Further Education borrowers to provide repayment figures for this education sector
- **Postgraduate Loans** - An Additional breakdown for Plan 3 postgraduate loans has been added, as loan payments have been made to borrowers in this education sector from September 2016
- **Self-Assessment Repayments** - Repayments total via HMRC has been refined to separate repayments via Pay as You Earn (PAYE) and via Self-Assessment (SA) to allow for these figures to be accessible
- **Cross Country Comparisons** – First introduced in 2014, providing a cross country comparison of total debt, average debt on entry into repayment and average annual repayment amount
- **Future Cohorts** – Introduced in 2018 to provide borrower numbers for future borrowers who will enter repayment at a future point. This provides a complete borrower count in *Table 3*
- **Direct repayments** – From 2017 onwards we have included tables to show borrower numbers for borrowers repaying directly to SLC. In 2018 we disaggregated these tables further to show borrower numbers for those making scheduled and voluntary payments (*Table 4*).

Table Guide

Table 1: Student Loans: ICR Loan Balance Sheet: Financial years 2012-13 to 2018-19: Amounts (£m)

Table 2: ICR Student Loan borrowers with cancellations, write-offs or refunds: Financial years 2012-13 to 2018-19

Table 3: ICR Student Loans borrowers by repayment cohort and repayment status as at 30/04/2019

Table 4: ICR Student Loans borrowers making repayments by repayment cohort and tax year as at 30/04/2019

Table 5: ICR Student Loans borrowers with a Loan Balance by repayment cohort and tax year as at 30/04/2019