



Department
for Education

Part-time Maintenance Loans

Government consultation response

March 2017

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Introduction

1. The Government is committed to tackling the decline in part-time undergraduate Higher Education because it recognises the benefits that studying part-time brings to the individual, employers and the overall economy. Graduates earn, on average, substantially more than people with A-levels who did not go to university and also enjoy wider, non-financial benefits, such as greater social mobility and better health. Graduates contribute to wider society benefits, including greater economic growth, innovation, and social mobility.
2. The Government has recently increased the scope for students to re-train on a part-time basis, by extending the eligibility for existing graduates who wanting to return to Higher Education to study STEM subjects (science, technology, engineering and maths) subjects. We also want to provide more direct financial support to part-time students to support their living costs. The current system of support for part-time students provides a student with access to a tuition fee loan, but only full-time students are eligible for maintenance provision.
3. The Government will first introduce the new part-time maintenance loan for students starting a degree level courses in attendance at a Higher Education Provider in Academic Year 2018/19. The Government intends then to extend this support to distance learning courses and Level 4 and 5 Higher Education qualifications from Academic Year 2019/20, subject to the introduction of adequate controls to ensure appropriate use is made of public money. This extension in 2019/20 is also subject to the passage of the Higher Education and Research Bill in Parliament, which will enable the new regulatory framework for Higher Education to be put in place.
4. This decision confirms the announcement made at Autumn Statement 2015 that the Government would introduce a new undergraduate part-time maintenance loan to support the cost of living while studying.¹ It follows consultation on the technical detail of the proposed loan in November and December 2016. This consultation invited views on a number of the new loan's features, including the level of qualification that should be included, the precise means testing arrangement that should be used, the appropriate way to reflect intensity of study, and how to manage the risks associated with distance learning.
5. The consultation closed in December 2016, having received 105 responses. These responses included contributions from the two largest providers of part-time courses, the Open University and Birkbeck. We also received responses from a wide selection of other Higher Education providers and representative bodies, and individuals. Annex A provides a list of respondents.

¹ [UK Government Autumn Statement 2015, Section 7.3](#)

6. We passed all the consultation responses securely to an independent reviewer, GibsonCooper, for their analysis and consideration. Their report 'Undergraduate part-time maintenance loans - Consultation analysis' produced is published alongside this response. In addition to this report, we have sought to ensure that all responses to the consultation have been considered in development of the final product.

Why we are introducing part-time maintenance loans

7. Graduates make a positive contribution to the economy and on average earn more than non-graduates. Over their working life, the average graduate will earn comfortably over £100,000 more in today's money, net of tax, than a similar individual who finished their education with 2 or more A-levels².
8. In addition to this individual benefit, the Exchequer benefits as well. The net working life benefits, a result of individuals gaining a first bachelor degree compared to 2+ A levels, are over £250,000 for men, and £300,000 for women³, and around 20% of UK economic growth between 1982 and 2005 came as a direct result of increased graduate skills accumulation⁴. Wider benefits of Higher Education to the individual and society include longer life expectancy, better health, greater tolerance of others, greater social mobility, greater political stability and less crime.
9. The number of undergraduates entering full-time courses at UK higher education institutions (HEIs) has increased in recent years. Compared to 2008/09, there has been an increase of 32,000 (6%) entering in 2015/16. Over the same period, the number of undergraduates entering part-time courses at UK HEIs has declined by 196,000 (57%)⁵.
10. There are a number of contributory reasons for this decline in numbers, as a range of pressures have come together to disincentivise students from participating in part-time Higher Education study. Government research suggests that individuals see access to finance as a barrier to part-time undergraduate study⁶. The introduction of part-time maintenance loans is designed to arrest the decline in part time study, realise the economic benefits from increased numbers of graduates, and help these graduates enter the workforce more quickly.
11. The Government's objectives for introducing part-time loans, as stated in the consultation paper, are:
 - To promote parity between full-time and part-time undergraduate courses by reducing the differences in financial support available to part-time and full-time students.

