Statistics Publication

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27 August 2020

Coverage: England

Theme: Children, Education and Skills

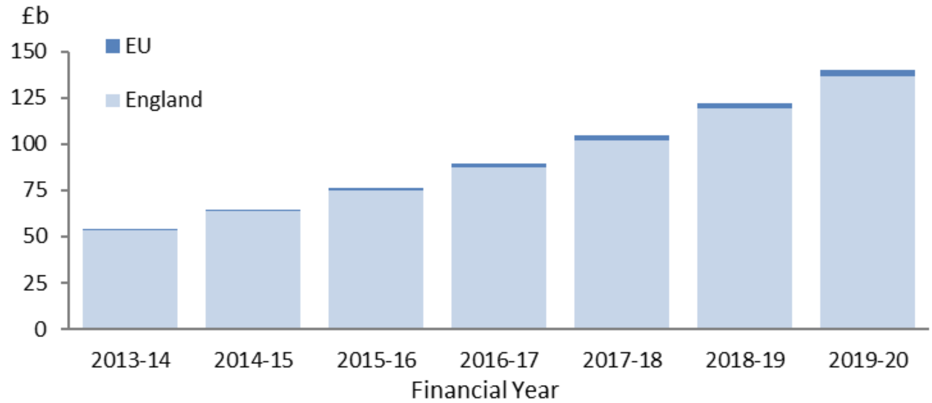
Student Loans in England

Financial Year 2019-20

Income Contingent Student Loan Balance

Income Contingent Student Loan balance reaches £140.1 billion for Higher Education borrowers

Figure 1: Total Balance of Income Contingent Student Loans at the end of Financial Year 2013-14 to 2019-20: Higher Education (£ billion)



The loan balance for both England and EU Higher Education borrowers reached £140.1 billion by the end of financial year 2019-20. This is a 15.0% (£18.3 billion) increase on the previous end-financial year figure of £121.8 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.

Of the total balance, 65.0% are amounts 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 borrowers balance reached £3.4 billion by the end of financial year 2019-20. This is a 20.9% (£0.6 billion) increase on the previous end-financial year figure of £2.8 billion. Although the EU loan balance has still increased in financial year 2019-20, this is a small reduction in the percentage increase to that seen last year, financial year 2017-18 to 2018-19, which was 26.4%.

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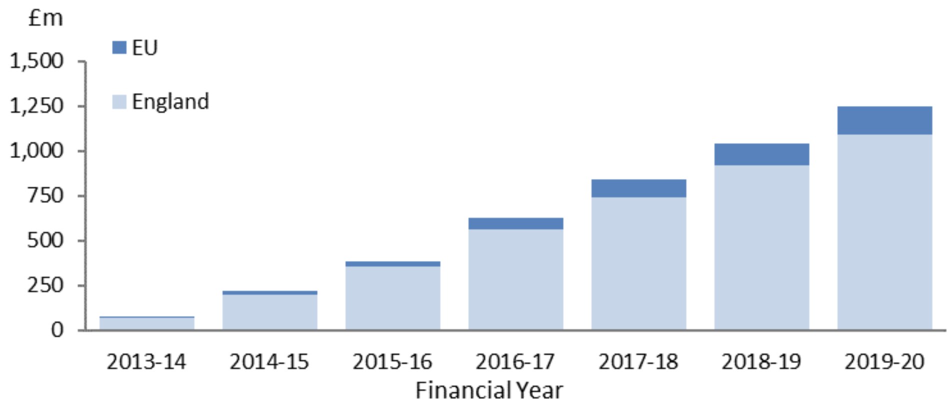
Income Contingent Student Loan balance reaches £1.2 billion for Further Education borrowers

Figure 2: Total Balance of Income Contingent Student Loans at the end of Financial Year 2013-14 to 2019-20: Further Education (£ million)

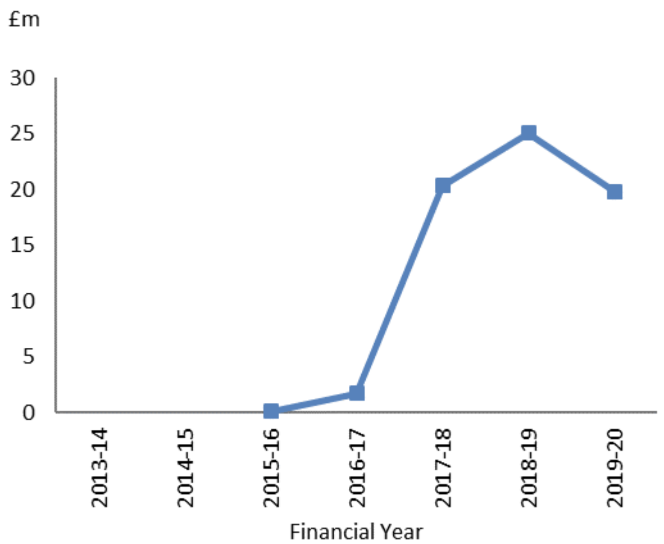


The loan balance for both England and EU Further Education borrowers reached £1.2 billion by the end of financial year 2019-20. This is a 19.8% (£206.5 million) increase on the previous end-financial year figure of £1.0 billion. Although still increasing in the financial year 2019-20, the increase to the total loan balance is not as large as that of the previous year, 2018-19, where a 23.9% increase was observed. Of the end 2019-20 financial year balance, 74.5% is amounts which are liable to repay meaning that the borrower has passed their SRDD.

EU borrowers balance reached £154.4 million by the end of financial year 2019-20. This is a 28.0% (£33.8 million) increase on the previous end-financial year figure of £120.7 million. With a similar trend to the Higher Education balance, although the EU loan balance has still increased, there is a reduction in the % increase to that seen last year where financial year 2017-18 to 2018-19 was 23.0%.

The balance for Further Education for end of financial year 2019-20 is net of £20.1 million in written-off loans, the majority of which (£19.8 million) as a result of the ‘Access to HE’ policy.

Figure 3: Total ‘Access to HE’ Write-Offs by Financial Year 2013-14 to 2019-20 (£ million)



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 20.8% (£5.2 million) less.

Financial year 2018-19 saw the highest reported ‘Access to HE ‘write-off amount to date, of £25.0 million.

For more information on this policy, please see **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 2013-14 through 2019-20.

