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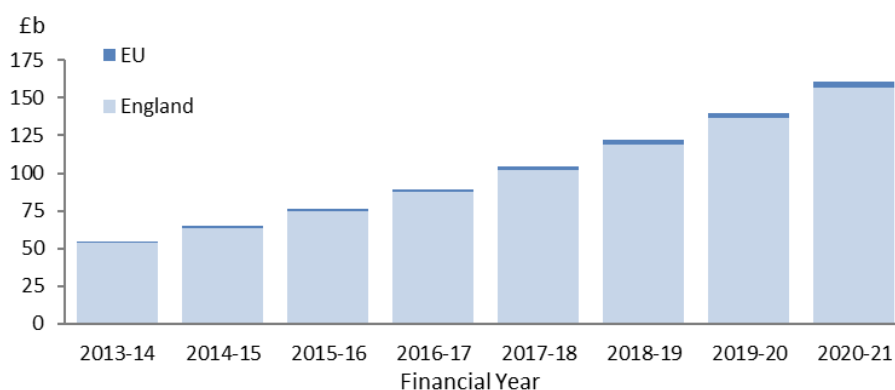
Student Loans in England

Financial Year 2020-21

Income Contingent Student Loan Balance

Income Contingent Student Loan balance reaches £160.6 billion for Higher Education borrowers

Figure 1: Total Balance of Income Contingent Student Loans at the end of Financial Year 2013-14 to 2020-21: Higher Education (£ billion)



The loan balance for both England and EU Higher Education borrowers reached £160.6 billion by the end of financial year 2020-21. This is a 14.6% (£20.5 billion) increase on the previous end-financial year figure of £140.1 billion, which is consistent with that of previous financial years. The loan balance has increased year-on-year as new lending and interest added to existing balances outweighs repayments and write-offs. *Table 1A*

Of the total Higher Education balance, 67.0% are amounts which are liable for repayment. This means that a borrower has passed their Statutory Repayment Due Date (SRDD). This is the point they would become liable to begin repaying a loan, normally the April after graduating or otherwise leaving their course.

EU Higher Education borrowers balance reached £4.0 billion by the end of financial year 2020-21. This is a 18.7% (£0.6 billion) increase on the previous end-financial year figure of £3.4 billion. Although the EU loan balance has increased year-on-year, the rate of increase has slowed each year, reducing from +39.7% when comparing 2014-15 to 2013-14, down to +18.7% when comparing 2020-21 to 2019-20.

EU students starting or continuing a course in England in Academic Year 2020/21 remained eligible for financial support for the duration of their course.

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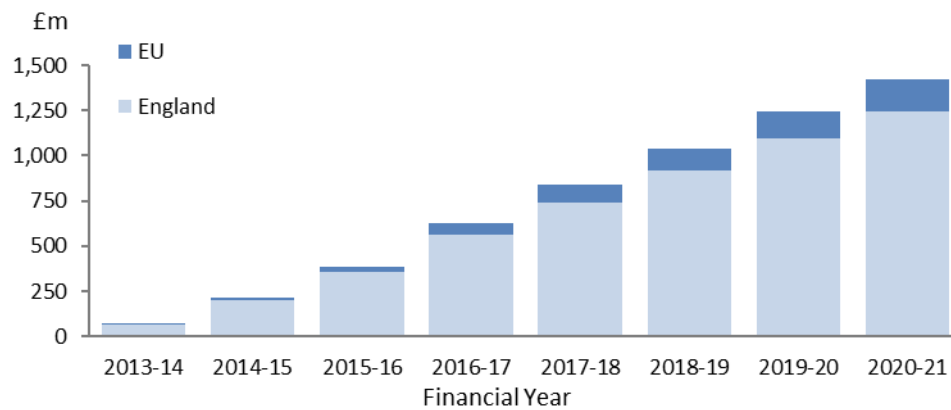
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Income Contingent Student Loan balance reaches £1.4 billion for Further Education borrowers

Figure 2: Total Balance of Income Contingent Student Loans at the end of Financial Year 2013-14 to 2020-21: Further Education (£ million)



The loan balance for both England and EU Further Education borrowers reached £1.4 billion by the end of financial year 2020-21. This is a 13.9% (£173.4 million) increase on the previous end-financial year figure of £1.2 billion. Although still increasing in the financial year 2020-21, the % increase to the total loan balance for Further Education borrowers has slowed consistently since 2014-15 (from 199.6%). Of the end 2020-21 financial year balance, 79.9% is amounts which are liable to repay meaning that the borrower has passed their SRDD. *Table 1B*

EU Further Education borrowers balance reached £177.4 million by the end of financial year 2020-21. This is a 14.9% (£23.0 million) increase on the previous end-financial year figure of £154.4 million. With a similar trend to Higher Education, although the EU loan balance has still increased, the rate of increase has slowed each year, reducing from +219.8% when comparing 2014-15 to 2013-14, down to +14.9% when comparing 2020-21 to 2019-20.

The balance for Further Education for end of financial year 2020-21 is net of £23.4 million in written-off loans, the majority of which (£22.0 million) is due to the 'Access to HE' policy. Student Finance England will 'write off' any outstanding Advanced Learner Loan balance owed for an 'Access to HE' course once the borrower has completed a Higher Education course. Comparing to the previous financial year, the amount written-off in relation to 'Access to HE' is 10.8% (+ £2.1 million) higher.

From July 2019, an Advanced Learner Loan, subject to meeting criteria defined in regulations, may be cancelled and the borrower no longer be eligible to repay their loan or part thereof. This has occurred in exceptional circumstances, for example, when a course is no longer available due to the actions of the provider (such as going into liquidation) and no resolution to continue study has been found. £0.9 million was written off under this regulation in financial year 2020-21.

For more information on these policies, please see [gov.uk](https://www.gov.uk).

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Introduction

This statistics publication presents figures and observations on student loan outlays, repayments and borrower activity for English domiciled Student Loans Company (SLC) customers. This covers students who are studying, or borrowers who have studied in Higher Education (HE) and Further Education (FE) in the United Kingdom (UK). Figures are also shown for European Union (EU) students studying in England.

Figures provided here are for Income Contingent Repayment (ICR) Loans administered by SLC, which were introduced in Academic Year 1998/99.

This publication covers financial years up to and including 2020-21.

Complete information on student finance arrangements in England are available at the Student Finance England [website](#).

What can you use these statistics for?

These statistics can be used as a reference to the value of the Student Loans Company (SLC) loan balance at the end of the financial year, student outlay within a financial year and information on borrower activity and repayment amounts.

The data used in this publication is sourced from Student Loans Company's 'Customer Ledger Account Servicing System' (CLASS). This system only holds information on borrowers who have received funding from SLC. This publication also only includes information on loan products and does not include information regarding grants and bursaries. Under normal circumstances grants and bursaries are not considered repayable.

Due to this, these statistics cannot be used to analyse trends or to draw conclusions regarding the full UK education funding landscape.

Things you need to know

More Frequent Data Sharing (MFDS)

From April 2019 the frequency in which repayments data is provided to SLC by HM Revenues and Customs (HMRC) increased. Before this SLC received customer repayment data, reported by employers, annually from HMRC after the end of the financial year. This increased to weekly. This meant for SLC customers being paid monthly through the Pay as You Earn (PAYE) system, SLC receives information of student loan deductions monthly.

This increase in frequency resulted in a change in time series for repayments and interest applied for the 2019-20 financial year. For the 2020-21 financial year, the time series has normalised with a single years' worth of repayments data being included (those processed by SLC in FY 2020-21).

As a result of the above, inferences into short-term, or longer-term trends are not as straightforward as in previous years and therefore subsequent commentary in these instances may be reduced within this publication. Where relevant, it may be more valuable to compare 2020-21 to FY 2018-19 and commentary regarding overall increases over the two years is provided.

The MFDS Effect on Repayments Data in Financial Year 2019-20

Repayments of Income Contingent Loans are shown in this publication in the financial year they are posted to customer accounts. As SLC were previously notified of repayments by HMRC usually within one year of the financial year ending, the repayments shown in a given financial year (prior to FY 2019-20) were mainly for the year before. The same was also true for the associated interest calculations being applied to these customer accounts.

In the first financial year of receiving this information at a greater frequency (FY 2019-20) more repayments data was evident than in previous financial years. Almost two years' worth of customer PAYE repayments and interest calculations (those processed by SLC in both FY 2018-19 and 2019-20) were included.

HMRC still provide SLC with annual information within one year of the financial year ending, which is reviewed and applied to customer accounts like before. This end of year file will be the end of financial year position for the borrower. This could result in minor adjustments to customer balances. These adjustments will be included in the following year's reporting data.

It should be noted that **this did not adversely affect the borrower's balance** – this effectively brought a more up-to-date representation of loan balances at that point in time

The figures / trends in this publication which have been affected by MFDS are clearly marked throughout this publication but for additional information in regard to MFDS please see [gov.uk](#) webpage.

The MFDS Effect on Interest Rate Calculations in Financial Year 2019-20

The interest applied to accounts, like repayments, is reported within this publication in the financial year it was posted to the customer's account, and not necessarily the year the interest was accrued. For PAYE repayers this is dependent on when repayment information is received from HMRC and thus affected by the introduction of MFDS in the 2019-20 financial year (explained above).

Pre MFDS, PAYE repayment information was received by SLC annually from HMRC for each borrower, usually after the end of the financial year. At this point the account was re-calculated using the repayment information supplied and interest backdated and applied. This would be reported within this publication in the following financial year data.