² <https://www.gov.uk/government/publications/university-degrees-impact-on-lifecycle-of-earnings>

³ <https://www.gov.uk/government/publications/university-degrees-impact-on-lifecycle-of-earnings>

⁴ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/229492/bis-13-858-relationship-between-graduates-and-economic-growth-across-countries.pdf

⁵ From the Department for Education's analysis of the Higher Education Statistics Agency's (HESA) Student Record

⁶ Perceptions of Part-time Higher Education (BIS/Yougov) – September 2015

- To support increased take-up of part-time study by providing greater access to finance to meet living costs for those who opt for this form of Higher Education.
- To widen participation in Higher Education by supporting those from less well represented backgrounds to study part-time, including Black, Asian and Minority Ethnic (BAME) individuals and those from disadvantaged backgrounds.
- To benefit employers and the economy by enabling more people to develop their skills and/ or change career paths and therefore increasing the supply of workers with the high level skills needed to stimulate an innovation-led economy.

12. It is also the Government's intention that the loan should be affordable and offer value for money to the taxpayer.

13. The Government considers that the benefits of providing of maintenance loans for part-time undergraduate study will outweigh the cost of public subsidy involved in this new student finance product. However, given the novel nature of these loans, the Government intends to review the product within 5 years.

Summary of responses received and the Government's response

14. The consultation was launched on 4th November 2016 and closed on 16th December 2016. We have received 105 responses, 101 through citizenspace, 4 by e-mail. Of these responses, 53 were students and individuals and 42 were Higher Education providers and various student or representative bodies or organisations.

Main findings from the consultation

- The majority of respondents (67 of 103) supported an age cap. Of the 57 that provided suggestions of which age cap should apply, 35 suggested that the proposed age cap of 59 and under would be the most appropriate.
- Respondents were split fairly evenly over which banding system to use for assessing intensity of study. There were 85 respondents to the question, with 39 supporting the five fractional bands compared to 33 for the three percentage band system. The Open University, Birkbeck and the majority of individuals supported the three band system, whereas the majority of other Higher Education providers and representative bodies supported the fractional banded system.
- Most respondents highlighted the benefits of distance learning versus the potential challenges (67 versus 38, including those that provided both) of extending the product to this group of learners.
- The majority of respondents supported extending the loan to levels 4 and 5, with most identifying benefits compared to those that provided challenges (66 compared to 23, including those that provided both). Many cited widening participations in Higher Education as a key reason for offering funding to these course levels (43 of 66).
- Almost 75% of respondents (75 of 102 who responded) agreed that means testing should be applied to the part-time maintenance loan with 56 of 82 that specified which approach should be used to do this supporting following the approach in the current full-time system.

Question analysis

Individual eligibility

Do you think that the proposed age eligibility restriction of 59 and under (on the first day of the first academic year of the course) is a proportionate way of mitigating the risk of low value for money?⁷

15. Respondents were invited to express their views on whether there should be an age eligibility restriction on this loan product, and if so what it should be. The consultation proposed that the loan would only be available to students 59 and under, and we asked for views on this and other possible age restrictions. This restriction was proposed as a way to ensure value for money to the public, due to the risk associated with offering loans to older students who were unlikely to be able to fully repay the loan.
16. Almost two thirds of respondents, including the majority of responding universities, agreed an age restriction was an effective way of mitigating this risk (67 of 103 respondents). A majority of respondents agreed with the Government adopting an age restriction and our preferred position of age 59 and under was the most selected option amongst those specifying an age restriction (41 of 103 respondents).
17. A number of providers or organisations, including GuildHE, Universities UK, Universities Alliance and Birkbeck supported the restriction of age 59 and under, some citing the Government's rationale as their reasons. A smaller number of respondents supported another age restriction (16 respondents), such as 40, 55 or 65 years. A number of respondents disagreed with the proposed age cap (36 respondents), including the National Union of Students and the Open University. Of those respondents who disagreed with an age restriction the main reasons given were that all age criteria should be avoided on principle and that people were working later in life and so stood more chance of repaying their loan.

