

# Repayments

**Repayments start the April following the completion of your course.**

You pay back your loan (plus interest) when you finish your course and earn more than £25,000 a year.

Your repayments will stop if your income drops below £25,000 a year.

Your annual repayment amount will be 9% of any income you earn over £25,000.

## Example

Your monthly repayments would be:

- £15 a month - if you earned £27,000 a year
- £37 a month - if you earned £30,000 a year

Contact the [Student Loans Company](#) if you want to start making voluntary repayments.

You can get help and money advice from the [Money Advice Service](#).

## Interest

You pay interest from the time your first payment is made until you pay your loan back in full.

### Income

While you're studying and until the April after you leave the course

£25,000 or less

£25,000 to £45,000

£45,000 and over

### Interest Rate

Rate of inflation (Retail Price Index) plus 3%

Rate of inflation

Rate of inflation plus up to 3%

Rate of inflation plus 3%

## Making Repayments

Your employer will work out your repayments and take them out of your salary with your tax.

If you're self employed, you make repayments as part of your Self Assessment tax return.

You can pay some or all of your loan at any time without an extra charge.

## Leave or Change your Course

You'll have to pay back any money that's been paid to the College (plus interest) if you leave or change your course after 2 weeks or more.

The interest rate will be the rate of inflation.

## Frequently Asked Questions

### **Will I have to repay the full loan amount if I leave part way through the course?**

No. Your loan will be paid to the College in line with your attendance on the course. When you stop attending, payments will stop and you'll only be liable to repay the amount (including any interest accrued on that amount) that's already been paid to the College.

### **If I leave my course part of the way through will I be required to pay the remainder of the fee to my college or training organisation even if my loan payments have stopped?**

Before you enrol on the course you'll need to enter into an agreement with the College. This agreement should include the fee being charged and what you'll be required to pay if you don't complete the course.

## **What happens if I have more than one student loan?**

You'll make a single repayment regardless of how many student loans you have, including HE and Advanced Learning Loans.

## **How do I repay the loan early?**

Voluntary repayments can be paid to the Student Loans Company at any point. You don't need to wait until your income is over £25,000. Any early repayment, either partial or full, will reduce the interest that will accrue. If you want impartial advice about repaying your loan or other debts you can contact the Money Advice Service at [moneyadviceservice.org.uk](https://moneyadviceservice.org.uk)

## **What happens if I can't repay the entire loan?**

You'll only ever have to make repayments in line with your income if you earn more than £25,000. Any loan balances which remain after 30 years will be written off.

## **What if I declare bankruptcy?**

Loans are excluded from your bankruptcy debts. This means that during and upon discharge from bankruptcy you remain liable to repay this loan.

## **What happens when I retire?**

Loans repayments aren't taken from Pension Income, so if you retire and are paid a pension then you will only repay if you have other taxable income that is above £25,000.

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