With the introduction of MFDS and repayments information more readily available, interest is also calculated and applied to the accounts more readily. **This resulted in a change in time series for financial year 2019-20 for interest applied**, as almost two years' worth of customer PAYE repayments and interest calculations was included (those processed by SLC in both FY 2018-19 and 2019-20). The time series has normalised in financial year 2020-21, as this includes just one financial year of repayments information and resulting interest calculations (those processed by SLC in FY 2020-21).

From financial year 2019-20 onwards Plan 2 customer's interest is calculated at RPI rate only, for repayments information received within the same financial year for which it applies. The variable interest rate (VIR) portion (0-3%) of the interest rate is applied to the accounts once the year end repayment amount is known from the end of year file. This is supplied by HMRC annually usually after the end of the financial year. This means the VIR portion of the interest calculation will be in the following reporting financial year within this publication. For further information on VIR, please see [here](#).

Self Assessment Data

Self Assessment repayment data is supplied from HMRC to SLC via a different process to PAYE. As a result, this will still be provided annually after the end of the financial year (and not weekly as for PAYE customers). This will therefore still show in the financial year in which it was posted to the customer's account, as in previous years. For this reason, financial year 2020-21 will mostly comprise of Self Assessment repayments data from the previous financial year. This will also be true of the interest calculations being applied for these borrowers.

In *Table 1A* and *1B*, in previous years we have had to mark the figures relating to Self Assessment repayments as 'estimated' due to this being provided later than anticipated. From 2018-19 this has been provided as expected, allowing this to be included as final figures.

In *Table 4A* and *4B* we therefore mark the latest financial year of repayment as 'provisional' as the 2020-21 Self-Assessment earnings information is received from HMRC after the 30 April effective date. The final figure is shown in the following years' publication.

Rounding, Totals and Averages

All borrower numbers and amounts have been rounded to the nearest 100 and £100,000, the nearest 1 decimal point on the data tables given. Average amounts are rounded to the nearest £10. Totals and averages are calculated from un-rounded numbers, these therefore may differ from adding up rounded components.

Effective Dates

The effective dates used in this publication are as follows:

Table 1 and 2:	31 March
Table 3, 4 and 5:	30 April

Tables 3, 4 and 5 provide information which requires annual PAYE end of year data supplied by HMRC to SLC, even after the introduction of MFDS. This is received after the financial year ends hence the later effective date.

Changes included in this publication

Table 1a – Due to each Financial Year adding an additional 6 columns to this table, we have removed data prior to financial year 2016-17. This will enable the user to view this table more easily in a printable format. Data prior to 2013-14 is available in all previous year versions of this publication.

Income Contingent Student Loan Balance by Repayment Plan

In financial year 2020-21, there were three Repayment Plans. Students who began their course prior to 1 September 2012 are on Repayment Plan 1, those who began their course on or after 1 September 2012 are on Repayment Plan 2 and students who have taken out Postgraduate loans are on Repayment Plan 3. Borrowers can be 'multi-Plan' should they have studied multiple courses.

Figure 3: Total Balance of Income Contingent Student Loans at the end of Financial Year 2013-14 to 2020-21: Higher Education by Repayment Plan Type (£ billion)

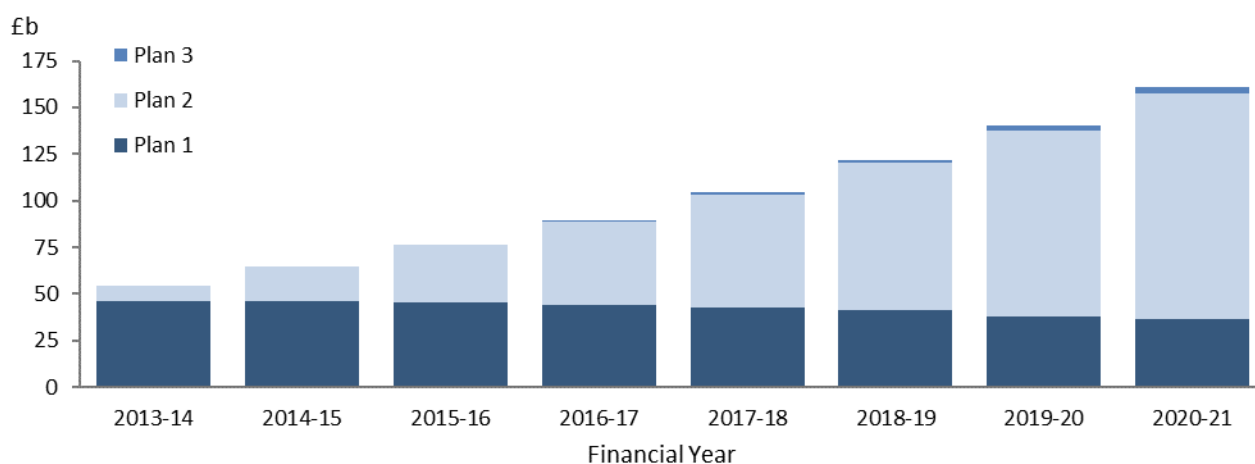


Figure 3 indicates the changing proportion of the loan balance in respect to Repayment Plan. At end financial year 2013-14, Plan 1 loans equated to 84.6% of the entire Higher Education loan balance and by end financial year 2020-21, this has reduced to just 22.7%. *Table 1A*

By contrast, at end financial year 2013-14, 15.4% of the balance was attributed to Plan 2 loans which has since increased to 75.2% by end financial year 2020-21.

Following their introduction in 2016-17, Postgraduate loans now make up 2.1% of the Higher Education loan balance. In 2016-17 and 2017-18, this included purely Postgraduate Masters loans but from 2018-19 onwards Postgraduate Doctoral loans were also introduced into this Plan type.

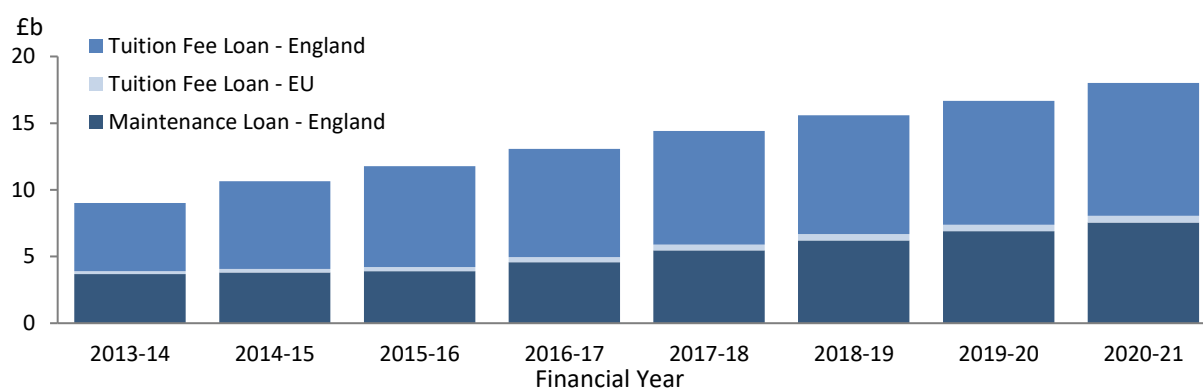
For more information on Repayment Plans types, please refer to the relevant section within **Additional Information** of this publication.

Total Amount Lent to Student Borrowers

Loans discussed in this section include Tuition Fee Loans and Maintenance Loans for Undergraduates, and Masters and Doctoral Loans for Postgraduates and Advanced Learner Loans for Further Education students.

Amount lent to all Higher Education borrowers increased by 8.6% to £18.9 billion in Financial Year 2020-21

Figure 4: Amount Lent to Higher Education Undergraduate Loans Borrowers in Financial Years 2013-14 to 2020-21 (£ billion)



The amount lent to Higher Education Undergraduate-only borrowers in financial year 2020-21 was £18.0 billion. This was a £1.3 billion (8.1%) increase in comparison to the previous year. *Table 1A*

Regarding Tuition Fee loans, £10.5 billion was issued on behalf of borrowers, an additional £0.7 billion (7.2%) to that in financial year 2019-20. This is a notably higher increase than in the previous financial year, when a further 4.1% (£0.4 billion) was lent in comparison to 2018-19.

Of the amount lent in Tuition Fee Loans, £517.4 million was lent to EU borrowers; a £30.9 million (6.3%) increase on the previous financial year. This is a considerably higher % increase than in the previous year, which saw a 1.6% increase yet is more in line with the increase seen in 2018-19 (+7.7%).

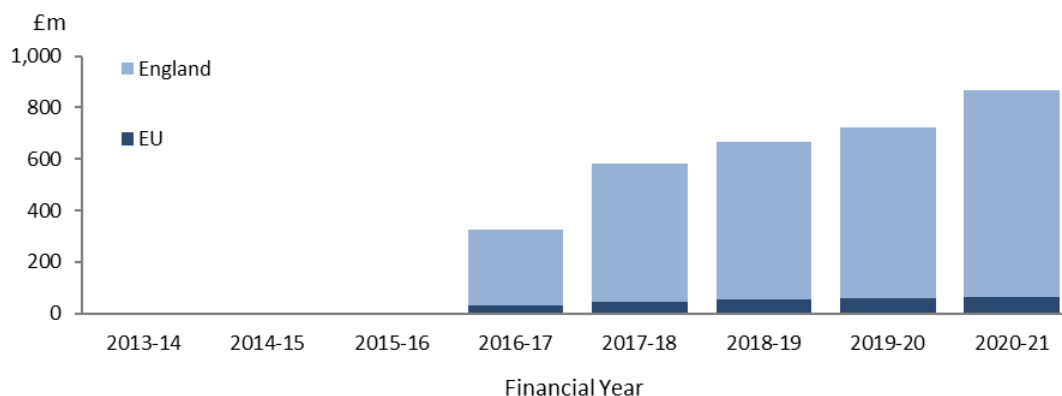
A total of £7.5 billion was lent to Higher Education Undergraduate borrowers in the form of Maintenance Loans in financial year 2020-21. This is a £0.6 billion increase (9.4%) on 2019-20. This % increase has reduced for the second year, from the 13.7% increase seen in 2018-19, which saw the inclusion of Part Time Maintenance Loans for the first time.

