

## Financing adult learning database

<b>Name of the instrument - Local language</b>	KfW Studienkredit
<b>Name of the instrument - English translation</b>	KfW Student´s loan
<b>Scheme ID</b>	233
<b>Country</b>	 Germany
<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>	Individuals currently enrolled at a state or state-recognised tertiary institution in Germany, who are not older than 44 years can apply for the loan. No preferential treatment is applied. The loan is provided by the KfW bank in Germany. The interest rate is generally variable. It is based on a certain reference interest (6-month EURIBOR) plus a contractually agreed premium. The interest rates are adjusted every six months.
<b>Level of operation</b>	National
<b>Name of a part of the country</b>	Not applicable
<b>Name of the region (for regional instruments)</b>	Not applicable
<b>Name of the sector (for sectoral instruments)</b>	Not applicable
<b>Relevance</b>	Key instrument
<b>Legal basis</b>	National law
<b>Objective(s) and target(s)</b>	To contribute to the living costs of students
<b>Year of implementation</b>	2006

<b>Operation/management</b>	The loan is conducted by distribution partners of the KfW. The KfW monitors the process and has the final decision on the loans. The KfW is the world's largest national development bank. It was founded in 1948 on the basis of the Law on Reconstruction Loan Corporation as an institution under public law. It is owned by the Federal Republic of Germany and by the Länder. Four-fifths of the capital of KfW is held by the Republic of Germany and one-fifth by the Länder. The Federal Republic shall be liable for all liabilities and loans from the KfW. On this basis the bank finances all loan offers.
<b>Eligible group(s)</b>	Students of legal age who are currently enrolled at a state or state-recognised tertiary institution in Germany, who are not older than 44 years on 1 April or 1 October before the financing begins and who fall under one of the following categories: German citizens and their dependents (regardless of nationality) who are living with the German citizen in Germany. (Dependents are spouses, registered companions, own children and the spouse's/registered companion's children who are not more than 20 years old or legally entitled to claim maintenance.) EU citizens who have been lawfully residing in Germany on a permanent basis for at least three years and their dependents living with the EU citizen in Germany (regardless of their citizenship and the duration of their previous residence in Germany). So-called educational residents who obtained a German Higher Education Entrance Qualification by graduating from a high-school in Germany or a German school abroad. For students who are older than the maximum age but have already completed some semesters in the course of study that is to be financed, these semesters will be added to the maximum age accordingly.
<b>Group(s) with preferential treatment</b>	No preferential treatment
<b>Education and training eligible</b>	Costs for University studies (Bachelor, Diplom, Magister, Staatsexamen) as a primary and second degree; as well as postgraduate courses (additional, supplementary, postgraduate or Master's degree) and PhD studies. All courses can be full- or part-time.
<b>Source of financing and collection mechanism</b>	National budget
<b>Financing formula and allocation mechanisms</b>	The loan shows an interest rate of 3,91%. The interest rate is generally variable. It is based on a certain reference interest (6-month EURIBOR) plus a contractually agreed premium. The interest rates are adjusted every next six months. In order to limit the interest rate risk, a maximum interest rate is guaranteed for a period of 15 years from the conclusion of the contract. From the beginning of the repayment period it is possible to agree on a fixed interest rate for the remaining term of the loan - but not longer than for 10 years. It supports the student with at least EUR 100 and not more than EUR 650 per month (can be changed with every semester). The combination of the KfW student loans with other subsidy is possible, for example, the education credit or BAföG for students. The loan term of the KfW student loan is divided

	<p>into 3 phases (disbursement- , closed- and repayment phase): The duration of the disbursement depends on the age: - Up to 34 years olds receive a commitment for up to 14 semesters. - Up to 39 years olds receive a commitment for up to 10 semesters. - Up to 44 years olds receive a commitment for up to 6 semesters. The subsequent closed period of 18 to 23 months is a grace period in which you only pay the interest (also a postponement of the interest pay is possible). In the subsequent repayment period, you pay back your loan in monthly installments within a maximum of 25 years or until the age of 67. There is a minimum rate of 20. The maximum level of funding is up to: - 14 semesters: EUR 54 600 (14 semester x 6 months x EUR 650). - 10 semesters: EUR 39 000 (10 semester x 6 months x EUR 650). - 6 semesters: EUR 23 400 (6 semesters x 6 months x EUR 650).</p>
<b>Eligible costs</b>	Not applicable, a monthly lump sum is paid to the students
<b>Volumes of funding</b>	2018: EUR 800 000 000 2019: EUR 700 000 000 2020: EUR 1 300 000 000
<b>Beneficiaries/take up</b>	2019: 18 531 2020: 40 721
<b>Organisation responsible for monitoring/evaluation</b>	The loan is conducted by distribution partners of the KfW. The KfW monitors the process and has the final decision on the loans. The KfW is the world's largest national development bank and Deutschlands. It was founded in 1948 on the basis of the Law on Reconstruction Loan Corporation as an institution under public law. It is owned by the Republic of Germany and by the Länder.
<b>Monitoring/evaluation reports available</b>	RWI - Leibniz-Institut für Wirtschaftsforschung - Monitoring/Evaluation des KfW-Studienkredits. Projektbericht im Auftrag der KfW Bankengruppe - Endbericht - 5. Juni 2019 <a href="https://www.kfw.de/PDF/Download-Center/Konzernthemen/Research/PDF-Dokum...">https://www.kfw.de/PDF/Download-Center/Konzernthemen/Research/PDF-Dokum...</a>
<b>Most relevant webpage - in English</b>	<a href="https://www.kfw.de/inlandsfoerderung/Privatpersonen/Studieren-Qualifizi...">https://www.kfw.de/inlandsfoerderung/Privatpersonen/Studieren-Qualifizi...</a>
<b>Most relevant webpage - local language</b>	<a href="https://www.kfw.de/inlandsfoerderung/Privatpersonen/Studieren-Qualifizi...">https://www.kfw.de/inlandsfoerderung/Privatpersonen/Studieren-Qualifizi...</a>
<b>Recent changes</b>	<p>No recent amendment</p> <p>Recent changes in response to COVID-19</p> <p>For all KfW student loan customers in the disbursement phase, we will lower the interest rate to 0% from May 1st, 2020 to March 31st, 2021. The Federal Ministry of Education and Research (BMBF) pays the interest for you during this time. From April 1st, 2021, the then valid contractually agreed interest rate will apply again.</p>
<b>Sources</b>	<p><a href="https://www.kfw.de/inlandsfoerderung/Privatpersonen/Studieren-Qualifizi...">https://www.kfw.de/inlandsfoerderung/Privatpersonen/Studieren-Qualifizi...</a></p> <p><a href="https://www.kfw.de/PDF/Download-Center/Konzernthemen/Research/PDF-Dokum...">https://www.kfw.de/PDF/Download-Center/Konzernthemen/Research/PDF-Dokum...</a></p>

