

Factsheet for students

The government no longer subsidises level 3 courses for students over 19 years of age. This means that fees will be more expensive than in previous years for these students.

We cannot give you financial advice, however, this factsheet should help answer your questions on paying for your course and will cover the following topics:

- ✓ How much will my course cost and what are my options for paying?
- ✓ What is an Advanced Learning Loan?
- ✓ How much will I need to repay and when?
- ✓ What are the next steps to enrol?

Fees

How much will my course be?

When you enrol, you will either need to pay the **upfront fee** at the time of enrolment as a minimum or a **deposit** amount which is refundable when you complete the course. The upfront fee or deposit helps us to ensure the course remains viable making it less likely to close as a result of last minute cancellations by students. If you think you'll have difficulty with paying this amount, speak to our Information, Advice and Guidance (IAG) team as they can help you to spread the cost.

You would also need to pay another '**loan**' fee, and can either:

- pay this upfront when you enrol
- OR find other sources of funding to pay this fee
- OR take out an Advanced Learning loan from the government

The government has created an Advanced Learning Loan which is one way in which help is available to pay your tuition fees. It's straightforward to apply, your household income isn't taken into account and there's no credit check. You start repaying where your income is over £21,000 a year.

Repayments

When will I need to start repaying my loan?

Repayments will start from the April after your course finishes and there's no need to repay until then. You'll only start making repayments when your income is more than £404 per week, £1,750 per month or £21,000 per year.

How much will the repayment be?

You'll only pay back 9% of any income above £21,000 a year. See the table below for examples of what you'll repay:

Income each year before tax	Monthly salary	Monthly repayment
Up to £21,000	£1,750	£0
£22,000	£1,833	£7
£25,000	£2,083	£30
£30,000	£2,500	£67
£35,000	£2,917	£105
£40,000	£3,333	£142

You'll pay a single payment and repayments are based on your income, not on the amount borrowed or number of loans.

So regardless of how much you owe, the repayments will be the same.

If you stop working or your income falls below £21,000, repayments will stop and only re-start when your income increases to more than £21,000.

You can make voluntary repayments at any time to pay off your loans more quickly.

If you're employed, you don't need to do anything. Your employer will take your repayments off your salary as they do with tax and national insurance contributions.

If you're self-employed, you'll be responsible for making student loan repayments as part of your annual self-assessment tax return.

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£35,000	£2,917	£105
£40,000	£3,333	£142

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

No. Your loan will be paid to City Lit in line with your attendance on the course. If 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 us. Speak to your tutor or programme area first, as we could help you to look at all your options before you decide to leave.

What happens if I can't repay the entire loan/or when I retire?

You'll only ever have to make repayments in line with your income if you earn more than £21,000. If you've any loan balances remaining after 30 years these will be written off. If you retire and are paid a pension then you will only repay if you have other taxable income that is above £21,000.

If I move to another country after my course, do I still have to re-pay the loan?

Yes. If you earn more than £21,000 a year and go abroad, Student Finance England will make arrangements with you to collect a fixed instalment for your repayments while you are outside of the UK tax system.

What happens if I apply and go to university?

If you have a loan for an Access to Higher Education course, and you later finish your HE course, your loan balance will be wiped off. There will be no further loan for you to pay.

Interest

How much interest will I be charged on the loan?

Interest will be based on inflation (Retail Price Index or RPI). RPI measures changes to the cost of living in the UK. The UK government uses the rate of RPI for many purposes, including setting the interest rate charged on student loans.

The table to the right shows how interest is calculated.

	Interest rate
While you're studying and until after the April after you finish or leave your course	Retail Price Index (RPI) plus 3%
If you finish or leave your course before April 2016	RPI plus 3% until the April after you leave your course then RPI
From April 2016	Interest will be based on your income. £21,000 or less – RPI £21,001 to £41,000 – RPI plus up to 3%, depending on income £41,001 and over – RPI plus 3%

Eligibility for an Advanced Learning Loan

If I decide to take out a loan, will I qualify?

Yes, if you are:

- aged 19 or over on the day your course starts (there's no upper age-limit)
- living in the UK on the first day of your course and have ordinarily lived in the UK or EEA for three years before your course starts

Does getting a loan depend on my income or credit history?

No. Getting a loan doesn't depend on your income and credit checks aren't carried out.