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

Changes to timing of Publication Series

In adherence to government rulings during the coronavirus (COVID-19) pandemic, and with staff starting to work remotely, we were unable to produce our full suite of statistical tables for the 11 June 2020 release. The decision was made, taking into account the three pillars of the Code of Practice for Statistics (Trustworthiness, Quality and Value) and following guidance from the UK Statistics Authority. As a result, we published Table 1a, Table 1b, Table 5a and Table 5b as Part 1. The remaining tables are now available and have been published as Part 1 and 2 combined to form a full suite of statistical tables, and relevant commentary included is included this document. Further details can be found on our **webpage.**

More Frequent Data Sharing (MFDS)

From April 2019 the frequency in which repayments data was 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 has now increased to weekly.

This means 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 has resulted a change in time series for repayments and interest applied for the 2019-20 financial year.**

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 were mainly for the year before. The same was also true for the associated interest calculations being applied to these customer accounts.

As SLC are now receiving this information at a greater frequency (from April 2019 onwards), financial year 2019-20 will have more repayments data than 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) will be included.

For the 2020-21 financial year, due to be published June 2021, the time series should normalise with a single years' worth of repayments data being included (those processed by SLC in FY 2020-21).

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

The figures / trends in this publication which have been affected by MFDS will be 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

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 has 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 are included (those processed by SLC in both FY 2018-19 and 2019-20). The time series should normalise in financial year 2020-21, as will include just one financial year of repayments information and resulting interest calculations (those processed by SLC in FY 2020-21).

From financial year 2019-20 Plan 2 customers 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 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 2019-20 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 previous years we have had to mark the figures relating to Self Assessment repayments as 'estimated' due to this being provided later than anticipated. For 2018-19 and 2019-20 this has been provided as expected, allowing this to be included as final figures.

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:	31st March
Table 3, 4 and 5:	30th April

Tables 3, 4 and 5 reports on 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 & 1b - In line with our Student Support publication series, we have removed data prior to financial year 2013-14. This brings the Higher Education Outlay & Repayments Balance Sheet in line with available Further Education data. Data prior to 2013-14 is available in all previous year versions of this publication.

Table 1a – Plan 3 Postgraduate borrowers are now fully split by Postgraduate Masters and Postgraduate Doctoral. This allows for repayments, interest and write-off amounts to be shown for each product as well as outlay which was shown last year.

In order to facilitate this in the table design, the outlay for Postgraduate Masters and Postgraduate Doctoral for financial year 2018-19 has had to be removed and this is shown as an overall total. The outlay split for Postgraduate Masters and Doctoral can be found in last year's publication.

Table 3a & 3b - Due a change to the process of closing borrower accounts with trivial balances, the two 'Account Closed' categories have now been merged. Trivial balances are now written off automatically if there is a +/- balance on an account of £25 or less and no contact can be established with the borrower for refund or payment.

These accounts are closed and appear in the 'Account Closed' category alongside those accounts who are fully repaid or cancelled due to disability or death.

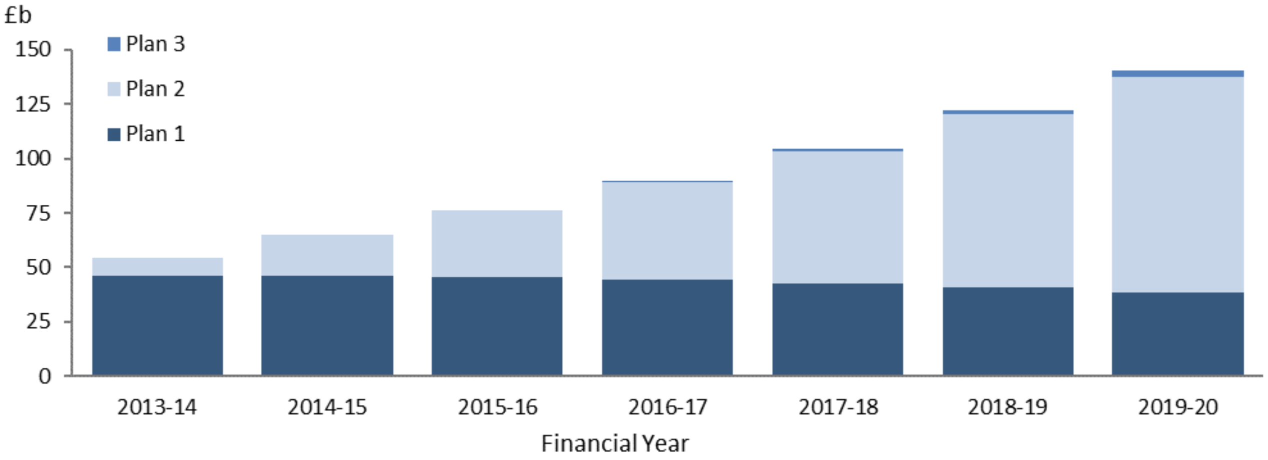
Tables 4 & 5 - We have removed the 'Tax Year' columns prior to 2006-07 and resulting Repayment Cohorts rows prior to 2007. This table is becoming increasingly large and more difficult to view when printed. The removal of this data also brings the home + EU tables in line with the EU-only tables.

There is no statistically significant variance year-on-year in these earlier years and historic data can be found in previous years' publications. The total row displayed still shows the total of **all** ICR borrowers (inclusive of now omitted rows) for Tables 4a and 5a.

Income Contingent Student Loan Balance by Repayment Plan

In financial year 2019-20, 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 are able to be 'multi-Plan' should they have studied multiple courses.

Figure 4: Total Balance of Income Contingent Student Loans at the end of Financial Year 2013-14 to 2019-20: Higher Education by Repayment Plan Type (£ billion)



The above graph 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 loan balance and by end financial year 2019-20, this has reduced to 27.3%.

By contrast, at end financial year 2013-14, 15.4% of the balance was attributed to Plan 2 loans which has since increased to 71.0% by end financial year 2019-20.

Following their introduction in 2016-17, Postgraduate loans now make up 1.8% of the Higher Education loan balance. In 2016-17 this included purely Postgraduate Masters loans and from 2018-19 onwards Postgraduate Doctoral loans were also introduced into this Plan type.

