

Financing adult learning database

Name of the instrument - Local language	Studiju un studējošā kredīta dzēšanas no valsts budžeta līdzekļiem
Name of the instrument - English translation	Study loan
Scheme ID	153
Country	 Latvia
Reporting year	2015
Type of instrument	Loan
Type of entry	Single instrument

Short description	Adults can apply for a loan scheme which was introduced for higher education students to help them to cover tuition fees and living costs. Study loans are allocated from the credit institution funds. The State regulates and subsidises interest rate and provides loan guarantee.
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	Marginal scheme
Legal basis	According to the Vocational Education Law (1999), students studying in accredited first level vocational higher education programmes may receive student loan from the state budget or credit institution with a warranty from the government. Allocation, repayment, and clearance of the loan are defined in the Law on Higher Education Institutions (Augstskolu likums, 1995)
Objective(s) and target(s)	To provide the source of funding and financial assistance to the students of higher education who pay fees for their

	studies.
Year of implementation	1999
Year of latest amendment	2013
Operation/management	<p>Study loans are allocated from credit institution funds with the State guarantee; government (national) determines loan ceilings per year, funds loan interest in full or partially from the State budget, sets the rules (loan receipt and repayment etc.), monitors and evaluates (through the Administration of Study and Research) the implementation of the loan mechanism and finances administration costs.</p> <p>The National Administration of Study and Research examines the lists of loan applicants submitted by the commissions of educational institutions and verifies the compliance of the applicants and the amounts of loans granted to them with the requirements of the Regulations.</p> <p>A credit institution is entitled to enter into an agreement only with those students who are included in the approved lists of loan applicants submitted by the Administration of Study and Research to the credit institution.</p> <p>Loans are granted by the credit institutions which have been appointed after the results of an auction of the interest rates. An auction is organized by the commission established by the Ministry of Finance, in the composition of which shall be the representatives of the Ministry of Finance, the Ministry of Education and Science, and Treasury.</p>
Eligible group(s)	<p>Students who study, pay tuition fees (in accordance with an agreement between an institution of higher education or college and a student) and follow State-accredited study programmes.</p> <p>Citizens of the Republic of Latvia as well as European Union's and other citizens who have a valid permanent or temporary residence permit.</p> <p>No age limit.</p>
Group(s) with preferential treatment	<p>Loan recipients on maternity leave or child-care leave for up to 1.5 years and not working full time;</p> <p>Loan recipients who became parents or adopted the children in the period of their studies;</p> <p>Orphans and children left without parental care.</p>
Education and training eligible	<p>Higher education</p> <p>Loan is available for nationals to study abroad but only at universities accredited in a foreign country.</p>
Source of financing and collection mechanism	<p>Credit institutions (current financing - providing loans)</p> <p>State (loan guarantee, interest rate subsidy)</p> <p>individual (repayment from future income)</p>
Financing formula and allocation mechanisms	<p>Tertiary education students may receive two different loans: to cover study programme expenses (fees) and personal expenses during studies (living costs).</p>

	<p>Student loan interest rate: 2.61% per annum (in 2015) (paid by borrower)</p> <p>During the study period, interest rate for loan recipient is 0% (it is fully funded from the State budget)</p> <p>If the total amount of loan is less than EUR 1 423, loan needs to be repaid within 5 years; each year, the refund is 1/5 of the total amount.</p> <p>If the total amount of loan is more than EUR 1 423, loan needs to be repaid within 10 years; every year, 1/10 of the total loan amount is repaid.</p> <p>Repayment of the loan should start at the latest: i) the 3rd month after the termination of the study; ii) the 12th month after the completion of the study program iii) the 3rd month after the contractual deadline of scientific degree acquisition if the student has not acquired a scientific degree.</p> <p>Maximum period for repayment: 10 years.</p> <p>The State pays in full the interest rate when a loan recipient is on maternity leave or child-care leave for up to 1.5 years and does not work full time; continues his/her studies to acquire a bachelor's/master's/doctor's degree or professional qualification of higher vocational education, vocational degree (applied only to study loans). Orphans and children left without parental care may receive a loan without security – in the amount of 100% from the total amount of loans granted. The others are underwritten by the State up to 90 %.</p> <p>Recent amendments by the Cabinet of Ministers 11.05.2013. Nr.1258 (entered into force on 01.01.2014) provide additional allowances for students who became parents or adopted children in the course of their studies; a reduction of 30% of the outstanding loan amount is applied (for each child); if both spouses are borrowers, then that provision shall apply only to one; eligibility for loan reduction starts from the child's 8th day of life.</p>
Eligible costs	Specific arrangement
Frequency of the use	Only once
Volumes of funding	Study loans with the volume of LVL 7 678 000 and student loans with the volume of LVL 2 080 000 were distributed in 2013. In 2012, study loans of LVL 9 342 000 and student loans of LVL 3 032 000 were provided.
Beneficiaries/take up	Study loan for 2 142 individuals and student loans for 613 individuals were provided in 2013; in 2012 study loans for 2 635 individuals and student loans for 896 individuals.
Organisation responsible for monitoring/evaluation	National Administration of Studies and Research (Studiju un zinātnes administrācija).
Monitoring/evaluation reports available	http://www.sza.gov.lv
Most relevant webpage - in English	na

Most relevant webpage - local language	na
Recent changes	The amendment by the Cabinet of Ministers 11.05.2013. Nr.1258 provides additional allowances for the students who became parents or adopted children in the period of their studies.
Sources	Administration of Studies and Research of the Republic of Latvia http://www.sza.gov.lt