

Financing adult learning database

Name of the instrument - Local language	studievoorschot
Name of the instrument - English translation	Study loan
Scheme ID	166
Country	 Netherlands
Reporting year	2020
Type of instrument	Loan
Sub-type of instrument	Loan for HE expanded to adults
Type of entry	Single instrument
Short description	<p>HBO or university students (ISCED 5-7) who are less than 30 years old can apply for a study loan, provided that the educational programmes lead to a national qualification (formal education). The education programme lasts more than 1 year and the education programme is fully accredited. The responsible authority of the loan is the Dienst Uitvoering Onderwijs (DUO), an agency of the Ministry of Education, Culture, and Science. The study loan can be used for different eligible costs (college fees, books, travel, living and subsistence costs, etc). The loan is expected to give the student full-time availability to study. There are no specific risk assessment criteria applied to individuals. The loan receivers (students) have to pay it back in a fixed period after graduation (e.g. starting 2 years after graduation and if their earning allows this). Up to the minimum wage level (approximately EUR 19 000; annually indexed) the students do not have to repay anything. A maximum of 4% of the income earned in excess of that level is repaid, and for a debt of EUR 21 000, the full monthly amount is paid from an income of approximately EUR 42 000. The interest rate on the student loan is determined each year by DUO and may vary per calendar year. The maximum amount of loan set is EUR 1 076 for 2020, with no variations depending on the type of education. The maximum period over which the loan has to be repaid is of 35 years, and there are no conditions for re-use.</p>
Level of operation	National
Name of a part of the	Not applicable

country	
Name of the region (for regional instruments)	Not applicable
Name of the sector (for sectoral instruments)	Not applicable
Relevance	Key instrument
Legal basis	Amendment of 21 January 2015 to the Law on the financing of higher education studies
Objective(s) and target(s)	(2015) By reforming the system of study financing, and investing the resources released in higher education and education-related research, the quality of education will be improved. Together with the extra attention given in this bill to the flow in and through our entire education system, the government guarantees accessibility for everyone with these reforms. In this way, all young people in the Netherlands have an equal chance to follow the education that suits them. Moreover, the possibilities for lifelong learning will be broadened, because learning does not end with obtaining a starting qualification for the labour market. It is important that people continue to develop themselves.
Year of implementation	2015
Operation/management	The responsible authority of the loan is the Dienst Uitvoering Onderwijs (DUO), an agency of the Ministry of Education, Culture and Science. DUO checks eligibility, pays out student finance, organizes repayments of the loans and monitors the data which is sent then to the Ministry of Education
Eligible group(s)	HBO or university students who are less than 30 years old, and whose education programme last more than 1 year and the education programme is fully accredited.
Group(s) with preferential treatment	Nationality: The student is a Dutch national or has a residence permit type II, III, IV or V. If he/she has a residence permit type I, he/she may be able to receive a study grant. If he/she is from an EU/EEA country, Switzerland or the United Kingdom, or is the partner or family member of someone from one of these countries, he/she may be eligible for a student grant. The amount given may increase depending on the parents' income.
Education and training eligible	Higher education (ISCED 5 and above), programmes leading to a formal qualification (formal education)
Source of financing and collection mechanism	State (public funds). The study loan is part of the budget of the Ministry of Education, Culture and Science
Financing formula and allocation mechanisms	The loan is given to the students, who have to pay it back in a fixed period after graduation (e.g. in 2 years after graduation). There is no specific risk assessment criteria applied to individuals. There is a refund period of 35 years. Up to the minimum wage level (approximately EUR 19 000; annualy indexed) the students do not have to

	repay anything. A maximum of 4% of the income earned in excess of that level is repaid, and for a debt of EUR 21,000 the full monthly amount is paid from an income of approximately EUR 42,000. The interest rate on the student loan is determined each year by DUO and may vary per calendar year. The maximum amount of loan set is EUR 1076 for 2020, with no variations depending on the type of education. The maximum period over which the loan has to be repaid is of 35 years, and there are no conditions for re-use
Eligible costs	The study loan can be used for very different eligible costs (college fees, books, travel, living and subsistence costs, etc). The loan is expected to give the student a full-time availability to study.
Volumes of funding	According to the available data, the overall volume of loans granted has gone from EUR 2 670 455 in 2018 to EUR 2 903 445 in 2019, whereas the volume of repayments made has gone from EUR 815 342 in 2018 to EUR 927 873 in 2020. The loan possibilities in the study grant enable students to finance their own contribution via the central government on relatively favorable terms. Loan facilities can be used as an alternative or in combination with additional earnings. In this way, students can prevent additional earnings from being at the expense of their studies. In addition to an interest-bearing loan for living expenses, students in higher education can make use of the tuition fee credit. Students can borrow the tuition fee annually, with an annual maximum of 5 times the statutory tuition fee amount.
Beneficiaries/take up	All students in higher education (ISCED5 and above). In 2019, 179 000 students benefitted from it (185 000 students in 2018)
Organisation responsible for monitoring/evaluation	DUO [Dienst Uitvoering onderwijs, Ministry of Education]
Monitoring/evaluation reports available	https://www.onderwijsincijfers.nl
Most relevant webpage - in English	https://www.duo.nl/particulier/student-finance/index.jsp
Most relevant webpage - local language	https://www.rijksoverheid.nl/onderwerpen/studiefinanciering
Recent changes	Recent changes in response to COVID-19 No changes
Sources	Website of DUO (Ministry of Education Agency responsible for study loans) http://www.ib-groep.nl/particulieren/studievoorschot/