



HM Government

# STUDENT LOANS

Frequently Asked Questions

This information is for English students considering starting an undergraduate course from August 2023 onwards.

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For more detailed information on student loans, visit [studentfinance.campaign.gov.uk](https://studentfinance.campaign.gov.uk)

### Do I have to take out a student loan?

No, it is your choice. The student loans offered by Student Finance England are designed for students, but other sources of finance may be available. It is up to you to decide which method of funding your course is right for you.

### What does a student loan cover?

There are two kinds of student loan: a Tuition Fee Loan for the cost of your course and a Maintenance Loan to help with living costs like accommodation, food and transport. The amount of Maintenance Loan you can get depends on your household income and where you live and study. For each year of your course, you will need to apply for the loans you need.

## Getting a student loan

### How and when do I get the money through?

Your Tuition Fee Loan payments are paid directly to your university or college at the start of each term. Maintenance Loan payments are made directly into your bank account at the start of each term. The first Maintenance Loan payment will be paid once your university or college has confirmed that you have registered.

### Can I apply for a bigger loan if I run out of money?

The maximum loan for your course fees is fixed and paid directly to your university or college. Your Maintenance Loan is means-tested, which means the amount you can borrow depends on your household income. If you claim the maximum Maintenance Loan you can, it is not possible to apply for more.

Receiving the Maintenance Loan termly rather than for the whole year helps people to budget for the essentials like rent, food and travel, as well as the more social aspects of student life. If you struggle with money, your university or college may be able to help.

### Is my student loan the same as those for students who started their course before me?

No. Your loan is known as a Plan 5 student loan and has different terms and conditions from current students and graduates, most of whom will have a Plan 2 student loan. Plan 5 is being introduced in England for students starting undergraduate courses from August 2023 onwards.

Someone who is studying a postgraduate course, such as a master's degree or for a PhD, will have a postgraduate loan. For more information, visit [Repaying your student loan: Which repayment plan you're on \(GOV.UK/repaying-your-student-loan/which-repayment-plan-you-are-on\)](https://www.gov.uk/repaying-your-student-loan/which-repayment-plan-you-are-on)

### When should I apply for my student loan?

#### Is there a deadline?

The Student Finance England (SFE) application portal opens in March for those doing full-time courses. Those doing part-time courses and short courses apply later in the year. For the latest information on when it's time to apply and deadline dates follow SFE social media channels and [SFE campaign page](#).

If you are applying for a full-time course, please complete your application in good time to ensure you receive your money in time for when your course starts. SFE works on a first come, first served basis so it is better to apply earlier. However, it is possible to apply once your course starts; the deadline for this is nine months after your course starts if studying full time and there is no deadline if you are on a part-time course.

For the latest information on when it's time to apply and deadline dates follow SFE social media channels and [SFE campaign page](#)

### When do I start repaying the loan?

If you complete a full time course you will start making repayments the April after you finish or leave your course. However, repayments will only start if you earn more than the repayment threshold of £25,000 a year, which is £2,083 if paid monthly or £480 if paid weekly.

For those on part time courses, your repayments will also start the April after you finish studying or leave your course, or the April four years after your course started, whichever is earlier.

If your course is one or two years, or you leave your course early, you will not have to repay your loan until April 2026.

### How much do I have to pay back?

The amount you pay back each month depends on what you earn, not what you owe, and you only start repaying once you earn more than the repayment threshold.

When you make a repayment depends on whether you are employed or self-employed and when you are paid.

You don't pay anything on the first £25,000 you earn, which works out at £2,083 a month or £480 a week.

For anything you earn over this, 9% (9p in every £1) is deducted as your student loan repayment.

For those who are employed, repayments are automatically deducted by your employer whenever you get paid and at the same time as tax and National Insurance. If you are self-employed, your repayment is calculated from your annual tax return and paid at the same time as any tax you owe.

These examples are based on the most common situation of being employed and paid monthly. If your annual salary is £23,000, you will not make any repayments as your monthly salary is £1,917, which is below the monthly threshold of £2,083.

If your salary is £28,000, your monthly salary will be £2,333, which is £250 over the monthly threshold of £2,083. You will therefore pay 9% of the £250, which is £22.50, but rounded down to the nearest pound, making £22 per month.

## Repaying your student loan

Similarly, if your annual salary is £35,000, that is £2,917 per month, £834 over the threshold so you would pay 9% on £834 which is £75 per month. All these calculations are made on your gross salary, that is before tax and National Insurance are deducted.