The amount lent for Higher Education Postgraduate education was £869.4 million which was a £145.6 million increase on 2019-20 (20.1%). This is a more significant increase than in the previous financial year, where an 8.7% (£57.9 million) increase was evident against 2018-19.

£62.4 million (7.2%) of Higher Education Postgraduate Loans were paid on behalf of EU borrowers in financial year 2020-21; this was a £4.1 million (7.0%) increase on the previous year. This is a relatively constant increase to that reported in the previous year (6.4%)

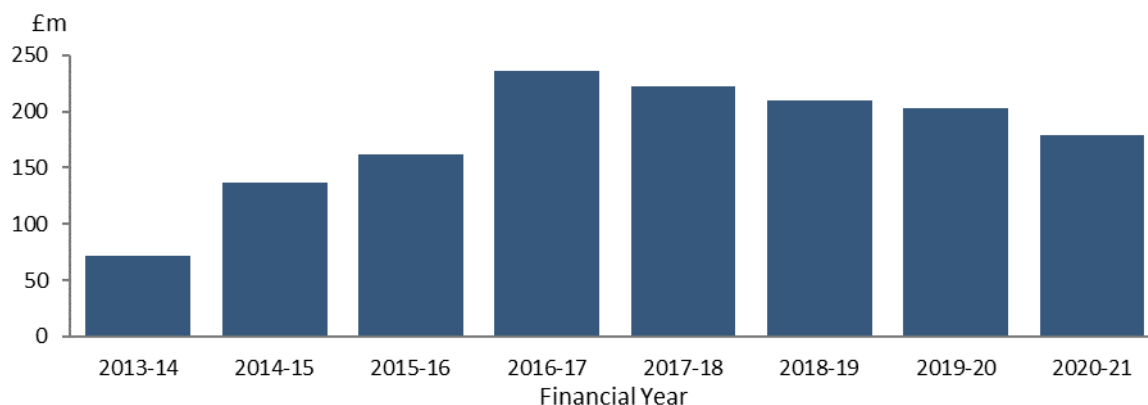
For figures from 2013-14, see Figure 5 overleaf.

Figure 5: Total Amount Lent to Higher Education Postgraduate Borrowers in Financial Years 2013-14 to 2020-21 (£ million)



Amount lent to Further Education borrowers reduced by 11.4% to £179.3 million in Financial Year 2020-21

Figure 6: Total Amount Lent to Further Education Loans Borrowers in Financial Years 2013-14 to 2020-21 (£ million)



Within the Further Education sector, a total of £179.3 million was paid in the form of Advanced Learner Loans; a decrease of £23.1m (-11.4%) on the previous financial year.

This is a more significant decrease than seen in financial year 2019-20, when £7.2 million less was paid out than in financial year 2018-19 (-3.4%). *Table 1B*

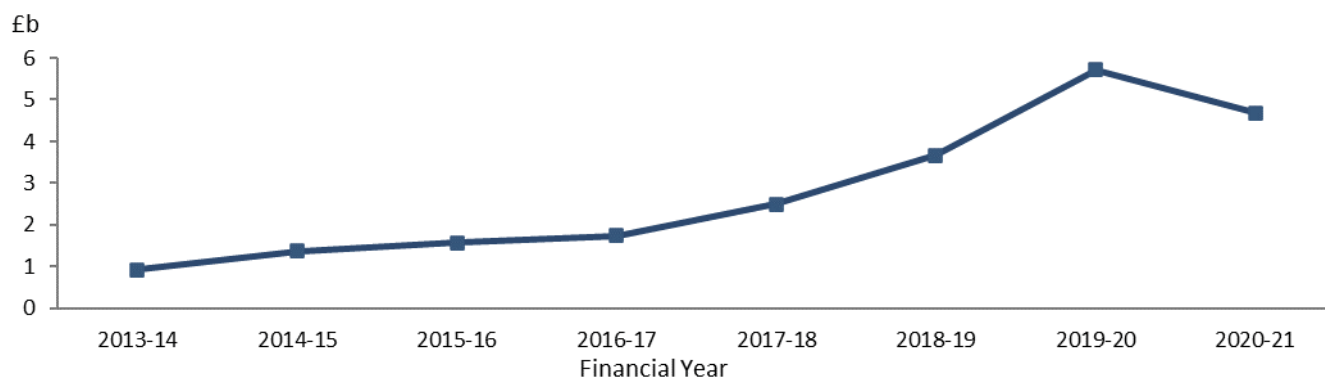
£23.3 million was paid out to EU Further Education borrowers in 2020-21, £3.7 million less than in the previous year (-13.8%).

Interest Added to Income Contingent Loans

The interest charged on Higher Education loans is dependent on the Repayment Plan the loans falls under. In financial year 2020-21, there were three Plans. Students who began their course prior to 1 September 2012 are on Repayment Plan 1, those who began their course on or after 1 September 2012 are on Repayment Plan 2 and students who have taken out Postgraduate loans are on Repayment Plan 3. All Further Education loans (Advanced Learner Loans) fall within Plan 2 regulations. Borrowers can be 'multi-Plan' should they have studied multiple courses.

£4.7 billion interest added to Higher Education Loans in Financial Year 2020-21

Figure 7: Total Amount of Interest Added to Higher Education Loans in Financial Years 2013-14 to 2020-21 (£ billion)



The greater increase between 2018-19 and 2019-20 was predominantly due to '**More Frequent Data Share**' - the more readily available data provided to SLC by HMRC. This meant that effectively, almost two years' worth of customer PAYE repayments and resulting interest calculations (those processed by SLC in both FY 2018-19 and 2019-20) were included in the 2019-20 financial year. Prior to MFDS, repayments and interest shown in a given financial year were mainly for the year before. *Table 1A*

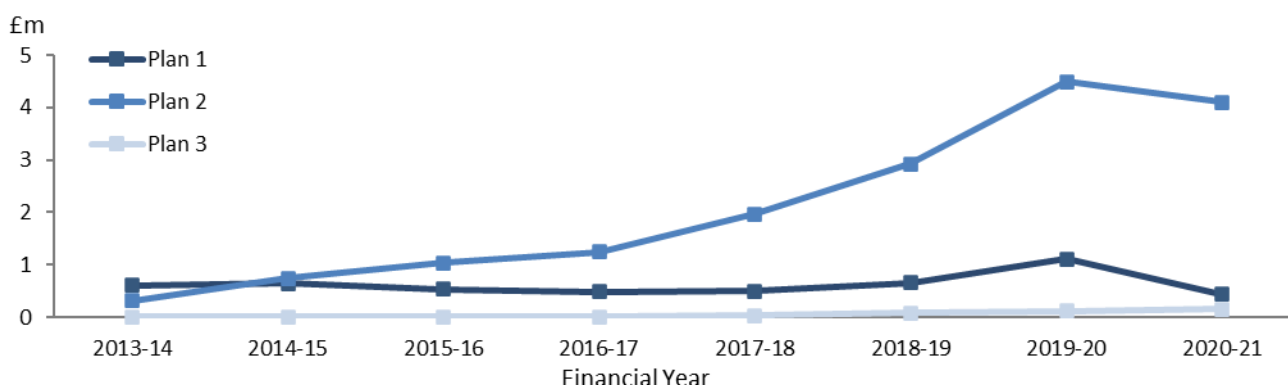
The time series has normalised in financial year 2020-21, as it includes just one financial year of interest calculations (those processed by SLC in FY 2020-21).

As a result of the above, inferences into short-term, or longer-term trends are not as straightforward as in previous years and therefore subsequent commentary in these instances may be reduced within this publication. Where relevant, it may be more valuable to compare 2020-21 to FY 2018-19 and commentary regarding overall increases over the two years is provided.

Interest added to Higher Education loan accounts in financial year 2020-21 was £4.7 billion, £1.0 billion (27.7%) more than in 2018-19. This is predominantly due to a significantly higher opening balance of £140.1 billion in 2020-21 vs. £104.5 billion in FY 2018-19. Interest equates to 3.5% of the financial year's opening loan balance in 2018-19 and 3.3% in 2020-21.

The graph overleaf indicates the amount of interest added by financial year, split by Repayment Plan type:

Figure 8: Total Amount of Interest Added to Higher Education Loans in Financial Years 2013-14 to 2020-21 by Repayment Plan (£ billion)



£428.5 million was added to Plan 1 balances in FY 2020-21. This is a decrease of £232.6 million (-35.2%) on FY 2018-19. As a % of the opening balance, this represented 1.1% in 2020-21 and 1.6% of the opening balance in 2018-19. Plan 1 interest will continue to decrease as these loans are repaid and no new loans are issued.