Government response

18. The Government confirms its intention to make the loan available to individuals 59 and younger on the first day of the first academic year of the student's course. The Government sees this age restriction as justified to mitigate the risks to the value for money of the product. Setting the restriction at this age is appropriate and broadly supported by the evidence from the consultation. It strikes the right balance between access and affordability, excluding only the oldest cohort of students, who are the

⁷ This and other questions in this response summarise the questions asked in the Government's consultation. See the consultation document for the full text.

least likely to make significant or any repayments prior to retirement. The majority of consultation respondents, including universities, student representative groups, and both current and prospective students, supported this reasoning.

Intensity of study

What are the benefits, issues and unintended consequences of the loan amount varying according to each student's intensity of study and should the new loan use (a) three 'percentage bands' or (b) five 'fractional bands'?

19. As part-time education can be studied at a range of different intensities – where a student studies a certain percentage of the full time equivalent (FTE) course in a given academic year – the consultation proposed that the loan available should reflect study intensity to provide support that is proportionate to the student's academic involvement. Respondents were asked for their views on two possible approaches, a relatively simple three percentage bands at 25%, 50% and 75% intensity of the FTE course; and another five fractional banded approach that would more closely reflect common patterns of study intensity. Under both approaches, funding would only be available where the student is studying at an intensity of 25% or more.
20. Respondents to the consultation indicated support for both options. There was a preference for fractional bands with 39% of respondents favouring this approach. A majority of Higher Education providers that responded to this question supported fractional bands (24 of 35 respondents) as did the Open University Students Association and National Association of Student Money Advisers. Of the providers or representative bodies that gave a reason for this choice two thirds said that while fractional bands were slightly more complex this approach more accurately reflected common study patterns (17 of 25 respondents). These respondents felt the advantages outweighed challenges such as administrative complexity. Two universities highlighted that any institution that has 20/40/60/80/100/120 credit module systems would be better supported by the fractional band approach.
21. More individuals and students preferred the percentage bands option than the fractional (19 versus 14 of 44 respondents). The Open University, Birkbeck and Association of Colleges all favoured the percentage approach. Generally, it was viewed to be simpler and easier to communicate and administer. Several respondents recognised the risk of a 'cliff-edge' in support for students, where a small drop in the intensity of study leads to a disproportionate drop in funding. On Higher Education provider felt that the administrative simplicity outweighed this risk. A minority of respondents supported an alternative approach to either the percentage or fractional banded approaches (13 of 85 respondents) and a few respondents indicated they weren't sure which was the most appropriate approach to adopt (6 of 85 respondents).

22. Another Higher Education provider highlighted that some part-time students can achieve the equivalent of 100% intensity in a single academic year. Both of the proposed approaches would have limited such student's loan entitlement in that year to 75% of the full time equivalent. Such students would lose entitlement because they would complete their course before being able to reach the amount borrowed by a student who studied at 75% intensity for the entirety of their course. The same Higher Education provider also noted that in an average year, around a quarter of its students would change their intensity level.

Government response

23. The Government has decided to introduce the loan with the five fractional bands approach to intensity, with an additional band for students that study at 100% intensity for a specific period of their part-time course. This decision reflects the fractional banding approach's better fit with common study patterns and therefore with the needs of students. It will lessen any cliff-edge effects or inappropriate incentive effects. The approach will be compatible with the intensity arrangements of all providers, including those that supported the simpler three band system. The Government also intends that in-year changes in intensity will be supported by the system, subject to this proving feasible in the system's development.

Distance Learning

What are the benefits, challenges and impacts upon demand associated with extending maintenance loans to part-time undergraduate distance learning courses and what checks and balances would be appropriate to manage these challenges?

24. The Government's consultation sought views on the proposal that part-time distance learners should be eligible for the loan. The inclusion of these courses reflected the value that distance learning offers to part-time students, employers and the wider economy. Respondents were asked for views on the benefits and challenges associated with this form of study. The inclusion of part-time distance learning would be an additional innovation for maintenance support – maintenance loans are not currently available to full-time distance learners. We wanted to understand how best to balance the benefits of extending the loan to distance learners with value for money considerations, particularly the additional challenges with monitoring student participation, tracking course completion performance and ensuring the overall quality of provision for distance learners.