For more information on repayments visit [GOV.UK/repaying-your-student-loan](https://www.gov.uk/repaying-your-student-loan)

## Repaying your student loan

### **If I'm self-employed, do I still need to repay my loan?**

Yes, if your earnings are above the threshold of £25,000 per year. HM Revenue and Customs (HMRC) will work out how much you need to repay from your tax return. Your repayments are based on your income for the whole year. If you've already made repayments from a salary, HMRC will deduct them from the amount you have to repay.

### Can I take a break from repaying my loan if I'm short of money?

No, that is not possible, if you earn above the repayment threshold – £25,000 a year or £2,083 a month or £480 a week – it is a legal requirement to make repayments on your loan. However, if your earnings fall below the threshold for any reason then your repayments will automatically stop.

### Can I get a refund if I've paid too much?

Yes, you can claim a refund. There are occasions when you could have paid more than you should – for example, if you only worked part of the year, if you received a bonus one month but your total annual income was below the threshold, if your employer had you on the wrong repayment plan or if you have finished paying what you owe.

Visit [Repaying your student loan: Getting a refund \(GOV.UK/repaying-your-student-loan/getting-a-refund\)](https://www.gov.uk/repaying-your-student-loan/getting-a-refund) for more information.

## Repaying your student loan

### What happens if I don't finish paying back the loan?

The terms of your student loan are that you are liable for repayments for 40 years from the April after you graduate or leave your course. If you still owe any, or even all, of the loan at this point, the remaining amount is completely cancelled at no cost to you.

### Can I pay back my loan early?

Yes. However, we recommend that you take advice before doing this as working out whether this is the best decision for you can be complicated. There is no penalty for making extra repayments, but once made they are not refundable.

Visit [Repaying your student loan: Make extra repayments \(GOV.UK/repaying-your-student-loan/make-extra-repayments\)](https://www.gov.uk/repaying-your-student-loan/make-extra-repayments) for more information

### What happens if I don't finish my course for some reason?

The loan you have taken until that point still stands and repayments will start from the following April, assuming you earn more than the repayment threshold of £25,000 per year. However, no-one will start repaying their Plan 5 loan until April 2026. You can make voluntary repayments at any time if you wish.

## Common concerns

### Will having a student loan affect my credit record?

No. Your student loan is not recorded as part of your credit record, so does not affect your credit score. However, credit cards, loans and mortgages etc are only agreed subject to checking you can afford them. Your student loan repayments, if you are earning enough to make them, will be taken into account when looking at affordability.

## Common concerns

### Will having a student loan stop me getting a loan for a car or a mortgage in the future?

No. Loans for items such as a car and mortgages are agreed on a case-by-case basis depending on your credit record and whether you can afford it. Having a student loan does not appear on your credit record, however, student loan repayments are likely to be part of affordability calculations.

### Do I have to pay interest on my student loan?

Yes. It is normal for interest to be added to most types of loans. Interest is charged on your student loan as soon as the first payment is made whether that is to you as part of your Maintenance Loan or to your uni or college as part of your Tuition Fee Loan.

The rate of interest on your loan is linked to inflation, set at the beginning of each academic year and based on the Retail Price Index from the previous March. The interest rate on your loan will never be higher than the interest that is added to loans taken from a commercial lender, such as a credit card or a personal loan that you might use to buy a car.

## Paying interest

### How does the interest rate affect my loan repayments?

Interest will affect how long it takes to repay your loan completely, but it does not affect the amount you repay each week, month or year as this is based on what you earn, nothing else.

After 40 years, if you have not repaid all of your loan – including the interest that has been added – then it is cancelled, and your repayments will automatically stop.

## Moving house or away from the UK

### Do I need to inform anyone if I move house either while I'm studying or after?

Yes. It is important to keep your contact details up to date so you can be contacted if there are any issues with your loan, both while you are studying and once you leave education. Updating your contact details with the Student Loans Company is simple to do in your online account.

## Moving house or away from the UK

### Do I still have to repay my loan if I leave the UK to travel or live?

If you are out of the country for more than three months after you have left education, you need to inform the Student Loans Company (SLC) who will advise whether you need to repay while you are not in the UK and how much. The repayment threshold may be different in other countries. It remains a legal requirement to make repayments on your student loan if you earn over the repayment threshold.