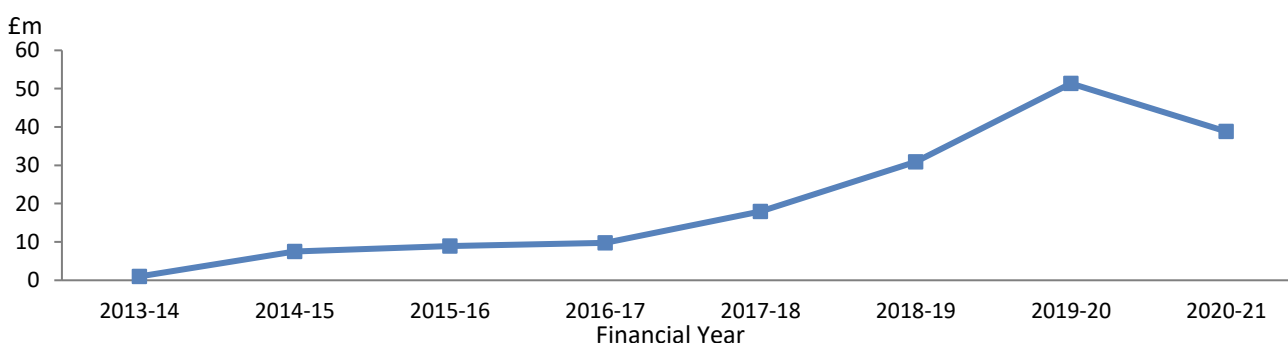
£4.1 billion was added to Plan 2 loan balances in the same period. This is an additional £1.2 billion than in FY 2018-19. As a % of the opening balance, this represented 4.1% in 2020-21 and 4.8% of the opening balance in 2018-19.

£155.7 million was added to Plan 3 loans balances in FY 2020-21. This is an increase of £75.7 million (+94.7%) on FY 2018-19. As a % of the opening balance, this represented 6.3% in 2020-21 and 8.5% of the opening balance in 2018-19. The 2018-19 total is made up predominantly of Postgraduate Masters Loan interest, as the Postgraduate Doctoral loan was not introduced until late into that financial year (for Academic year 2018-19).

For more information on interest rates and calculations, please refer to the relevant section within **Additional Information** of this publication.

£38.8 million interest added to Further Education Loans in Financial Year 2020-21

Figure 9: Total Amount of Interest Added to Further Education Loans in Financial Years 2013-14 to 2020-21 (£ million)



Due to the change in timeline as a result of **MFDS**, a connecting line has been added to Figure 9 to indicate the overall movement between FY 2018-19 and 2020-21.

The notable increase seen in FY 2017-18 was due to it being the first year that interest was applied for Further Education borrowers repaying via HMRC. *Table 1B*

Interest added to Further Education loan accounts reached £38.8 million in financial year 2020-21. This is 3.1% of the financial year's opening balance, in line with that of 2018-19 (3.0%).

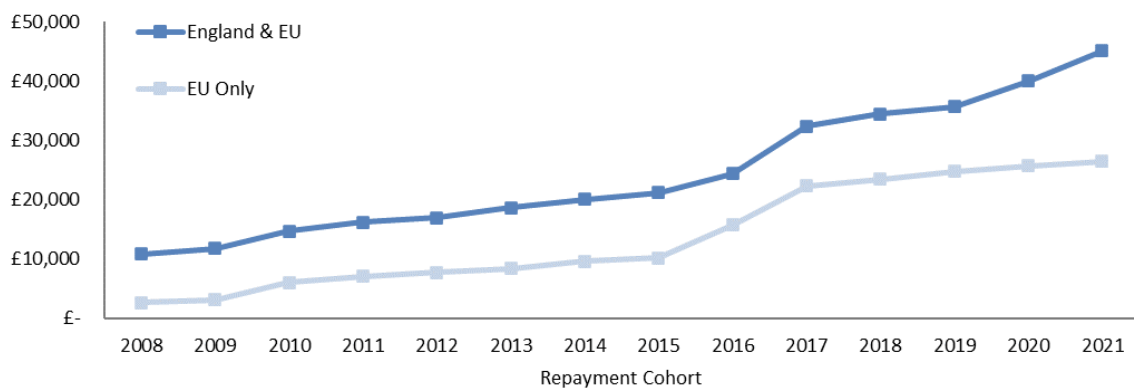
As outlay has gradually decreased since 2016-17, this will slow the total interest being applied in subsequent years.

Average Income Contingent Loan Balances

This section looks at the average loan balance for borrowers at the point where their liability to repay first began (usually the April following the completion, or withdrawal from their course). 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 to them becoming liable to repay.

Average Higher Education Borrower's Loan Balance on Entry into Repayment increases in line with prior year to £45,060

Figure 10: Average Loan Balance on Entry into Repayment by Repayment Cohort as at the beginning of the Financial Year 2021-22: Higher Education



The average loan balance for the 2021 repayment cohort on entry to repayment was £45,060. This is a £5,040 (12.6%) increase on the previous repayment cohort (2020). This is in line with the increase seen in the previous year, between 2019 and 2020 of 12.8%. *Table 5A (iii)*

This increase could again be attributed to the most recent repayment cohorts containing a higher proportion of post-2016 entry cohorts who have not had access to Maintenance Grants in any year of study.

Full-time students completing three- or four-year courses are included in these averages but are diluted by other borrower types in the same repayment cohort such as those on longer or shorter courses, part time study and students that have withdrawn before completing their studies.

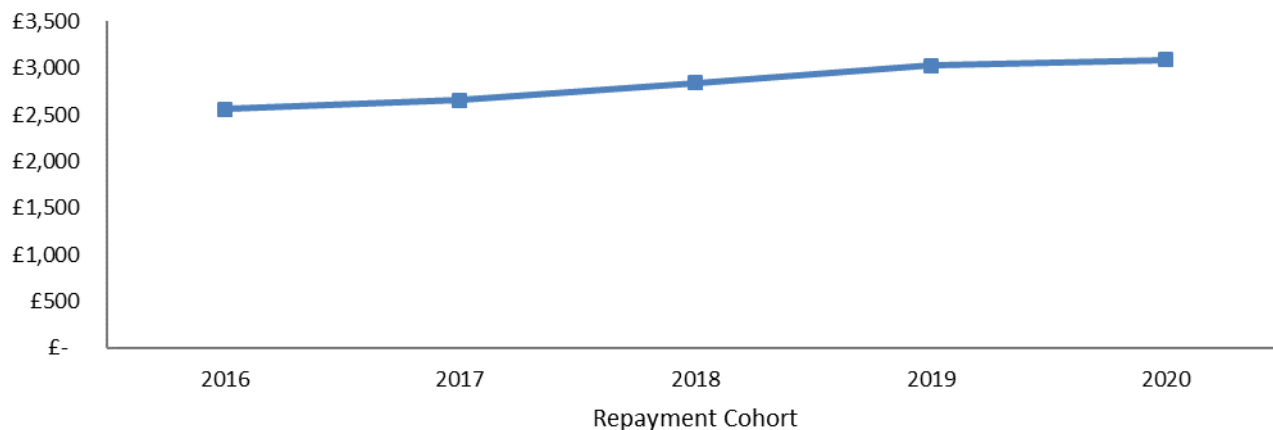
For EU borrowers, the average balance for the 2021 repayment cohort on entry to repayment increased from £25,660 to £26,440 (+3.0%). This is a lower % increase than the 4.1% seen in the previous year (+£1,050).

EU borrowers consistently have a lower average balance. This is predominately due to non-England domiciled student being entitled to Tuition Fee loans only.

In Academic Year 2020/21, EU students starting or continuing a course in England remained eligible for financial support for the duration of their course.

Average Further Education Borrower's Loan Balance on Entry into Repayment remains relatively constant at £3,130

Figure 11: Average Loan Balance on Entry into Repayment by Repayment Cohort as at the beginning of Financial Year 2021-22: Further Education



For the 2021 repayment cohort the average balance for a Further Education borrower on entry into repayment was £3,130.

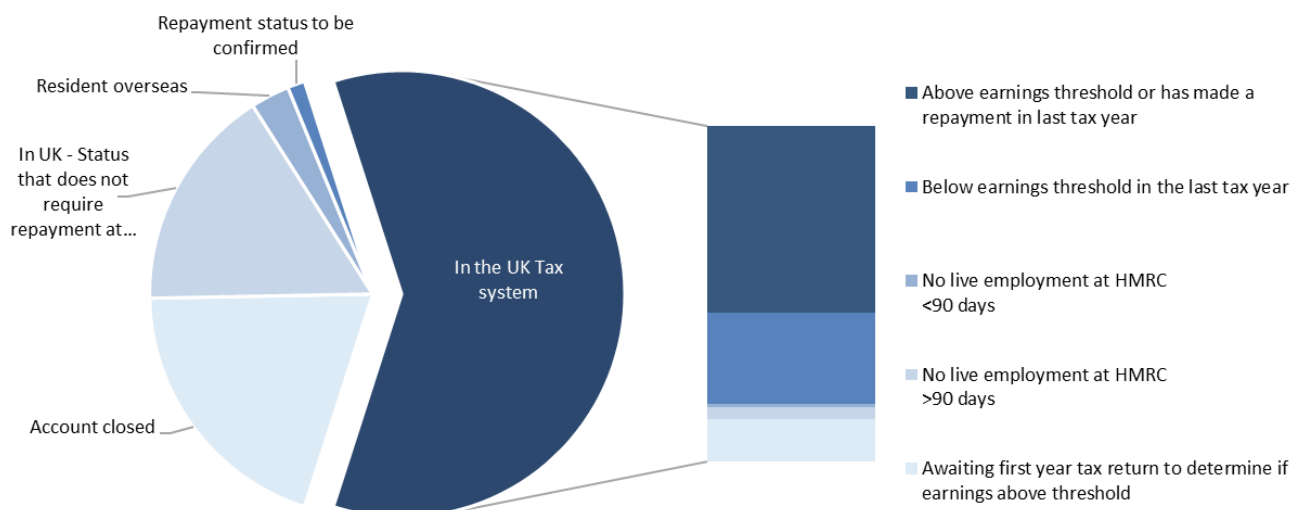
This is a small increase of £80 (2.6%) on the prior years' repayment cohort of £3,050. *Table 5A (vi)*

Income Contingent Loan Borrower Repayment Status

Borrowers are categorised by their repayment status as at the end of the financial year. This status may change throughout the year depending on borrowers changing circumstances.