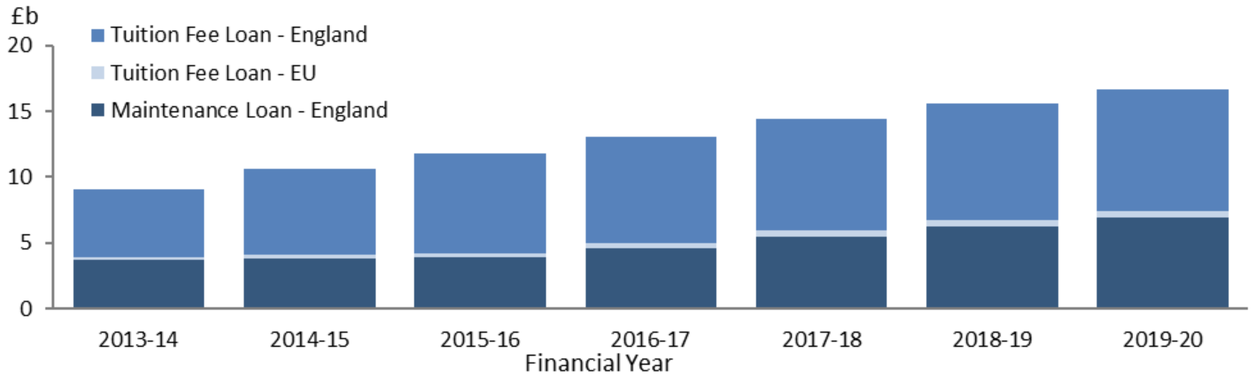
For more information on Repayment Plans types, please refer to the relevant section within **Additional Information** of this publication.

Total Amount Lent to Student Borrowers

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

Amount lent to all Higher Education borrowers increased by 7.0% to £17.4 billion in Financial Year 2019-20

Figure 5: Amount Lent to Higher Education Undergraduate Loans Borrowers in Financial Years 2013-14 to 2019-20 (£ billion)

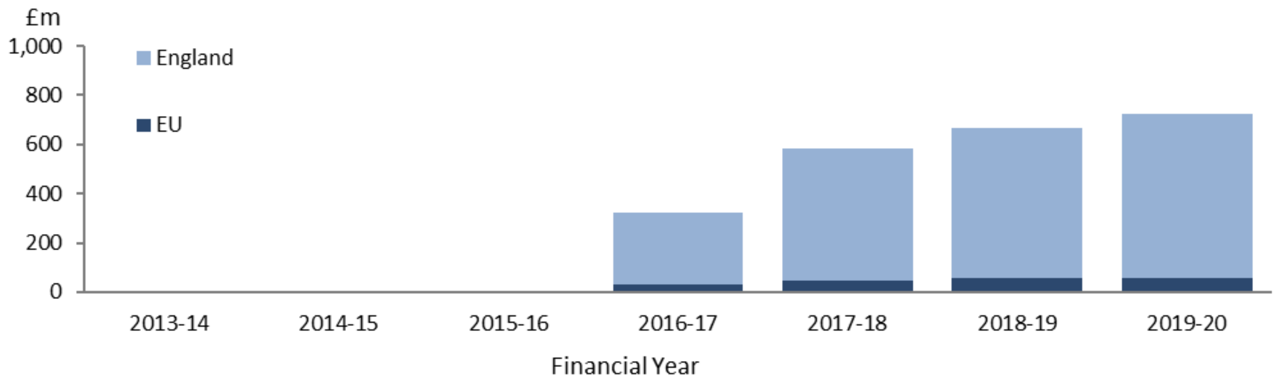


The amount lent to Higher Education Undergraduate borrowers in financial year 2019-20 was £16.7 billion. This was a £1.1 billion (6.9%) increase in comparison to the previous year.

Regarding Tuition Fee loans, £9.8 billion was issued on behalf of borrowers, an additional £0.4 billion (4.1%) to that in financial year 2018-19. This is a similar increase than in the previous financial year, when a further 4.8% (£0.4 billion) was lent in comparison to 2017-18. This is as a result of the full time Tuition Fee remaining capped at Academic Year 2017/18 levels. Of the amount lent in Tuition Fee Loans, £486.6 million was lent to EU borrowers; a £7.7 million (1.6%) increase on the previous financial year. Although this has still increased, the EU increase has slowed on the prior year's % increase of 7.7% (£34.4 million).

A total of £6.9 billion was lent to Higher Education Undergraduate borrowers in the form of Maintenance Loans in financial year 2019-20. This is a £0.7 billion increase (11.1%) on 2018-19. This increase has reduced from the 13.7% increase seen in 2018-19, which saw the inclusion of Part Time Maintenance Loans for the first time.

Figure 6: Total Amount Lent to Higher Education Postgraduate Borrowers in Financial Years 2013-14 to 2019-20 (£ million)

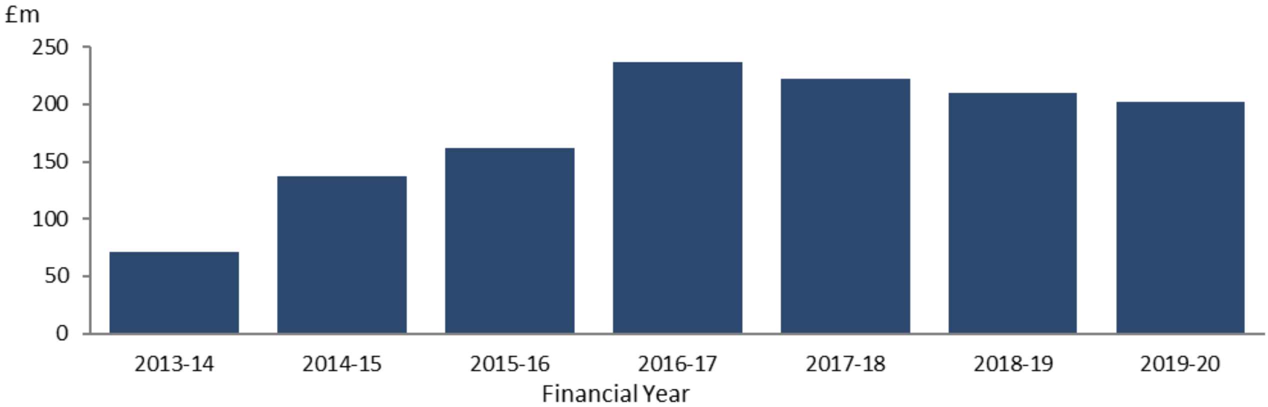


The amount lent for Higher Education Postgraduate education was £723.8 million which was a £57.9 million increase on 2018-19 (8.7%). This is a smaller increase than in the previous financial year, where a 14.2% (£83.0 million) increase was evident against 2017-18.

£58.3 million (8.0%) of Higher Education Postgraduate Loans were paid on behalf of EU borrowers in financial year 2019-20; this was a £3.5 million (6.4%) increase on the previous year. In a similar trend to Higher Education Undergraduate borrowers, although the amount lent in EU Postgraduate Loans has increased, this has increased less than seen in the previous financial year in which a 21.7% increase was reported.