25. The majority of respondents to the consultation highlighted the benefits of extending loans to part-time distance learners (67 versus 38 respectively, including some that also discussed challenges). Many suggested that including distance learning would be a strong step towards achieving the Government's aim of increasing social mobility

and widening participation in Higher Education. In relation to widening participation, distance learning was seen to be of particular benefit to learners with individual needs or personal circumstances that prohibited the ability to travel for study. Many respondents also noted that offering funding to part-time distance learners would mean that the Government treats all part-time study equally (28 of 67 respondents). The Open University, National Union of Students, Universities UK, GuildHE and Universities Alliance all supported distance learning being in scope.

26. Many respondents recognised the challenge of needing to monitor learner progress and continuing engagement (23 of 38 respondents providing challenges). Several respondents also noted that high quality provision needed to be ensured (4 of 38 respondents). Some Higher Education providers were confident that existing systems could be used to provide the necessary checks and balances, while another representative body suggested caution and that part-time maintenance loans should be offered on a trial basis before expanding to distance learners.

Government response

27. The Government would like to extend the new part-time maintenance loan to distance learning courses but considers it a priority to maintain confidence in the student finance system and ensure adequate controls are in place to prevent the misuse of public funds. The responses to the consultation provide evidence of the value of distance learning to individuals and they provide details on the steps that have already been taken by some providers to ensure that an effective compliance regime is in place for monitoring student activity and progress.

28. In light of these concerns, the Government intends to extend maintenance loans to part-time distance learning courses from Academic Year 2019/20, subject to the development of a robust control regime to manage the particular risks and challenges associated with this mode of study.

29. This staged approach will allow time to develop and put in place such controls and aligns with plans for the implementation of the Government's overarching new regulatory framework, which, subject to the passage of the Higher Education and Research Bill currently before Parliament, is also scheduled for Academic Year 2019/20.

31. One particular risk that must be addressed, is ensuring that loans are only paid to students who are actively engaged in study, as distance learning students are not in physical attendance at a Higher Education Provider and may have a low intensity or irregular pattern of study. Maintenance is currently paid until such time as it is confirmed that the student has formally withdrawn and the nature of distance learning may make more challenging for Higher Education Providers' to immediately identify when students have ceased their studies. We need to be satisfied that the controls in place are robust to avoid a situation where students are paid maintenance for a period when they are not in fact engaged in active study. The Government will also closely monitor any growth in distance learning course provision to ensure quality and compliance remains high'
32. The Government intends to apply an adjustment to the amount of support available for distance learners to reflect the lower participation costs facing students on such courses. The exact amount will be based on analysis of available data on the costs of study, such as the Department's Student Income and Expenditure Survey, and the basis for the final decision will be published. To ensure parity of treatment, distance learning courses offered on a full-time basis will also be eligible for maintenance support from the point that the part-time loan is extended in scope to distance learners.

Level of study

What are the benefits and challenges associated with extending maintenance loans to part-time undergraduate Level 4 and 5 courses and what checks and balances would be appropriate to manage these challenges?

33. The consultation proposed that the maintenance loan would be available to individuals studying on eligible part-time degree level courses. We invited views on the benefits and challenges of extending the loan to Level 4 and 5 Higher Education courses and on the risks of broadening the scope of the loan to these sub-degree level courses.
34. Almost all the Higher Education providers and representative bodies that responded supported the inclusion of Level 4 and 5 courses. One provider suggesting that it should be trialled to assess the potential for abuse. A higher proportion of respondents provided responses on the benefits for the inclusion of Levels 4 and 5 than those that presented challenges (66 versus 23 respectively). Some respondents provided both benefits and challenges.
35. Many respondents cited widening participation as a benefit to offering Level 4 and 5 courses (43 of 66 of respondents that provided benefits), on the basis that such courses often lead on to the achievement of degree level qualifications. One representative body particularly supported the inclusion of Levels 4 or 5 because it views Levels 4 and 5 as crucial to raising skill levels and doing so at lower cost than

an honours degree. Another Higher Education provider, suggested that many people may need sub-degree level qualifications to up-skill or re-skill for their careers and offering the loan would therefore provide important support. This Higher Education provider also notes that it would greatly help with mode-switching as this level of course attracts maintenance support for full-time study and correctly noted that the drop-off in part-time study has been in Level 4 and 5 provision.