64.7% of all Higher Education ICR borrowers who are liable to repay are in the UK Tax system and 36.0% made a repayment in FY 2020-21

Figure 12: ICR Student Loan Borrowers by Repayment Status as at the beginning of FY 2021-22 (Higher Education)



The above chart includes all Higher Education ICR loan borrowers in all repayment cohorts who have become liable to repay as at 30 April 2021.

21.3% of those who are liable to repay no longer retain any loan balance, mainly due to full repayment. Therefore, of the 5.9 million borrowers, 4.7 million are still owing. *Table 3A (ii)*

Included in these figures, is the 2021 repayment cohort. This cohort has been in repayment for less than one month from the effective date of the statistics shown. Therefore, the profile of this repayment cohort is very different to that of earlier repayment cohorts.

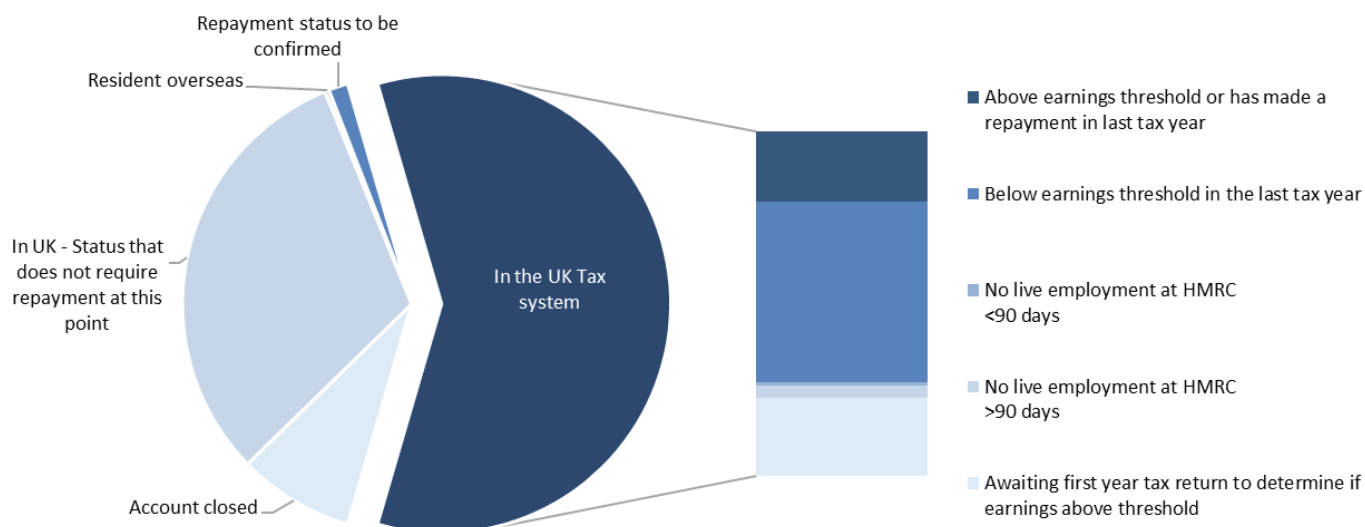
'Future Cohorts' shown in Table 3 are borrowers whose SRDD (Statutory Repayment Due Date) has not been reached and are currently not liable to repay and includes borrowers who are still studying.

The numbers in a repayment cohort can change. Students begin in a cohort based on the length of their course. If they drop out of their course of study, the date from which they are expected to start repaying (SRDD) is brought forward to the April following the date they withdrew from their course.

As a result of MFDS, the number of borrowers within the tax system are now identified earlier as Student Loans Company are no longer reliant on an annual, end-of-year HMRC file of data to allocate their status.

66.3% of all Further Education ICR borrowers who are liable to repay are in the UK Tax system and 13.4% made a repayment in FY 2020-21

Figure 13: ICR Student Loan Borrowers by Repayment Status as at the beginning of FY 2021-22 (Further Education)



The above chart includes all Further Education ICR loan borrowers in all repayment cohorts who have become liable to repay as at 30 April 2021.

9.2% of those who are liable to repay no longer retain any loan balance, mainly due to full repayment. Therefore, of the 472,800 borrowers, 429,300 are still owing. *Table 3A (iv)*

Included in these figures, is the 2021 repayment cohort. This cohort has been in repayment for less than one month from the effective date of the statistics shown. Therefore, the profile of this repayment cohort is very different to that of earlier repayment cohorts.

'Future Cohorts' shown in Table 3 are borrowers whose SRDD (Statutory Repayment Due Date) has not been reached and are currently not liable to repay and includes borrowers who are still studying.

Further Education loans being cancelled tend to be higher than Higher Education loans due to 'Access to HE'. Student Finance England will 'write off' any outstanding Advanced Learner Loan balance owed for an 'Access to HE' course once the borrower has completed a Higher Education course. This is treated as a cancelled loan within this publication and is also included within the 'Account Closed' column.

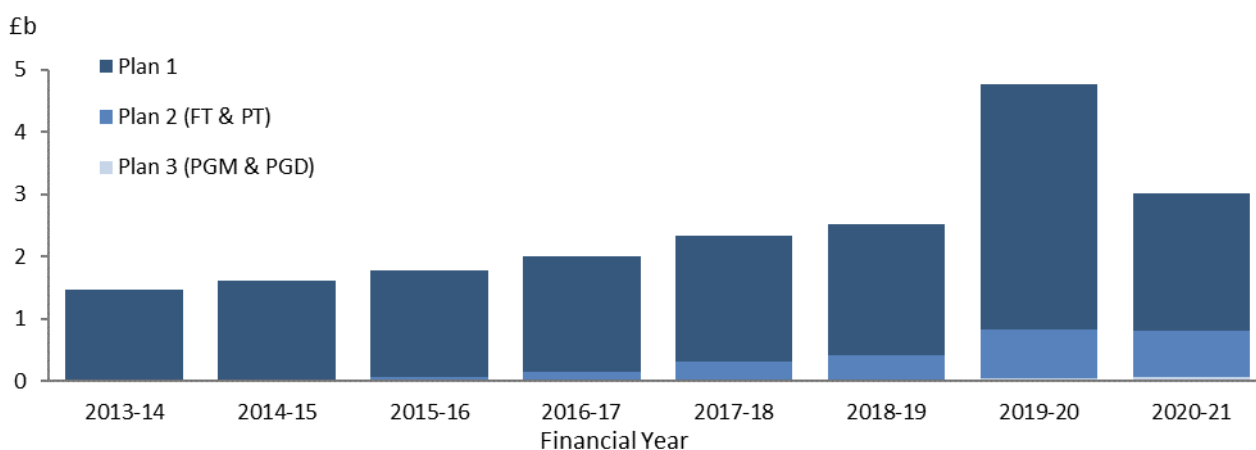
From July 2019, an Advanced Learner Loan, subject to meeting criteria defined in regulations, may be cancelled and the borrower no longer be eligible to repay their loan or part thereof. This has occurred in exceptional circumstances, for example, when a course is no longer available due to the actions of the provider (such as going into liquidation) and no resolution to continue study has been found – these cases would be treated as a cancelled loan within this publication and are also included within the 'Account Closed' column.

Income Contingent Loan Repayments

Borrowers normally become liable to make repayments from the April following the completion of, or withdrawal from their course. Repayments are either made via HMRC (either PAYE and Self-Assessment) or directly to Student Loans Company in a scheduled or voluntary basis. Repayment terms including thresholds and interest rates differ depending on the Repayment Plan type the loan falls under – further detail can be found [here](#).

Higher Education borrowers repaid £3.0 billion in Financial Year 2020-21

Figure 14: Total Amount Repaid by Higher Education Borrowers in Financial Years 2013-14 to 2020-21 by Plan Type (£ billion)



The amount repaid in respect of Higher Education income contingent loans totalled £3.0 billion in financial year 2020-21.

The significant increase between 2018-19 and 2019-20 was predominantly due to '**More Frequent Data Share**' - the more readily available data provided by HMRC. This meant that effectively, almost two years' worth of customer PAYE repayments and resulting interest calculations (those processed by SLC in both FY 2018-19 and 2019-20) were included in the 2019-20 financial year. Prior to MFDS, repayments shown in a given financial year were mainly for the year before. Further detail on 'More Frequent Data Share' can be found [here](#).

The time series has normalised in financial year 2020-21, as it includes just one financial year of repayments data (those processed by SLC in FY 2020-21).

As a result of the above, inferences into short-term, or longer-term trends are not as straightforward as in previous years and therefore subsequent commentary in these instances may be reduced within this publication.

Where relevant, it may be more valuable to compare FY 2020-21 to FY 2018-19 and commentary regarding overall increases over the two years is provided.

Plan 1 (loans prior to Sep-12) repayments increased by £0.1 billion (4.1%) to £2.2 billion between 2018-19 and 2020-21 and Plan 2 (Post Sep-12) repayments increased by £335.9 million (82.9%) to £741.4 million. Part-time repayments near-doubled in the two years to financial year 2020-21, from £18.6 million to £35.7 million. Plan 3 (Postgraduate) repayments have increased by over 580% to £70.5 million since 2018-19.