Amount lent to Further Education borrowers reduced by 3.4% to £202.4 million in Financial Year 2019-20

Figure 7: Total Amount Lent to Further Education Loans Borrowers in Financial Years 2013-14 to 2019-20 (£ million)



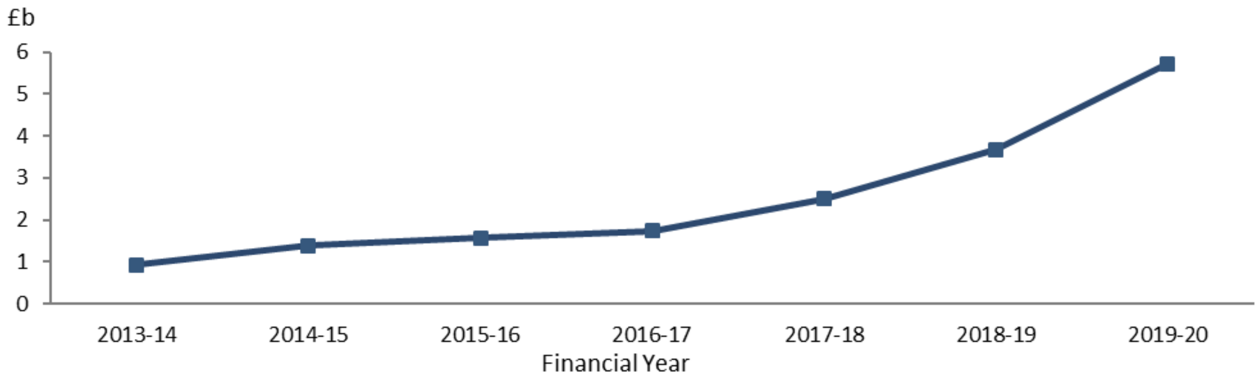
Within the Further Education sector, a total of £202.4 million was paid in the form of Advanced Learner Loans; a decrease of £7.2m on the previous financial year. Whilst this follows the same trend as in 2018-19, there is a smaller decrease (-3.4% in 2019-20 vs. -5.8% in 2018-19)

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 2019-20, 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 are able to be 'multi-Plan' should they have studied multiple courses.

£5.7 billion interest added to Higher Education Loans in Financial Year 2019-20

Figure 8: Total Amount of Interest Added to Higher Education Loans in Financial Years 2013-14 to 2019-20 (£ billion)



Interest added to Higher Education loan accounts in financial year 2019-20 was £5.7 billion. This was £2.0 billion (55.7%) higher than in the previous financial year. By comparison, between financial years 2017-18 and 2018-19 the interest added increased by £1.2 billion (47.0%).

The greater increase between 2018-19 and 2019-20 is predominantly due to '**More Frequent Data Share**'- the more readily available data provided to SLC by HMRC. This has 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) being 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. The time series should normalise in financial year 2020-21, as this will include just one financial year of repayments information and resulting interest calculations (those processed by SLC in 2020-21).

It should be noted that **this has not adversely affected the borrower's balance** and effectively brings a more up-to-date representation of loan balances at. For further detail on the effect of MFDS, please refer to the **Things You Need to Know** section of this publication.

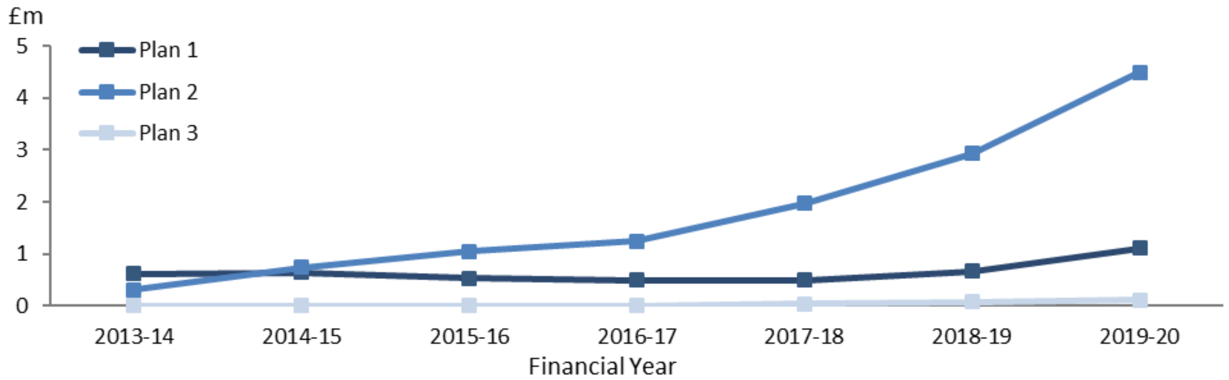
In financial year 2019-20, total Plan 1 interest increased at a higher rate than that of repayment Plan 2 borrowers. Plan 1 interest increased by 67.8% (£0.4 billion), whereas Plan 2 interest increased by 53.4% (£1.6 billion).

Contributing factors towards this are that the Plan 1 repayment threshold is considerably less than that of Plan 2 (£18,935 for Plan 1 in 2019-20 vs. £25,725 for Plan 2 in 2019-20); multi-Plan borrower's repayments are allocated to their Plan 1 balance in the first instance and that the variable part of Plan 2 interest is not reported in the year it is accrued.

Plan 3 interest increased by just 36.5% between financial year 2018-19 and 2019-20.