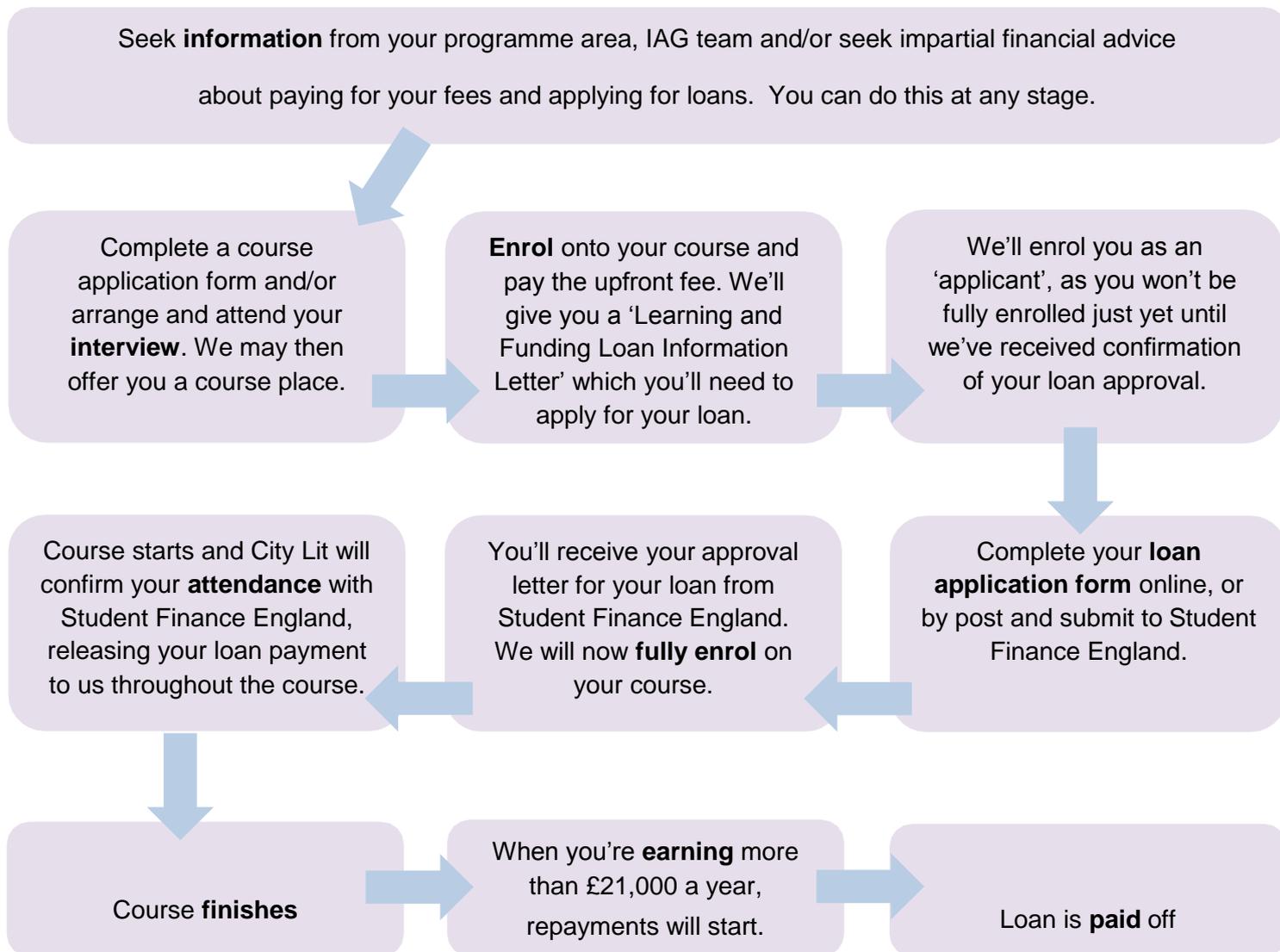
If I'm from the EEA and I've lived in the EEA for 3 years but not the UK, can I apply for a loan?

Yes generally, you can. If you are unsure of your eligibility for a loan, please visit the IAG shop.

Please note that not all level 3/4 courses at City Lit are eligible for a 24+ Advanced Learning Loan. Please check by contacting our bookings team on 020 7831 7831.

Next steps

If you decide to take a loan, follow the flowchart below to see an overview of the steps involved:



If I decide to apply for a loan, how do I do this?