36. A small number of respondents highlighted potential challenges with such funding, for example noting the lower likely future earnings associated with these qualifications and therefore lower repayments. One provider suggested that the scheme be trialled to assess the risk of abuse.

Government response

37. The Government has considered the arguments for inclusion of Levels 4 and 5 and has concluded that part-time study on such courses should be supported by the new maintenance loan. The largest decline in participation in part-time study has been seen at this sub-degree level of provision and so the inclusion of these courses will help achieve our aim of arresting the decline in part-time study.

38. Study at this level often leads to participation in degree level study. There were 46,645 UK domiciled entrants to part-time first degrees in UK HEIs in 2015/16, and 14,110 (30%) of these had previously obtained a Level 4 or 5 qualification.⁸

39. The Government recognises there are risks associated with offering funding to these sub-degree level courses. It will change the incentives for individuals and providers, and may bring into scope some courses that that require relatively little attendance or engagement in order to receive funding for living costs from the Government.

40. The Government therefore only intends to introduce support for Level 4 and 5 qualifications when the Office for Students has been established and has put in place the new regulatory framework for providers. This is subject to the passage of the Higher Education and Research Bill through Parliament, but it is anticipated that new regulatory framework will be running in Academic Year 2019/20. The new framework will introduce safeguards and controls that will help to mitigate against these risks.

41. For Academic Year 2018/19 the Government will limit the offer of part-time maintenance loans to degree level courses.

⁸ From the Department for Education's analysis of the Higher Education Statistics Agency's (HESA) Student Record

Means Testing

Should the proposed maintenance loan be means tested, and if so in the same way it is for full-time students?

42. In the consultation document we asked whether the loan should be means tested and if so, should it replicate the full-time system. The full-time system includes specific means testing provision - all full-time students qualify for a minimum rate of loan with additional support provided for those from lower income households. This means tested amount is based on family income. We were keen to seek views on whether means testing was appropriate and whether the likely characteristics of the part-time student population would be compatible with the full-time means testing arrangements.
43. Nearly three quarters of respondents agreed that means testing should be applied to the part-time maintenance loan (75 of 102 respondents). The majority of Higher Education providers were supportive of the concept of applying means testing to the loan (35 of 41 Higher Education providers that responded). This included Birkbeck, as well as representative bodies including Universities UK, National Association of Student Money Advisers, Universities Association for Lifelong Learning, Association of Colleges and Association of Managers of Student Services in Higher Education. The majority of students and individuals also agreed that the loan should be means tested (36 of 52 individual respondents). Respondents agreed that the existing means testing arrangements for full-time maintenance loans would be the most suitable approach for the part-time loan (56 of 82 respondents).
44. A small number of respondents, including the National Union of Students, Open University, GuildHE and Universities Alliance were not supportive of means testing. A number of points were raised by these respondents, firstly - whether it would be inefficient to use the full-time system because the part-time student population is more likely to be older and independent of parents. A second area of consideration was that the effect of removing means testing would be to simplify the system, making the application process less complicated and reducing the risk of error. Respondents were also keen that due consideration was given to those in receipt of welfare payments or benefits.

Government response

45. The Government can confirm that the part-time maintenance loan will be means tested and that the full-time approach will be used as the basis for the means testing process. Means testing the product will ensure better value for money and enable the adjusting of payments in accordance with financial need. Using the full-time system will provide parity between full-time and part-time study and make switching modes of study easier.

Safeguards, Controls, and Value for Money

The standard safeguards and controls will ensure value for money for the taxpayer. Repayments will be designed to mirror part-time fee loans and the full-time system.

46. Of 79 respondents that provided commentary about safeguarding value for money and the controls that should be in place to protect public money, just less than half (39 respondents) stated that the same safeguards that are applied to full-time loans were appropriate for the part-time product.

Government response

47. The Office for Students' new robust regulatory framework, will, subject to the Higher Education and Research Bill's passage through Parliament, be introduced in academic year 2019/20 and will deliver a range of additional controls and safeguards against abuse of the new loan product by individuals or by providers or the two acting in collusion. A new risk-based provider assessment system will help to ensure that high-risk providers are carefully monitored and that any issues are identified and tackled early.