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

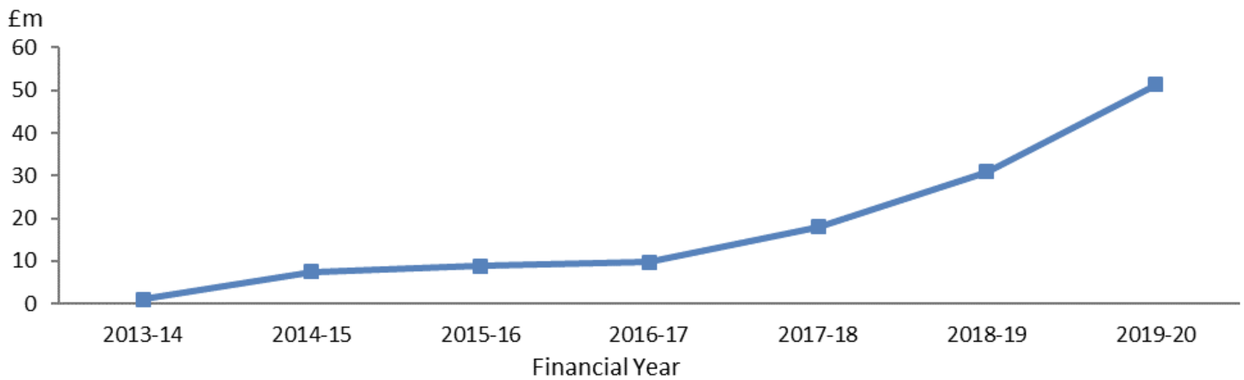
Figure 9: Total Amount of Interest Added to Higher Education Loans in Financial Years 2013-14 to 2019-20 by Repayment Plan (£ billion)



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

£51.4 million interest added to Further Education Loans in Financial Year 2019-20

Figure 10: Total Amount of Interest Added to Further Education Loans in Financial Years 2013-14 to 2019-20 (£ million)



Interest added to Further Education loan accounts reached £51.4 million in financial year 2019-20. This was £20.5 million (66.4%) higher than in the previous financial year.

When comparing the increase to the previous years, the trend evident within Higher Education applied interest is not present. In the previous financial year, there was a significant increase in interest (72.0%).

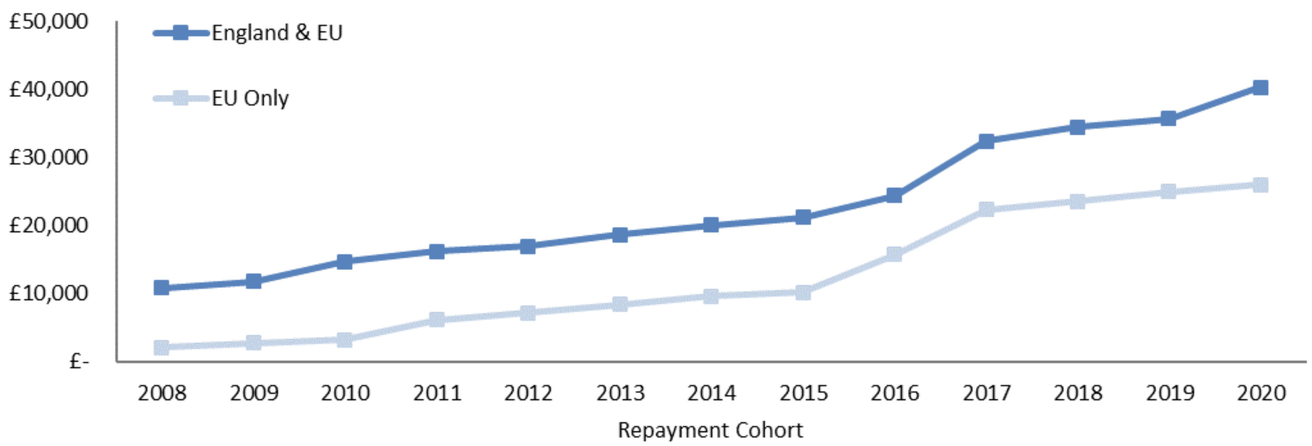
Contributing factors towards this time series include that, 1) as all Further Education loans fall under Plan 2, financial year 2017-18 was the first year that interest was applied for borrowers repaying via HMRC. In contrast, the majority of interest applied for Higher Education pre 2017-18 would have been Plan 1 accounts. And 2) As the outlay for Advanced Learner Loans is also reducing from 2016-17 onwards, this will slow the total interest being applied in subsequent years.

Average Income Contingent Loan Balances

This section looks are 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 to £40,280

Figure 11: Average Loan Balance on Entry into Repayment by Repayment Cohort as at the beginning of the Financial Year 2020-21: Higher Education



The average loan balance for the 2020 repayment cohort on entry to repayment was £40,280. This is a £4,560 (12.8%) increase on the previous repayment cohort (2019). In comparison to the previous year where a 3.5% increase was reported on the average balance.

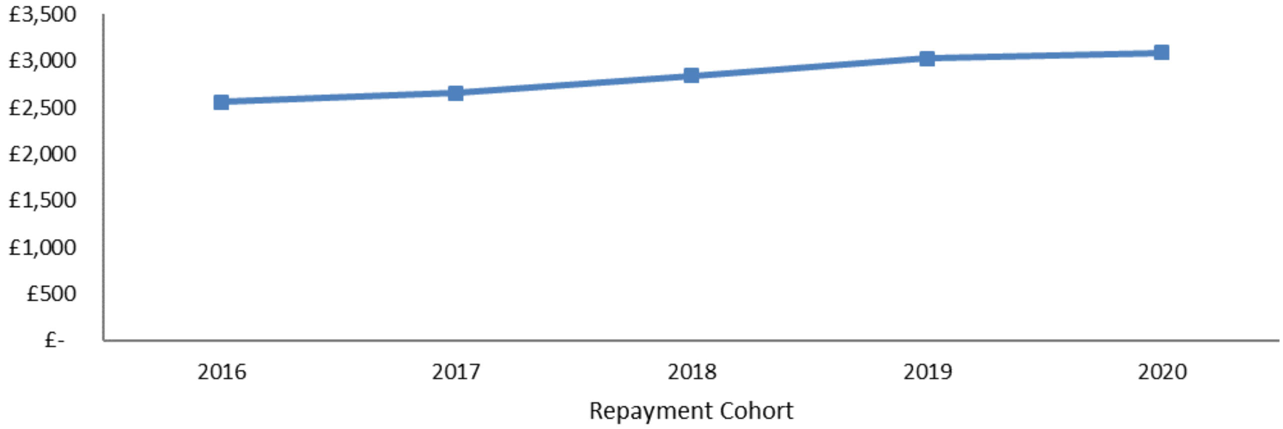
This increase could be attributed to the 2020 repayment cohort containing a higher proportion of post-2016 entry cohorts who have not had access to Maintenance Grants in any year of study.

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 2020 repayment cohort on entry to repayment increased from £24,980 to £26,010 (+4.1%). EU borrowers consistently have a lower average balance. This is predominately due to non-England domiciled student being entitled to Tuition Fee loans only.

