Financing adult learning database

Name of the instrument - Local language	Õppelaen
Name of the instrument - English translation	study loan
Scheme ID	69
Country	Estonia
Reporting year	2015
Type of instrument	Loan
Type of entry	Single instrument

Short description	A State-guaranteed study loan is available to students, including adults, to cover their education and training expenses. A person is eligible for study loan if he/she is enrolled in full-time studies of 6 months or more at post-secondary or tertiary level, including studies abroad. Repayments are fixed. The loan is provided by retail banks. The State regulates the interest rate and provides subsidy if the official interest rate exceeds the agreed one (5%).
Short description of the related instruments	nap

Level of operation	National
Name of a part of the country	nap
Name of the region (for regional instruments)	nap
Name of the sector (for sectoral instruments)	nap
Relevance	Key scheme
Legal basis	Study Allowances and Study Loans Act
Objective(s) and target(s)	To ensure access to vocational education and higher education and motivate pupils completing vocational education and students acquiring higher education. To

	study full time and to complete the curriculum in the foreseen period.
Year of implementation	2002
Year of latest amendment	2014
Operation/management	The Ministry of Education and Research maintains records of persons entitled to obtain a study loan and persons who have obtained a study loan. Educational institutions forward information on their pupils and students to the Ministry of Education and Research twice a year. Government arranges the loan mechanism and sets the rules.
Eligible group(s)	Estonian citizens or a person staying in the Republic of Estonia on the basis of a long-term/permanent residence permit, following a study programme of at least 6 calendar months and: - enrolled in full-time study at an Estonian university, at an institution of professional higher education or at vocational educational institution - is a pupil having acquired secondary education studying according to a curriculum of formal vocational education at an Estonian vocational educational institution or at an institution of professional higher education (amendment since 1.09.2013) - studying abroad at an educational institution and in a form of study similar to those specified above - acquires higher education in part-time study pursuant to a teacher training programme at a university in public law, a state institution of professional higher education, a private university or a private institution of professional higher education and is employed as a teacher or educator or in another field of schooling and education for a minimum of 18 hours per week.
Group(s) with preferential treatment	- Loan receipient who after obtaning the loan becomes a parent to a child with profound disability (the State pays for a study loan) - Persons with the loss of work capacity, if this occurred after obtaining the study loan - Civil servants and employees of central or local government institutions or legal person in public law (e.g. universities), who have been working there a minimum 12 months and started working before 1 July 2009 (State compensates study loan and interest rate; procedure: relevant institution claims necessary sums from state budget and pays it to the individual’s bank account; individual pays its loan and interest to bank)
Education and training eligible	Full-time studies of 6 months or more at post-secondary or tertiary level, including studies abroad.
Source of financing and collection mechanism	Retail banks (current financing - providing loans) State (fixed interest rate, interest rate subsidy for specific groups, loan guarantee) individual (repayment from future income)
Financing formula and allocation mechanisms	Mortgage-type loans provided by retail banks.

	Government involvement: arranging the loan mechanism and setting rules (via law and the contracts between the Ministry of Finance and commercial banks), setting general interest rate ad general alleviations/grace periods; paying interest for specific target groups, providing loan guarantees (as a safeguard against default), paying compensation to the banks if the actual interest rate exceed the agreed one of 5%. Maximum amount of the loan: set annually by government per academic year; in 2013/2014: EUR 1 917.35. Study loan is a half of the maximum rate in case duration of the studies (according to a curriculum) is less than 9 months. Interest rate (set): 5%. If the commercial interest rate is higher than 5% per year, the State shall pay the bank the difference. Repayment: maximum 12 months after graduation (but can start during the studies); repayment period is twice nominal duration of the programme in case of normal graduation; if ending the studies for another reason (such as cancelling), the period is 1.5 times of nominal duration of the programme but not less than 6 months; repayment period could be postponed if person enrols in a new programme and is again eligible for study loan; total repayment period cannot exceed 20 years. Preferential treatment: State can compensate study loan and interest rate for civil servants and employees of central or local government institutions or legal person in public law (e.g. universities), who have been worked there a minimum of 12 months and started working before 1 July 2009.
Volumes of funding	In 2014, new study loans with the volume of EUR 8 100 000 were granted (2010 EUR 23 900 000; 2011 EUR 17 400 000; 2012 EUR 14 100 000; 2013 EUR 10 700 000).
Beneficiaries/take up	In 2014, 68 750 study loan contracts were open; 5 269 new contracts were closed. The figures for open contracts are: 2010: 107 390; 2011: 99 100; 2012: 89 164; 2013: 78 709.
Organisation responsible for monitoring/evaluation	Ministry of Education and Research is collecting and analysing data regarding study loans, but currently no official publications are available.
Monitoring/evaluation reports available	na
Most relevant webpage - in English	https://www.riigiteataja.ee/en/eli/ee/Riigikogu/act/513012015002/consol…; https://www.hm.ee/en/activities/higher-education/study-allowances-and-s…
Most relevant webpage - local language	https://www.riigiteataja.ee/akt/619566?leiaKehtiv; https://www.hm.ee/et/tegevused/korgharidus/oppelaen
Recent changes	Person is applicable for a study loan following a study programme of at least 6 months instead of 9 months (since 01.09.2013), but in this case maximum loan sum per academic year is half of the maximum amount

	granted for those studying for 9 months or longer. The State pays for a study loan if after obtaining the loan the recipient of a loan becomes a parent to a child with profound disability.
Sources	the Ministry of Education and Research; www.htm.ee/en
	consolidated texts of English translations of Estonian legislation; https://www.riigiteataja.ee/en/