Table 1A

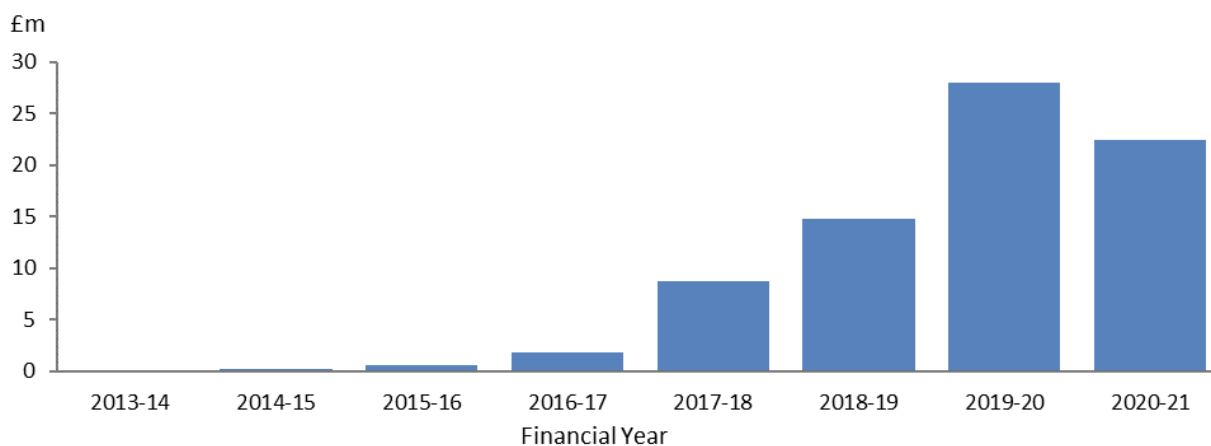
Along with the effect of **MFDS**, the Plan 3 increase can be attributed to the first two years of repayment data reported by SLC originating from HMRC for those who had reached their **SRDD**. Any repayments in previous financial years were made directly to Student Loans Company.

83.2% of the Higher Education repayments were received via HMRC and 16.8% were made directly to SLC (split does not take into account refunds made).

For more information on Repayment Plans, please refer to the relevant section within **Additional Information** of this publication.

Further Education borrowers repaid £22.4 million in Financial Year 2020-21

Figure 15: Total Amount Repaid by Further Education Borrowers in Financial Years 2013-14 to 2020-21 by Plan Type (£ million)



The amount repaid in respect of Further Education Income Contingent loans totalled £28.0 million in financial year 2020-21. *Table 1B*

This was £7.6 million (51.7%) higher than was repaid in financial year 2018-19.

85.7% of the Further Education repayments were received via HMRC and 14.3% were made directly to SLC.

Income Contingent Loan Repayments by Repayment Method

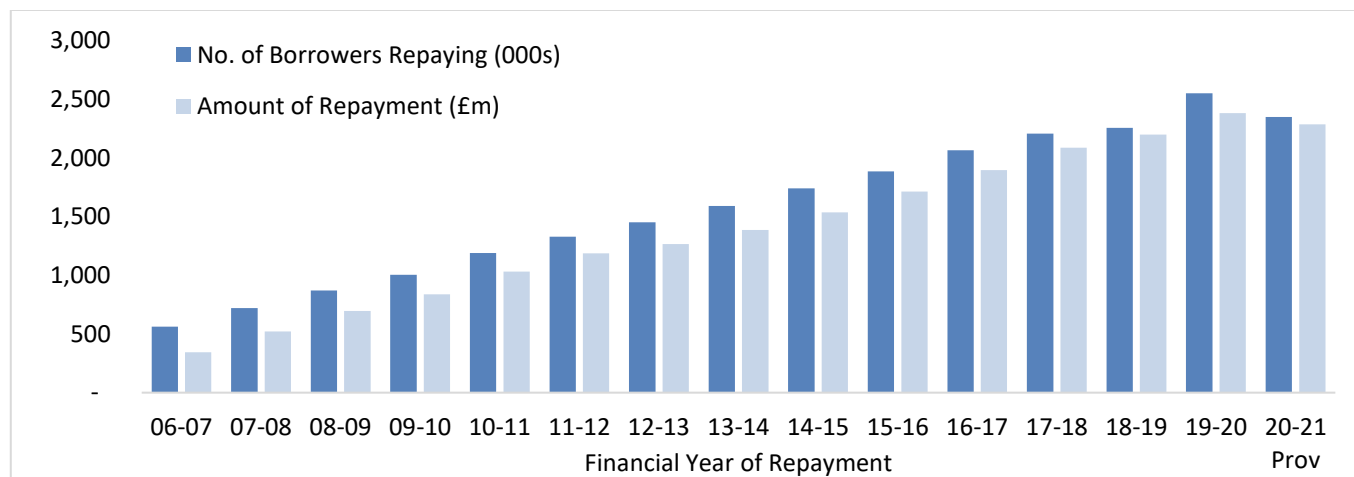
Repayments can be made by three methods, via HMRC (for UK taxpayers who are paid via PAYE or self-employed submitting Self-Assessment), along with scheduled and voluntary repayments which are made directly to SLC (outside of the HMRC deduction system). Scheduled repayments are made by borrowers nearing the end of their repayment term or from those overseas. Borrowers can opt to move onto a direct debit scheme paid directly to SLC to avoid overpayment via PAYE deductions. Voluntary repayments are additional repayments which a borrower can choose to make at any time and can be paid alongside scheduled repayments and those via HMRC.

Provisional figures indicate a potential reduction in the number of Higher Education borrowers making repayments and the total amount repaid in FY 2020-21

Financial Year 2020-21 saw the first decrease in the number of borrowers who made a repayment and the total amount repaid across all three methods of repayment - via HMRC, and scheduled and voluntary to SLC.

Table 4A (i) and (ii) in our accompanying excel tables show provisional figures for financial year 2020-21 for both the number of borrowers who made a repayment via HMRC and the amount repaid. This is marked as 'provisional' due to the 2020-21 Self-Assessment earnings information being received from HMRC after the Table 4A's 30 April 2021 effective date.

Figure 16: Number of Higher Education ICR Student Loan Borrowers who made a Scheduled repayment via HMRC & Total Amount Repaid by Financial Year of Repayment 2006-07 to 2020-21.

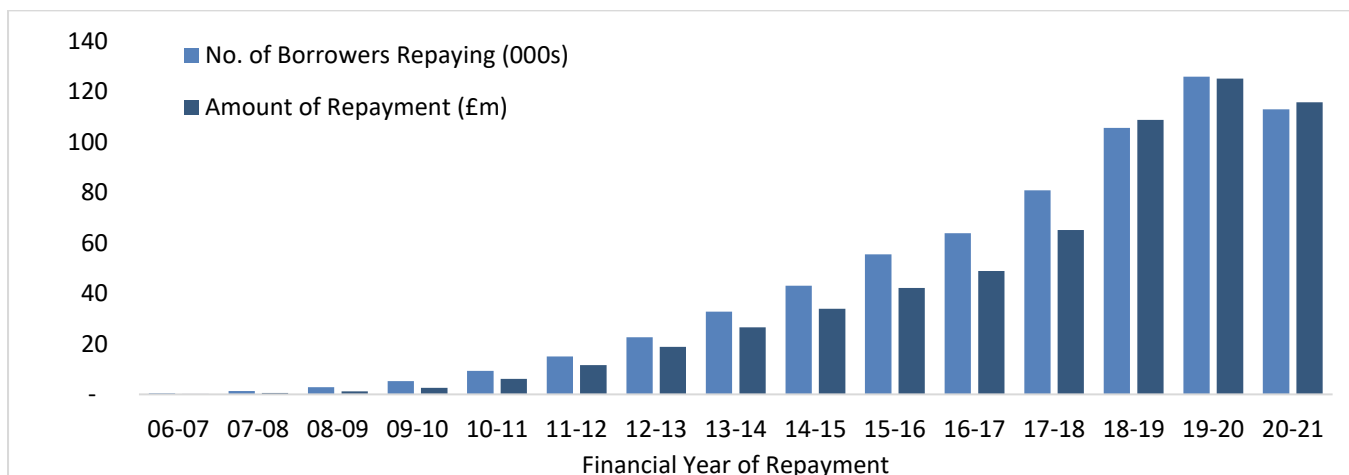


The provisional number of borrowers who made a repayment via HMRC in FY 2020-21 was 7.9% (201,900) lower in comparison to the final figure for FY 2019-20 of 2.6 million. The provisional amount repaid via this method was 3.9% (£0.1 billion) lower in comparison to the final figure for FY 2019-20 of £2.4 billion.

The movement between provisional and final figures for FY 2019-20 was an additional 11.9% in regard to the number of borrowers who made a repayment (from 2.3 million to 2.6 million) and an additional 9.5% in the amount repaid (from £2.2 billion to £2.4 billion). Therefore, whether this is a genuine change to the trend in comparison to 2019-20 will not be evident until our next publication release, in June 2022.

The provisional position for FY 2019-20 can be found in the previous year's [publication](#).