Average Further Education Borrower's Loan Balance on Entry into Repayment remains relatively constant at £3,090

Figure 12: Average Loan Balance on Entry into Repayment by Repayment Cohort as at the beginning of Financial Year 2020-21: Further Education



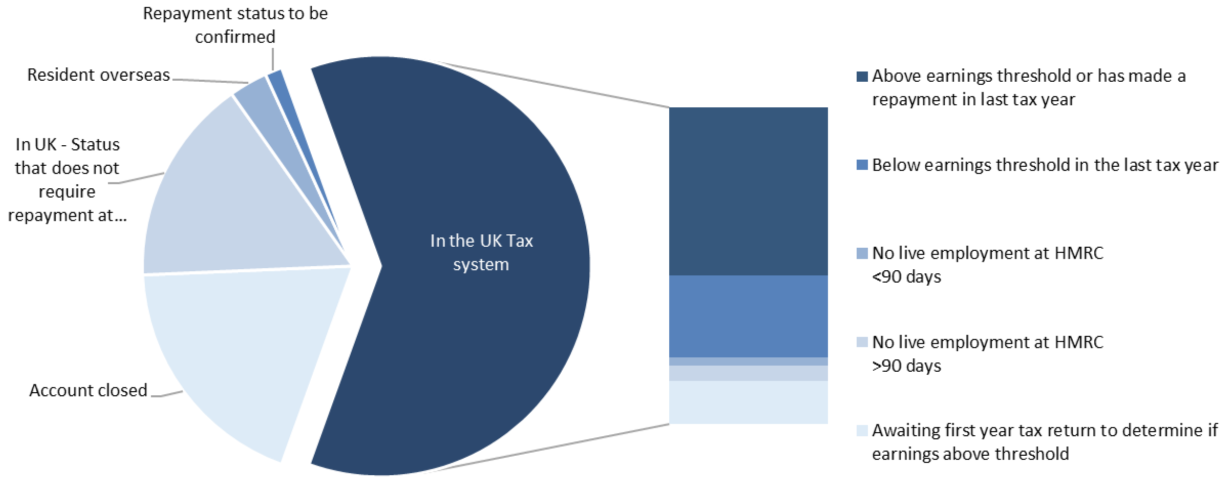
For the 2020 repayment cohort the average balance for a Further Education borrower on entry into repayment was £3,090. This is a small increase of £60 (2.0%) on the prior years' repayment cohort of £3,030.

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.

67.1% of all Higher Education ICR borrowers who are liable to repay are in the UK Tax system and 35.6% made a repayment in FY 2019-20

Figure 13: ICR Student Loan Borrowers by Repayment Status as at the beginning of FY 2020-21 (Higher Education)



The above chart includes all Higher Education ICR loan borrowers in all repayment cohorts who have become liable to repay as at 30th April 2020.

20.7% of those who have become liable to repay no longer retain any loan balance, mainly due to full repayment. Therefore, of the 5.5 million borrowers, 4.4 million are still owing.

Included in these figures, is the 2020 repayment cohort. This cohort has been in repayment for less than one month from the effective date of the statistics shown. Therefore, the profile for this new repayment cohort is very different to that of earlier repayment cohorts. 'Future Cohorts' 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.

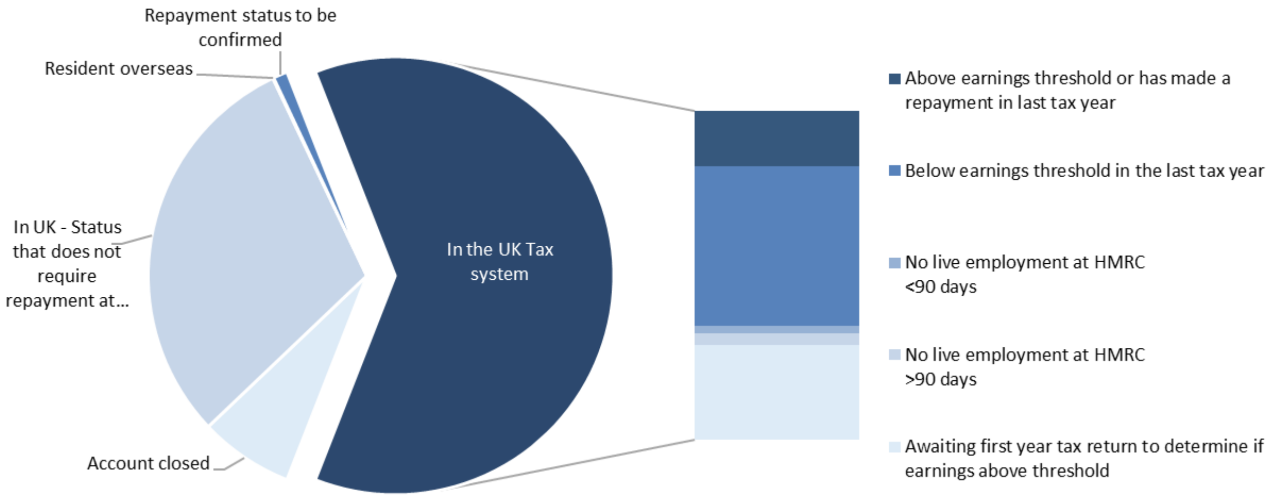
The numbers in a repayment cohort can change. Students begin in a cohort based on the length of their course. If they drop out of their course of study, the date from which they are expected to start repaying (SRDD) is brought forward to the April following the date they withdrew from their course.

As a result of MFDS, the number of borrowers within the tax system are now identified earlier as Student Loans Company are not be reliant on an annual, end-of-year HMRC file of data to allocate their status.

Due a change to the process of closing accounts with trivial balances, the two ‘Account Closed’ categories have now been merged. Trivial balances are now written off automatically if there is a +/- balance on an account of £25 or less and no contact can be established with the borrower for refund or payment. These accounts are closed and appear in this category alongside those accounts who are fully repaid or cancelled due to disability or death. For context, in the previous year ‘Loan has been cancelled’ equated to 3.2% of this category, and ‘Fully Repaid’ was 96.8%.

69.6% of all Further Education ICR borrowers a who are liable to repay re in the UK Tax system and 11.7% made a repayment in FY 2019-20

Figure 14: ICR Student Loan Borrowers by Repayment Status as at the beginning of FY 2020-21 (Further Education)



The above chart includes all Further Education ICR loan borrowers in all repayment cohorts who have become liable to repay as at 30th April 2020.

7.8% of those who have become liable to repay no longer retain any loan balance, mainly due to full repayment. Therefore, of the 415,700 borrowers, 383,200 are still owing.

Included in these figures, is the 2020 repayment cohort. This cohort has been in repayment for less than one month from the effective date of the statistics shown. Therefore, the profile for this new repayment cohort is very different to that of earlier repayment cohorts. 'Future Cohorts' 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 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.