Repayments

48. The Government did not consult on the repayment of part-time maintenance loans, as this process is already in place for existing part-time undergraduate fee loans. Respondents still suggested a variety of alternatives particularly for repayments, such as ensuring repayments when students leave the country, enter retirement or ensuring repayment by disregarding their income or employment status.

Government response

49. The repayment terms will mirror the process for part-time fee loans and the full-time undergraduate student finance system. The repayment terms in other areas of undergraduate support are understood by students and providers and additional information and guidance will be provided nearer the time. By adopting an approach which mirrors the part-time tuition fee loan we are ensuring the existing administration arrangements can apply, which also has the benefit of avoiding additional cost for business.

Consequences of Policy

In the consultation document, the Government asked for any other comments. In the external analysis, parts of this question were summarised as 'consequences of policy'.

50. A majority of those that responded thought that a key consequence of the introduction of the loan would be widening participation in Higher Education (41 of 55 respondents). Respondents thought that the different levels of intensity for part-time study would allow those that have different commitments and needs to balance their lives more easily to reflect what is appropriate for them.
51. In the consultation document, we stated that funding would only be available for up to a maximum of 16 years. Some respondents noted that this was too long (9 respondents across all types) or queried whether it was an appropriate figure and that it might present operational difficulties for Higher Education providers. The rationale for this length of course was that a four-year course, studied at 25% intensity (the minimum required to be eligible for the loan) would take 16 years to complete and therefore that is the maximum length of course we are willing to fund. This is already the case for part-time tuition fee loans.
52. A number of respondents mentioned the loan's potential interaction with the benefits system (50 respondents referred to the issue as a whole). Many respondents that referred to this, did so in relation to the question about public sector equality duty, nearly a third of all respondents thought that extra considerations should be given to disabled students or those in receipt of other benefits (32 respondents). Information on the loan's treatment for the purposes of benefits will be published separately.
53. The need for student finance provision to be acceptable to people with certain religious beliefs was mentioned by a small number of respondents in their contributions to the public sector equality duty responses (9 respondents).

Equality Duty

Are there other issues the Government should be aware of, which could impact on the take-up of the proposed loan by those who possess a protected characteristic?

54. The Government thanks respondents for their views on the potential effects of the loan on protected groups. The Government has completed an Equality Assessment (EA) to assess, in compliance with its Public Sector Equality Duty, the likely impact of the new loan product on people with protected characteristics. The features of the loan have been specifically designed to mitigate, where possible, any negative impact felt by individuals with protected characteristics.
55. Fifty respondents identified points in relation to the equality duty. Of these nearly three-quarters (32 respondents) indicated the requirement to consider the needs of disabled learners, and the interaction between the maintenance loan and welfare payments. Similar issues were raised for carers and those in receipt of the Parental Learning Allowance.
56. The issues raised by respondents have been taken into account in preparing the EA and in reaching decisions on individual elements of the new loan's design. The main points made by respondents regarding the potential impact of the product on groups

with protected characteristics, has already been set out in the relevant sections of this Response. The EA is published alongside this Response.

Next steps

57. The Government intends that the part-time maintenance loan will be made available to prospective students applying to study in Academic Year 2018/19. The Government will set out the detailed rules to underpin the new loan product under Regulations made by the Secretary of State. These Regulations will come into force in line with the 2018/19 launch date.
58. The Government is working closely with the Student Loans Company (SLC) to deliver this loan product. New guidance will be produced to support students and providers prior to the launch of the product.