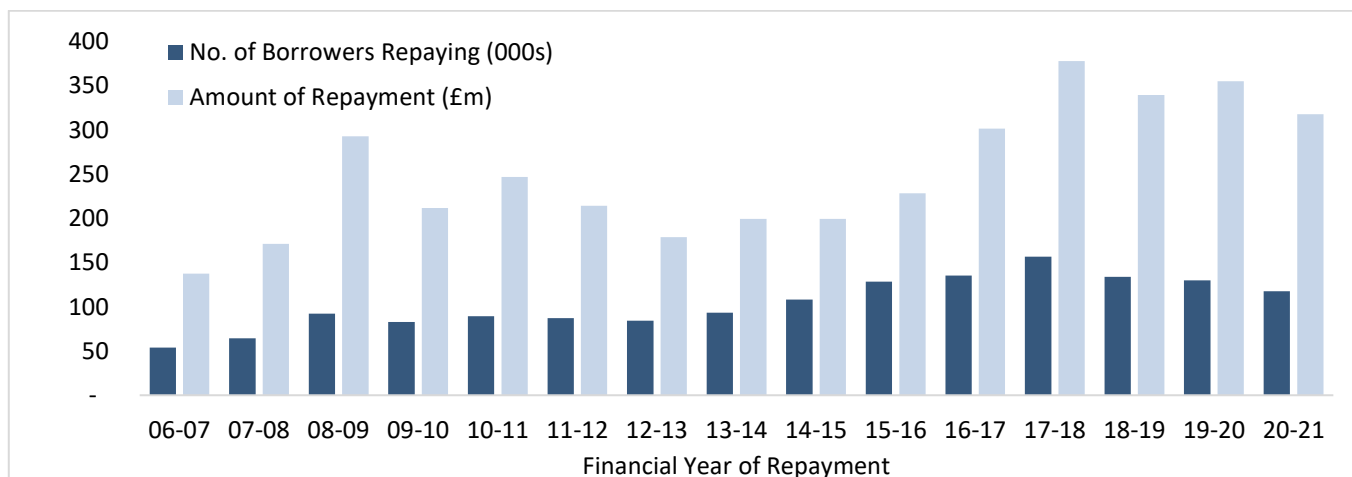
Figure 17: Number of Higher Education ICR Student Loan Borrowers who made a Scheduled repayment to SLC & Total Amount Repaid by Financial Year of Repayment 2006-07 to 2020-21



The number of those making scheduled repayments has reduced by 13,000 (10.3%) in FY 2020-21 to 112,900 and the amount repaid reduced by £9.5 million (7.6%) to £115.7 million. Figure 17 indicates the trend since FY 2006-07.

This is the first reduction evident in comparison to the previous year in both the number of borrowers who made a scheduled repayment and the amount repaid via this method. *Table 4C*

Figure 18: Number of Higher Education ICR Student Loan Borrowers who made a Voluntary repayment to SLC & Total Amount Repaid by Financial Year of Repayment 2006-07 to 2020-21



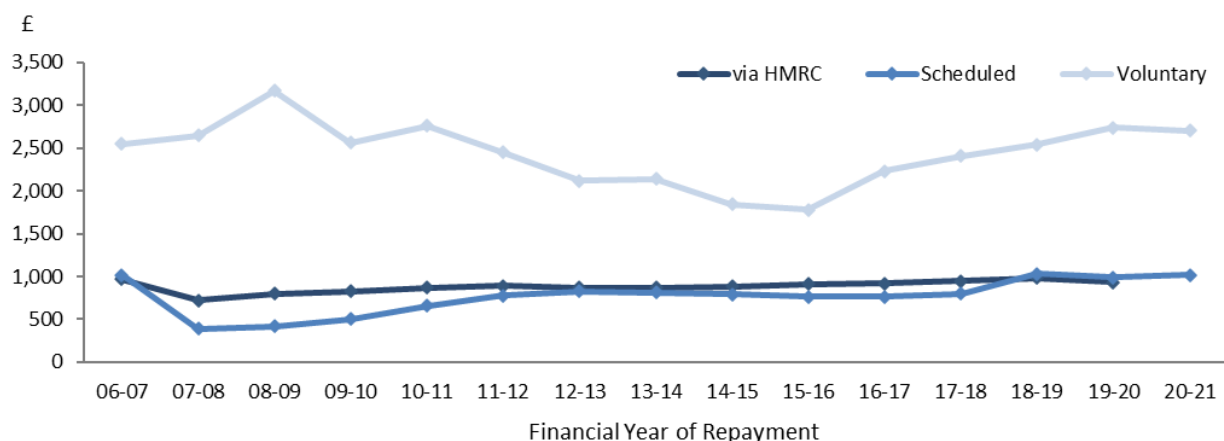
As shown in Figure 18, voluntary repayments made directly to SLC are significantly more volatile than scheduled and HMRC repayments, so a reduction in financial year 2020-21 in comparison to the previous year is not necessarily a change in trend.

The number of borrowers making voluntary repayments reduced by 9.3% in FY 2020-21, to 117,700. This is the third consecutive year that has seen a reduction in comparison to prior year - the most significant in FY 2018-19 with a decrease of 14.6%. Whilst FY 2019-20 saw an increase in the amount voluntarily repaid (+ 4.6% to £355,100), a decrease of 10.5% (to £317,700) was evident in 2020-21. This is in line with the 10.2% decrease evident in FY 2018-19). *Table 4C*

Average Amount repaid by Repayment Method

Average Amount repaid by Higher Education ICR loan borrowers via HMRC remained relatively constant at £930 in FY 2019-20

Figure 19: Average Annual Amount repaid by Higher Education ICR Student Loan Borrowers by Repayment Method £



The above graph indicates the overall average amount repaid by Higher Education borrowers by repayment method.

For both HMRC and scheduled repayments, this average includes only those borrowers who have become liable to repay (usually the April following the completion, or withdrawal from their course). For voluntary repayments, this includes all ICR borrowers who made a repayment (including those who are not yet liable to repay).

HMRC repayments for the 2020-21 financial year are not included in the overall average as this is considered 'provisional' until all Self Assessment data is included. This amount will be finalised in the 2022 publication.

Overall average HMRC repayments have remained relatively constant, with a total increase of £60 over the last decade. Financial year 2019-20 showed the first decrease in average repayments via HMRC since 2007-08, by £50 (5.1%) on the previous year. Provisional figures for financial year 2020-21 indicate an increase in comparison and therefore resuming the trend seen over previous years. *Table 4A (iii)*

EU borrowers saw a £30 decrease in average HMRC repayments in 2019-20 in comparison to FY 2018-19. *Table 4B(iii)*

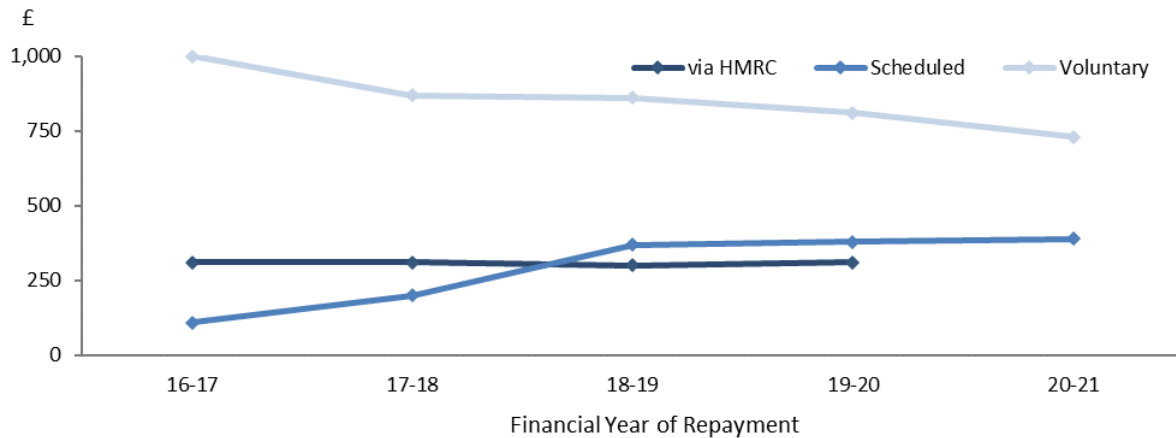
FY 2020-21's overall average scheduled repayment increased by £30 on FY 2019-20 for England & EU borrowers combined (*Table 4C (iii)*), yet EU-only repayments saw a decrease of £20. *Table 4D (iii)*

For overall average voluntary repayments, England & EU combined repayments decreased by £40 on FY 2019-20 (*Table 4E (iii)*), and £80 for EU-only. *Table 4F (iii)*

For more information on the repayment of Income Contingent loans, please see the **Additional Information** section.

Average Amount repaid by Further Education ICR loan borrowers via HMRC continues to remain relatively constant at £310 in FY 2019-20

Figure 20: Average Annual Amount repaid by Further Education ICR Student Loan Borrowers by Repayment Method £



The above graph indicates the overall average amount repaid by Higher Education borrowers by repayment method.

For both HMRC and scheduled repayments, this average includes only those borrowers who have become liable to repay (usually the April following the completion, or withdrawal from their course). For voluntary repayments, this includes all ICR borrowers who made a repayment (including those who are not yet liable to repay).

HMRC repayments for the 2020-21 financial year are not included as this average is considered 'provisional' until all Self Assessment data is included. This amount will be finalised in the 2022 publication.

Since FY 2016-17, average HMRC repayments have remained constant at £310 except for 2018-9 when this average slightly decreased to £300. *Table 4A (iv)*

The overall average scheduled repayment increased by £10 to £390 in FY 2020-21. With the exception of FY 2019-20, this repayment method has seen increases year-on-year since the first year of repayment liability (FY 2016-17) when average repayments were just £110. *Table 4C (iv)*

Voluntary repayments saw a reduction of £80 to £730 in FY 2020-21. Average voluntary repayments for Further Education borrowers have decreased year-on-year since financial year 2016-17. *Table 4E (iv)*

Additional Information

Income Contingent Student Loan Repayment Plans

Repayment Plan 1 (Prior to 1 September 2012)

Repayments for Repayment Plan 1 loans are at the rate of 9% of income above the income threshold. The table below shows the change in income threshold for Plan 1 by financial year:

Period Applicable	6-Apr-00 to 5-Apr-05	6-Apr-05 to 5-Apr-12	6-Apr-12 to 5-Apr-13	6-Apr-13 to 5-Apr-14	6-Apr-14 to 5-Apr-15	6-Apr-15 to 5-Apr-16	6-Apr-16 to 5-Apr-17	6-Apr-17 to 5-Apr-18	6-Apr-18 to 5-Apr-19	6-Apr-19 to 5-Apr-20	6-Apr-20 to 5-Apr-21
Annual Income Threshold	£10,000	£15,000	£15,795	£16,365	£16,910	£17,335	£17,495	£17,775	£18,330	£18,935	£19,390

Further details on the calculation of Plan 1 interest can be found [here](#).