Once you've enrolled on your course, you'll be given a 'Learning and Funding Loan Information Letter' and you can then apply for your loan. This will give you the information you'll need to make a loan application online or on paper. Our Information, Advice and Guidance team can help you with your application.

You'll need to provide details of:

- your course
- details about City Lit
- the total cost of the course
- the amount you want to take out as a loan

You'll also need to provide your personal details (name, address, etc) and evidence to confirm your identity. The table below shows what you would need to provide to Student Finance England to confirm your identity.

UK passport holder?	UK national but don't hold a passport?	Not a UK national?
You'll need to provide valid UK passport details	You'll need to provide another form of evidence such as a UK birth certificate, which will be returned to you	You'll need to provide physical identity evidence, as well as evidence that you're a permanent resident inside the UK

Will I need my National Insurance number for my application?

Yes, this is needed so that the loan can be paid to City Lit on your behalf. If you don't have a National Insurance number you can still apply for a loan and Student Finance England will contact you if you need to do anything to obtain one. This may mean that you'll need to arrange an appointment with your local Job Centre to have one assigned to you.

Can I apply for a loan after my course has started?

Yes, it's possible to apply for a loan at any time during your course, but not after you've completed it. Speak to our IAG team so that we can discuss changing your fee arrangement and give you help with your loan application.

How long will it take me to hear the outcome of a loan application?

If you've applied for your loan online, and you've provided your valid UK passport details, your loan should be processed within 4-5 days. All other applications should be processed within 2-4 weeks, depending on the information you've provided and your identity evidence.

If my course lasts for more than one year do I need to reapply each year?

No. Your loan application will last for the duration of the course, even when that course lasts for more than one year.

What happens if I change my mind before I start my course?

If you decide before the start of your course that you no longer want to attend or you don't want to take out a loan for the course, then please let your department know. You'll also need to contact Student Finance England. They'll be able to cancel your loan application, and you won't have any loan to repay.

What happens if I change my mind once I've started my course?

No loan payments will be made to City Lit on your behalf until you've attended the course for at least 2 weeks. If you leave the course after more than 2 weeks then you'll be liable to repay the loan payments made on your behalf, which will be based on the length of time you attended the course.

Other information about loans

How many loans can I take out?

You can only study one loan-funded course at a time, and any previous qualifications you've achieved won't affect your ability to take out one of these loans. You can have up to a maximum four loans in total. You can take out another loan, before you have paid back an existing loan, as long as you're not in arrears with your payments.

What happens if I change my mind about the course and want to do something different?

It'll depend on how much of the course you've undertaken. If you've done less than two weeks you can simply cancel the loan and this will not count against the total number of loans available to you. If you've undertaken more than two weeks then the loan will count as one of your four.

What happens if I'm unable to complete my course and I'm forced to withdraw?

Where there are compelling personal reasons preventing you from completing your course this won't count as one of your four loans. You'll still be expected to repay any loan paid in connection with the course, but you'll be able to take out a loan to complete the course again.

Before making any decisions to leave, or transfer, speak to your department, as it may be possible to transfer to the new course under the same loan rather than having to apply for a new one.

Can I get additional support to help with childcare, travel or additional support in the classroom?

The loan only covers tuition fees for your course. If you're on a low income, City Lit can also help with financial support for childcare and travel. Just speak to our IAG team who can help.

If you need additional support in the classroom, for a disability or learning difficulty, and have taken out an Advanced Learning Loan, then we can assess your needs and help to arrange support for you. Just contact our Support team by ringing 020 7492 2547 or email support@citylit.ac.uk

Find out more

Information, Advice and Guidance team

Email us: advice@citylit.ac.uk
Telephone us: 020 7492 2500 between 12-7pm
Visit us: Student Centre, mezzanine floor, City Lit, between 12-7pm

Impartial Financial Advice

If you're thinking of taking out a loan but are still unsure, contact the Money Advice Service. This is a free and impartial financial advice service set up by the Government and will be able to provide you with help and advice. Visit www.moneyadviceservice.org.uk

Alternatively, visit the Government's website:

www.direct.gov.uk/advancedlearningloans

Disclaimer

City Lit has made every effort to ensure that the information in this leaflet is accurate to the time of publication but cannot be held responsible for inaccuracies or misinterpretation. You are advised to check directly with the contacts provided in the 'find out more' section above before proceeding with your decision.