Annex A: List of organisations that responded to the consultation

- AMOSSHE
- Association of Colleges
- Birkbeck
- Birmingham City University
- Bishop Grosseteste University
- Bournemouth University
- CallCredit
- Coventry University
- GuildHE
- Lancaster University Students' Union
- London South Bank University
- Manchester Metropolitan University
- Morley College – Hull University
- National Association of Student Money Advisers
- National Union of Students
- Nazarene Theological College
- Nottingham Trent University
- Open University Students Association
- Oxford Brookes University
- Queen Mary University of London
- Russell Group
- Sheffield Hallam Students Union Advice Service
- Sheffield Hallam University
- Teesside University
- The Open University
- The University of Hull
- Tresham College
- Universities Association for Lifelong Learning
- Universities UK
- University Alliance
- University of Brighton
- University of Bristol (Academic Registry)
- University of Cumbria
- University of Derby
- University of Hertfordshire
- University of Huddersfield
- University of Leeds
- University of Nottingham
- University of Oxford
- University of Portsmouth
- University of Salford
- University of Sunderland
- University of the West of England, Bristol
- University of Warwick
- University of Wolverhampton

Annex B: Features of the proposed part-time maintenance loan

This list includes the key features of the part-time maintenance loan, which will be launched for the 2018/19 academic year. A complete list of the product's terms and conditions and eligibility of students and courses for it will be made available in the Student Loans Company's product guidance to students and Higher Education Institutions. This will be available before the launch of the loan.

Loan amount and length

1. The annual maximum maintenance loan amount available will vary per individual according to their intensity of study relative to the FTE. Based on a 6 banded approach, 25-32.9%, 33-49.9%, 50-65.9%, 66-74.9%, 75-99% & 100%.
2. The loan will be means tested and will be closely aligned to the full-time system.
3. Distance learners will qualify for a reduced rate loan, in recognition of their lower costs of study.
4. The part-time maintenance loan will be paid at different rates depending on where the student is living and studying in the same way as the full-time maintenance loan.
5. The maximum length of maintenance loan eligibility for any part-time courses undertaken will be 16 years. Students will be required to complete their part-time course in no more than four times the period required to complete a full-time equivalent course. For example, a student undertaking a four year Full Time Equivalent (FTE) qualification studied at a minimum 25% annual intensity will qualify for maintenance loan for each year of their course (16 years).

Purpose

6. The maintenance loan is intended as a contribution towards living costs.

Individual Eligibility Criteria

7. The maintenance loan will be available to individuals aged 59 and under on the first day of the first academic year of the course.
8. It is intended that the loan will be available to eligible UK nationals ordinarily resident in England and other students that meet the loan's eligibility and residency requirements in place at the time. Full details of eligibility will be published in advance of the Student Loans Company (SLC) opening applications for academic year 2018/19.
9. Higher Education is a devolved matter and therefore UK nationals ordinarily resident in Scotland, Wales or Northern Ireland will not be eligible for the loan.

Course Eligibility Criteria

10. The maintenance loan will be available to new students studying non-distance learning **part-time** degree only qualification courses from academic year 2018/19.
11. The loan may be extended, subject to satisfactory controls being in place, to part-time distance learners from 2019/20.
12. The loan will be available to those starting level 4 and 5 courses from 2019/20, subject to the passage of the Higher Education and Research Bill through Parliament.
13. The maintenance loan will be available to individuals starting Equivalent or Lower Qualification (ELQ) in all STEM (Science, Technology, Engineering & Maths) subject areas in line with existing Regulations.

Repayment Terms

14. Repayments will commence after four years - the April following the September in which the student is expected to have studied for four full years. First repayments will therefore commence in April 2023 unless the student withdraws from or abandons the course, in which case repayments will begin earlier.
15. Repayment of the part-time maintenance loan will be income contingent and commence only once the borrower has an annual income equivalent to the part-time fee loan repayment rate.
16. Part-time loan repayments will be calculated at 9% of income above the income threshold. This loan will be added to any other outstanding undergraduate loan balance and repaid as a single loan.
17. Any outstanding part-time loan debt will be written off 30 years after the point a borrower becomes liable to begin repaying a loan (the April following the September in which the student is expected to have studied for four full years, or the April after graduating or otherwise leaving their course, whichever is sooner).

Administration of the loan

18. The maintenance loan will be administered by the SLC.
19. A student will not be entitled to receive subsequent payments of the loan if they change to a course that is not eligible, or withdraw from study. Higher Education Institutions will be expected to inform the SLC if the student is no longer in attendance. The student will be liable for the loan and must make repayments if they withdraw or do not complete their course.
20. The loan will be recovered by HMRC for students who are in the UK tax system and by the SLC for individuals residing overseas or are self-employed.



Department
for Education

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