Repayment Plan 2 (Post 1 September 2012)

Repayments for Repayment Plan 2 loans are at the rate of 9% of income above the income threshold. The table below shows the change in income threshold for Plan 2 by financial year:

Period Applicable	6-Apr-16 to 5-Apr-17	6-Apr-17 to 5-Apr-18	6-Apr-18 to 5-Apr-19	6-Apr-19 to 5-Apr-20	6-Apr-20 to 5-Apr-21
Annual Income Threshold	£21,000	£21,000	£25,000	£25,725	£26,575

Borrowers normally become liable to make repayments from the April following the completion, or withdrawal from their course (their Statutory Repayment Due Date (SRDD)), 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.

Where borrowers also have an outstanding Plan 1 loan, repayments are allocated based on 9% of the difference between the Plan 1 and Plan 2 thresholds; this is irrespective of a borrower's actual income. Any repayments made prior to a borrower's Plan 2 Statutory Repayment Due Date (SRDD) will be allocated in whole to a borrower's Plan 1 loan. Further details on the calculation of Plan 2 interest can be found [here](#).

Repayment Plan 3 (Postgraduate loans)

Repayments for Repayment Plan 3 loans are at the rate of 6% of income above the income threshold. The first borrowers with Repayment Plan 3 loans became liable to repay from April 2019. The table below shows the change in income threshold for Plan 3 by financial year:

Period Applicable	6-Apr-19 to 5-Apr-20	6-Apr-20 to 5-Apr-21
Annual Income Threshold	£21,000	£21,000

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). Further details on the calculation of Plan 3 interest can be found [here](#).

Interest Rates and Calculations

Whilst in repayment the annual Retail Price Index (RPI) 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.

Repayment Plan 1 Loans

For Plan 1 ICR loans, the interest charge is affected by a cap at the bank base rate of +1%. The interest rate is the lower of the 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 in March 2014 was 2.5% so the cap was applied from 1 September 2014 and 31 August 2015 where the interest rate was 1.5%. The RPI in 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 table below shows interest rate by year:

Period Applicable	1-Sep-12 to 31-Aug-13	1-Sep-13 to 31-Aug-14	1-Sep-14 to 31-Aug-15	1-Sep-15 to 31-Aug-16	1-Sep-16 to 31-Aug-17	1-Sep-17 to 31-Aug-18	1-Sep-18 to 31-Aug-19	1-Sep-19 to 31-Aug-20	1-Sep-20 to 31-Aug-21
RPI @ March	3.6%	3.3%	2.5%	0.9%	1.6%	3.1%	3.3%	2.4%	2.6%
Plan 1 - Interest Rate	1.5%	1.5%	1.5%	0.9%	1.25%	1.5%	1.75%	1.75%	1.1%

Repayment Plan 2 Loans

The 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 borrower's Statutory Repayment Due Date (SRDD) – usually the April following the completion, or withdrawal from their course. Once borrowers are due to repay, interest will be variable and income contingent.

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 AY 2012/13 onwards. The interest rates are based on the UK Retail Price Index (RPI) plus the 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 SRDD is reached the VIR part of the interest is 3%. The earliest SRDD for Plan 2 loans was April 2016 so the first financial year where the interest actually started varying was 2016-17. The table below shows the maximum interest rates for this Plan by year:

Period Applicable	1-Sep-12 to 31-Aug-13	1-Sep-13 to 31-Aug-14	1-Sep-14 to 31-Aug-15	1-Sep-15 to 31-Aug-16	1-Sep-16 to 31-Aug-17	1-Sep-17 to 31-Aug-18	1-Sep-18 to 31-Aug-19	1-Sep-19 to 31-Aug-20	1-Sep-20 to 31-Aug-21
RPI @ March	3.6%	3.3%	2.5%	0.9%	1.6%	3.1%	3.3%	2.4%	2.6%
Plan 2 - Max. Interest	6.6%	6.3%	5.5%	3.9%	4.6%	6.1%	6.3%	5.4%	5.6%

Those earning £25,000 or less were charged at the rate of inflation (RPI), interest rates for those earning between £25,000 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%.

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. The table below indicates the % of Plan 2 borrowers incurring the variable part of the interest in force at the end of financial-year 2018-19:

Tax Year Ending	Variable Part of Interest Rate Incurred (Plan 2 Only)					Of those incurring 3%	
	0%	0.01 - 0.99%	1.00 - 1.99%	2.00 - 2.99%	3%	Compliant	Non-Compliant
2018-19	78.9%	12.1%	5.1%	1.8%	2.1%	61.4%	38.6%

The Non-Compliance Rate (NCR) interest was not applied to any eligible customer's balance from 20 March 2020. SLC took this decision at the outbreak of the COVID-19 pandemic to support customers, ensuring they were not placed into further financial difficulty during an unprecedented time of uncertainty. As a result, all those incurring 3% in the above table for Tax Year ending 2019-20 (effective end-April 2021) are all deemed as 'Compliant'.

Repayment Plan 3 Loans (England & Wales only)

The Plan 3 interest charge is also set each year from 30 September to 31 August. The interest rate whilst studying is RPI +3% and remains so throughout repayment.

The table below shows the interest rates for this Plan by year:

Period Applicable	1-Sep-12 to 31-Aug-13	1-Sep-13 to 31-Aug-14	1-Sep-14 to 31-Aug-15	1-Sep-15 to 31-Aug-16	1-Sep-16 to 31-Aug-17	1-Sep-17 to 31-Aug-18	1-Sep-18 to 31-Aug-19	1-Sep-19 to 31-Aug-20	1-Sep-20 to 31-Aug-21
RPI @ March	3.6%	3.3%	2.5%	0.9%	1.6%	3.1%	3.3%	2.4%	2.6%
Plan 3 - Interest Rate	6.6%	6.3%	5.5%	3.9%	4.6%	6.1%	6.3%	5.4%	5.6%

Student Loan Sales

In 2013 the UK Government decided to sell a portion of student loans issued before 2012 (Plan 1 loans). This resulted in two loan sales one in December 2017 and the other in December 2018 with a combined value of £3.6 billion. At time of writing there are no plans to sell further student loans. Sales of student loans were structured to ensure that borrowers were unaffected, with their loans continuing to be administered by SLC. Investors are unable to contact borrowers and have no control over the terms of sold loans. This applied to the England loan balance only - further detail can be found on the [UK Government website](#).

The figures included in this publication include all ICR loans administered by SLC. This also includes loans which have been sold as part of the loan sales. Further information on the selling of student loans can be found on the [gov.uk](#).

Office for National Statistics decision on Student Loans

In December 2018 the Office for National Statistics (ONS) reached a decision to partition UK student loans into lending (government assets) and expenditure (government spending) on the Government accounts. Up until this point they had been classed entirely as lending. This decision was implemented in September 2019.

This decision was based on the fact that repayments associated with ICR loans, are conditional on a borrower's future income, and under certain conditions the loan obligation itself may be cancelled. These cancellation conditions are reported on Table 1 and 2 of this publication.

It has been calculated that the treatment of student loans in this manner will better reflect the government's financial position. Government revenue will no longer include interest accrued that will never be paid due to the conditional nature of ICR repayments. Government expenditure related to the cancellation of student loans is also accounted for in the periods that loans are issued, rather than decades afterwards. The ONS decision on student loans has no effect on the figures produced within this publication. Further information on the ONS decision and the methodology used to partition student loans can be found on the ONS [website](#).

Data Sources

This publication uses data from SLC's administrative systems. For details of the administrative data sources used in our publications see the [Statement of Administrative Sources](#).

Data Quality

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. See our [Quality Guidelines](#) for further information.

Revisions and estimates

Revisions within the data are denoted with an [r]. Further details can be found on our [revisions policy](#). In previous years we have had to mark the figures relating to self-assessment repayment as estimated [e] due to this being provided later than anticipated. From 2018-19 this has been provided as expected, allowing this to be included as final figures.

Related Statistics Publications

SLC publish statistics on the repayment of Student Loans for Higher Education for Wales, Northern Ireland and Scotland as part of the same series this publication belongs to. These are published at the same time as part of the series [Student Loans for Higher and Further Education](#). SLC also publish statistics Higher Education Funding in the series [Student Support for Higher Education](#). The [latest release](#) of this series was published on the 26 November 2020 covering Academic Year 2019/20.

The Student Awards Agency for Scotland (SAAS) publish details of Higher Education funding in Scotland in their publication Higher Education Student Support in Scotland. The [latest release](#) of this series was published on 25 August 2020 covering Academic Session 2019/20.

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 on the Statistics Authority [website](#). Tables 3, 4 and 5 were awarded National Statistics status in April 2014 having initially been assessed as a separate publication, which can also be found on the [website](#). 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 several improvements including the following:

- **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.
- **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.

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 loan's 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.
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.
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 Revenue & Customs (HMRC)	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 statistics, therefore their latest employment status is given as "to be determined"

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).