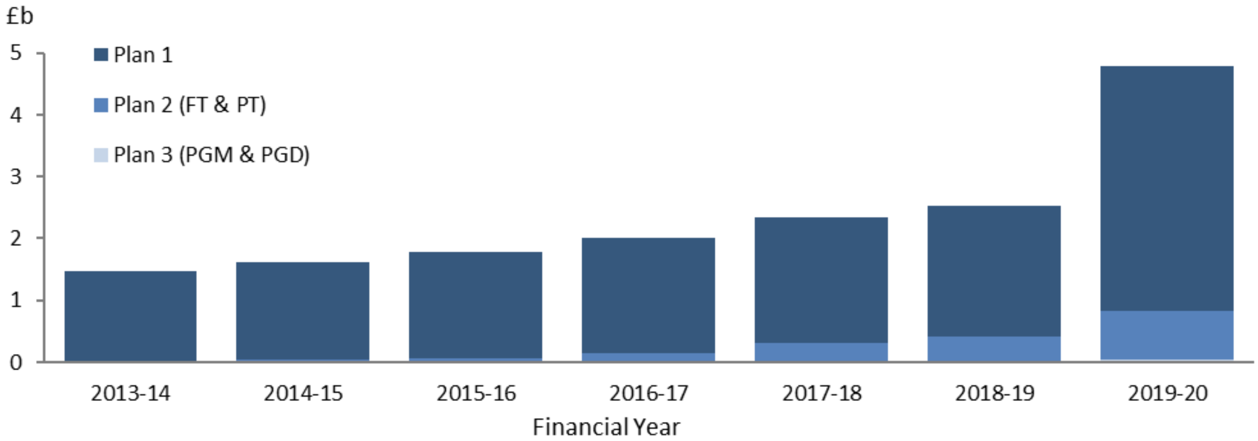
Due a change to the process of closing accounts with trivial balances, the two ‘Account Closed’ categories have now been merged. Trivial balances are now written off automatically if there is a +/- balance on an account of £25 or less and no contact can be established with the borrower for refund or payment. These accounts are closed and appear in this category alongside those accounts who are fully repaid or cancelled due to disability or death. For context, in the previous year ‘Loan has been cancelled’ equated to 62.6% of this section, and ‘Fully Repaid’ was 37.4%.

Income Contingent Loan Repayments

Borrowers normally become liable to make repayments from the April following the completion, 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 £4.8 billion in Financial Year 2019-20

Figure 15: Total Amount Repaid by Higher Education Borrowers in Financial Years 2013-14 to 2019-20 by Plan Type (£ billion)



The amount repaid in respect of Higher Education income contingent loans totalled £4.8 billion in financial year 2019-20. This was £2.3 billion (89.2%) more than in the previous financial year.

This significant increase between 2018-19 and 2019-20 is predominantly due to '**More Frequent Data Share**'- the more readily available data provided by HMRC. This has 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) being 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**. This time series should normalise in financial year 2020-21, as this will include just one financial year of repayments information and resulting interest calculations (those processed by SLC in 2020-21).

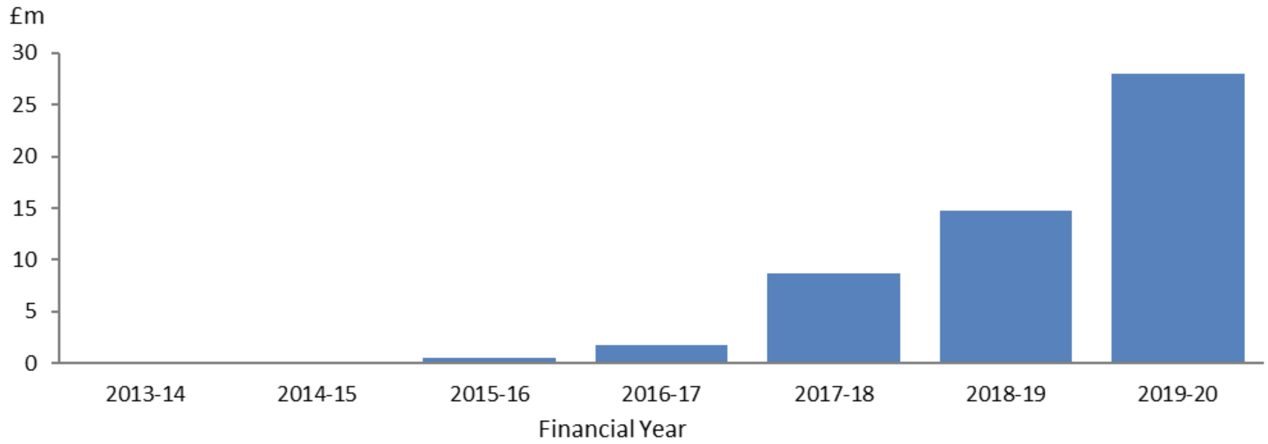
It should be noted that this has not adversely affected the borrower's balance and effectively brings a more up-to-date representation of loan balances at this point in time.

Plan 1 (loans prior to Sep-12) repayments increased by £1.8 billion (86.9%) to £3.9 billion and Plan 2 (Post Sep-12) repayments increased by £389.8 million (96.1%) to £795.2 million. Part-time repayments more than doubled in financial year 2019-20, from £18.6 million to £45.6 million. Plan 3 (Postgraduate) repayments almost trebled to £38.8 million. Along with the effect of **MFDS**, the Plan 3 increase can be attributed to the first cohort of repayment data reported by SLC originating from HMRC. Any repayments in previous financial years were made directly to Student Loans Company. 87.3% of the Higher Education repayments were received via HMRC and were made 12.7% 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 £28.0 million in Financial Year 2019-20

Figure 16: Total Amount Repaid by Further Education Borrowers in Financial Years 2013-14 to 2019-20 by Plan Type (£ million)



The amount repaid in respect of Further Education Income Contingent loans totalled was £28.0 million in financial year 2019-20.

This was £13.2 million (89.2%) more than in the previous financial year, also predominantly as a result of **More Frequent Data Share**.

