

## Financing adult learning database

<b>Name of the instrument - Local language</b>	Linha de crédito para estudantes do ensino superior com garantia mútua
<b>Name of the instrument - English translation</b>	Credit line for higher education students with mutual guarantee
<b>Scheme ID</b>	181
<b>Country</b>	 Portugal
<b>Reporting year</b>	2020
<b>Type of instrument</b>	Loan
<b>Sub-type of instrument</b>	Loan for HE expanded to adults
<b>Type of entry</b>	Single instrument

<b>Short description</b>	Higher Education students attending technical higher education courses, degrees, masters, or Ph.D. in Portugal can apply for the loan. The amount of the loan varies between EUR 1 000 and EUR 5 000 per year up to a maximum of EUR 30 000 (for a 6-year university programme). The loan is financed by the ESF, the Foundation for Science and Technology (FCT), and the banks that accepted to provide this service, but the scheme is managed by the SPGM (Sociedade de Investimento, S.A), a private organisation managing this credit line on behalf of the Portuguese Government. Banks are responsible for providing the loan, monitoring the accomplishment of the rules, and transferring the loan to students. The beneficiary does not have to pay for the credit during the period of its use and two years after that (grace period). The credit is paid back during a period of 6 to 10 years, to be negotiated between students and the bank. The current interest rate equates to the Euribor swap rate plus a maximum spread of 1.25% but can be reduced in the case of students benefitting from school scholarships or with good results at the University. The State acts as a guarantor, which eases the process of approval of the credit.
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<b>Level of operation</b>	National
<b>Name of a part of the country</b>	Not applicable
<b>Name of the region (for</b>	Not applicable

<b>regional instruments)</b>	
<b>Name of the sector (for sectoral instruments)</b>	Not applicable
<b>Relevance</b>	Further instrument
<b>Legal basis</b>	Decree-Law n. 309-A/2007, from 7 September (Mutual guarantee schemes)
<b>Objective(s) and target(s)</b>	- Promoting the access to higher education - Improving the levels of attendance and completion of higher education courses - Increasing the levels of participation and qualifications
<b>Year of implementation</b>	2007
<b>Operation/management</b>	The credit is financed by the POCH - Programa Operacional Capital Humano (Capital Human - FSE), FCT - Fundaēo para a Ciéncia e a Tecnologia, I.P (Foundation for Science and Technology, Public Institute) and the banks that accepted to provide this service. The financing provided by POCH and FCT to this credit line is managed by the SPGM - Sociedade de Investimento, S.A. (Investment Society), private organisation providing the guidance, support and financing to the banks. Students can request the loan to the bank in accordance with the law, responsible for accepting or not the request. Then, students should inform SPGM about the result. After one year of credit, the student needs to inform the bank on the educational achievement during that school-year, condition to continue benefiting from the credit line.
<b>Eligible group(s)</b>	It aims at financing academic costs of High Education students, attending or that will attend technical high education courses, degrees, masters or PhD in Portugal.
<b>Group(s) with preferential treatment</b>	The 'annual percentage rate of charge' of 1.25% can be reduced if the student has good results (an average grade above 14 (by the end of a given year). The reward spread can be deducted in 0.25% for the students benefiting from school scholarships.
<b>Education and training eligible</b>	Higher education programmes: bachelor, post-graduation, master and doctoral degrees.
<b>Source of financing and collection mechanism</b>	The SPGM - Sociedade de Investimento, S.A. (Investment Society) is the entity responsible for managing this credit line on behalf of the Portuguese Government and thus for defining the general rules of the loan. The loans need to be requested to the banks, who will decide about their approval, notifying the SPGM about it. The banks are also responsible for providing the loan, monitoring the accomplishment of the rules by students and transferring the loan to them.
<b>Financing formula and allocation mechanisms</b>	The amount of the loan is of between EUR 1 000 and EUR 5 000 per year up to a maximum of EUR 30 000 (for 6-year university programme). The beneficiary does not have to pay for the credit during the period of its use and two years after that (grace period). The credit is paid back during a period of 6 to 10 years, to be negotiated between

	students and the bank. During the grace period, there will only be interest payments. The current interest rate equates to Euribor swap rate plus a maximum spread of 1.25%. The 'annual percentage rate of charge' is lower than the regular credits and can be reduced in the case of students benefitting from school scholarships or with good results at the University. The State acts as a guarantor, which eases the process of approval of the credit. The credit is provided in fixed monthly instalments to students. To receive further payments after the 1st year, students need to conclude with success that school year and send the evidence to the bank.
<b>Eligible costs</b>	Academic expenses, not specified
<b>Volumes of funding</b>	2018 - The instrument was not available 2019 - EUR 13 000 000 2020 - EUR 5 500 000
<b>Beneficiaries/take up</b>	2018 - The instrument was not available 2019 - 1 100 students 2020 - 600 students
<b>Organisation responsible for monitoring/evaluation</b>	Portuguese Society of Mutual Guarantee
<b>Most relevant webpage - in English</b>	Not available
<b>Most relevant webpage - local language</b>	<a href="https://www.spgm.pt/pt/catalogo/detalhes_produto.php?id=292">https://www.spgm.pt/pt/catalogo/detalhes_produto.php?id=292</a>
<b>Recent changes</b>	No recent amendment  Recent changes in response to COVID-19  No changes
<b>Sources</b>	SPGM - Sociedade de Investimento, S.A. (Investment Society)  DECO Protect  Publico