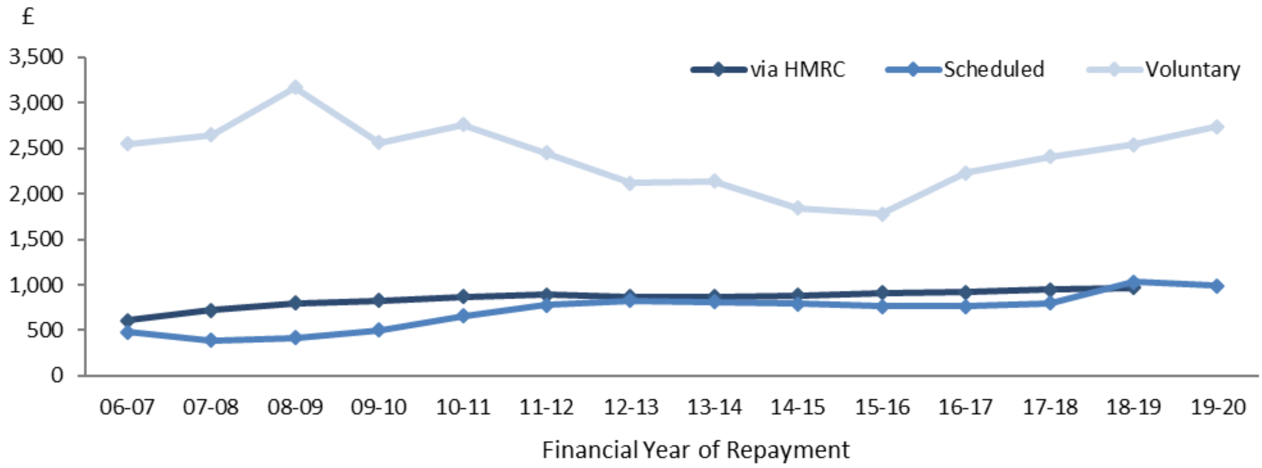
88.1% of the Further Education repayments were received via HMRC and 11.9% were made directly to SLC.

Average Amount repaid by Repayment Method

Repayments can be made in three methods, via HMRC (for UK taxpayers who are paid via PAYE or self-employed submitting Self-Assessment), along with Scheduled and Voluntary payments which are made directly to SLC (outside of the HMRC deduction system). Scheduled payments 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 payments are additional payments which a borrower can choose to make at any time and can be paid alongside scheduled repayments and those via HMRC.

Average Amount repaid by Higher Education ICR loan borrowers via HMRC remained relatively constant at £970 in FY 2018-19.

Figure 17: 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 2019-20 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 2021 publication.

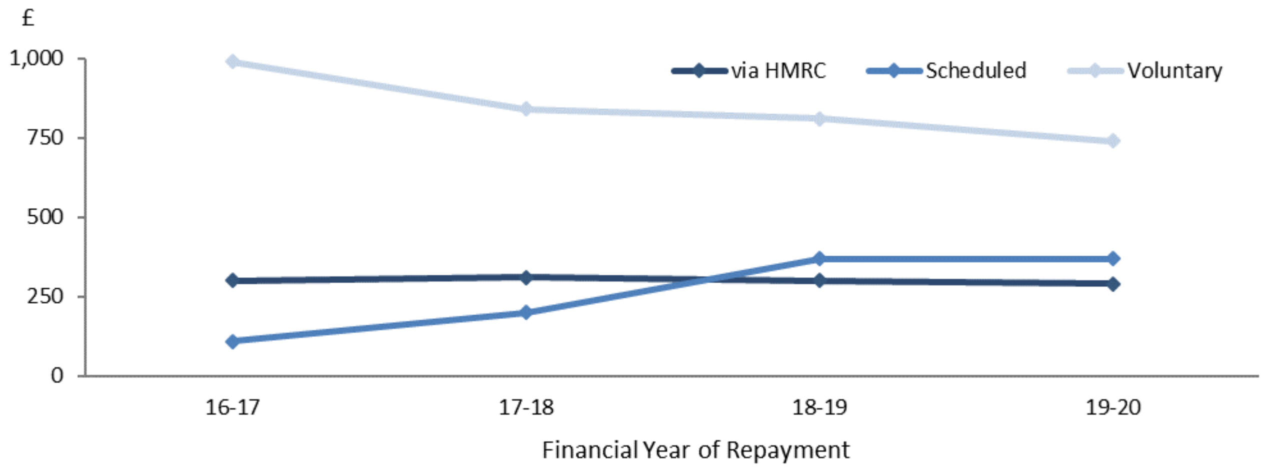
Overall average HMRC repayments have remained relatively constant, with a gradual increase of £170 in the last decade, just £20 on FY 2017-18 (+ £30 for EU-only borrowers).

FY 2019-20's overall average Scheduled repayment decreased by £40 on FY 2018-19 for England & EU borrowers combined, yet EU-only repayments saw an increase of £10. For overall average Voluntary repayments, England & EU combined repayments increased by £200 on FY 2018-19, and £240 for EU-only.

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 remained relatively constant at £300 in FY 2018-19.

Figure 18: 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 2019-20 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 2021 publication.

HMRC repayments remained relatively as in FY 2017-18 with a small decrease of £10 in FY 2018-19. The overall average Scheduled repayment remained at £370 in FY 2019-20. Voluntary repayments saw a reduction of £70 to £740 in FY 19-20.

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
Annual Income Threshold	£10,000	£15,000	£15,795	£16,365	£16,910	£17,335	£17,495	£17,775	£18,330	£18,935

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
Annual Income Threshold	£21,000	£21,000	£25,000	£25,725

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

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 annual income threshold for 2019-20 was £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 at 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 at March 2015 was 0.9% so the cap did not apply between 1 September 2015 and 31 August 2016 where the interest rate was 0.9%. The 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
RPI @ March	3.6%	3.3%	2.5%	0.9%	1.6%	3.1%	3.3%	2.4%
Plan 1 - Interest Rate	1.5%	1.5%	1.5%	0.9%	1.25%	1.5%	1.75%	1.75%

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) 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 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
RPI @ March	3.6%	3.3%	2.5%	0.9%	1.6%	3.1%	3.3%	2.4%
Plan 2 - Max. Interest Rate	6.6%	6.3%	5.5%	3.9%	4.6%	6.1%	6.3%	5.4%

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 incurrring 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 majority of Plan 2 borrowers in financial year 2018-19 earned less than the Plan 2 earnings threshold of £25,000 per year and so incurred an interest rate of RPI + 0%.

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 rates are that shown for Plan 2, without the variable aspect.

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. For both 2018-19 and 2019-20, this was provided as expected allowing this to be included as final 2018-19 and 2019-20 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 21 November 2019 covering Academic Year 2018/19.

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 in 29 October 2019 covering Academic Session 2018/19.

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 Practise 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: • 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).