

# HOW STUDENT LOANS WORK

You are likely to be eligible for a student loan if you live in England and are applying to study at a UK university or to take some courses offered by further education colleges.

When you start your course, you'll be asked how much you can pay back each month. This is based on your expected income. The more you earn, the more you'll have to pay back. If you don't earn enough to pay back, you won't have to pay anything. You'll start paying back when you're on a course that's longer than 3 years. You'll have to pay back 40% of your income above the repayment threshold.



the amount you pay back each month depends on what you earn, not your course.





# WHAT CAN THE LOAN BE USED FOR?

There are two loans that are available to most students:

## Tuition Fee Loan

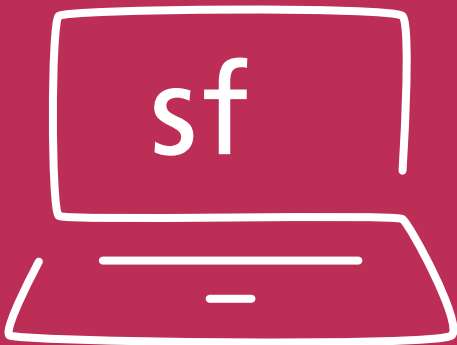
up to \$2,500 per year for tuition, fees, and books

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# HOW AND WHEN TO APPLY?

apply online through the dedicated Student Finance England (SFE) application portal,

visit [www.gov.uk/apply-for-student-finance](https://www.gov.uk/apply-for-student-finance) to apply for your Student Finance. You can also apply for your Student Finance through the SFE application portal, which is available to students who are applying for a course that starts in 2025/26. You can also apply for your Student Finance through the SFE application portal, which is available to students who are applying for a course that starts in 2025/26.



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to apply for your Student Finance.

By the time you receive your offer, please complete your application in good time to ensure you receive your money when you need it.

For more information, visit [www.studentfinance.co.uk](http://www.studentfinance.co.uk), or call 0800 331 222.



SFEngland



SF\_England



studentfinance\_england

For more information on how and when to apply, visit [www.studentfinance.co.uk](http://www.studentfinance.co.uk).

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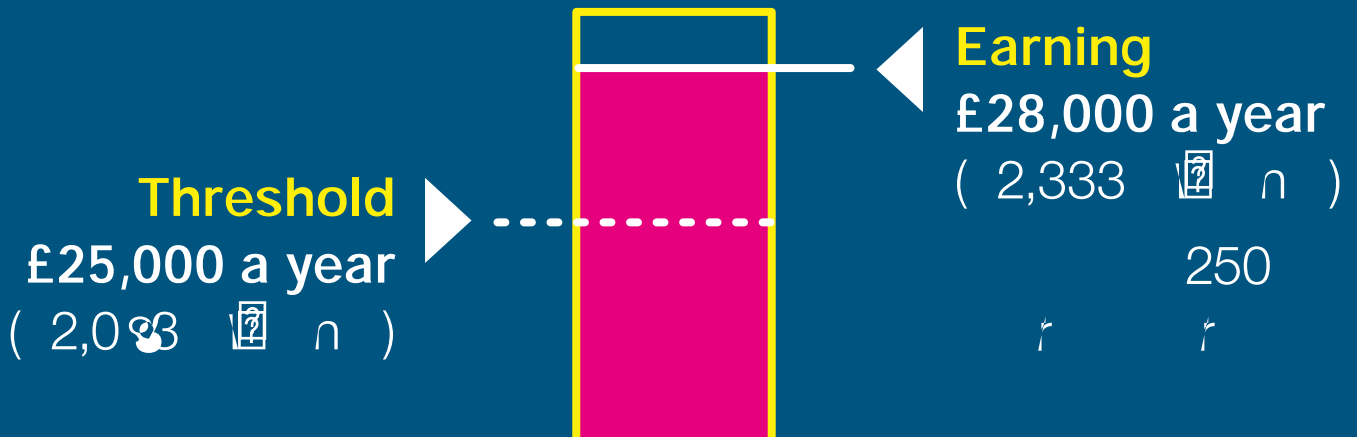


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your annual income is £28,000  
 you earn £2,333, each month

£250 over the threshold  
 2,333 - 2,083 = 250.



you pay back £22 each month  
 9% of £250, or 9p in every £1 in £250, £22.50,

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Here are some examples of annual income and how much your repayments would be each month.

y r y r y r y r y r y r  
 n n 5 r y  n r y r n r  
 25,000.

Income each year before tax	£25,000	→	£0	Student loan monthly repayment (rounded down to the nearest pound)
	£27,500	→	£18	
	£31,000	→	£45	
	£36,500	→	£86	
	£45,000	→	£150	

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# REPAYMENT JOURNEY



Below are three scenarios showing possible repayment journeys based on the Plan 5 repayment threshold of £25,000 a year, £2,083 a month or £480 a week.

Scenario 1: A person with a net income of £25,000 per year would pay £2,083 per month or £480 per week. This is the maximum amount they can pay under Plan 5. If their income increases, they will continue to pay £2,083 per month until they reach the next threshold of £30,000 per year, at which point they will pay £2,500 per month. If their income continues to rise, they will eventually reach the £40,000 threshold and pay £3,000 per month, and so on.

**Studies:**  ry

**Lives:**  rn

**Loans in first year:** ,250 n n

n 5,500\ n n n n

r y r r n n n .

n r r r y r , n

r n 40,000

## AMRITA' J URNE

**1**  r j r ry n n.  
ry 23,000, **repays £0.**

n r ry r y  n r  
25,000 ry r,  r n  ny r y  n  
n r n n.

**2** r  n n yr .  
ry 20,000, **repays £22 a month.**

r '  n y ry n 2,333, 250  
r y  n r 2,000. rr y  n  
% 250 22.50 r n n  
22. r r ,  r '  yr 22  n n  
r n n n r n .

12 r y . r r r n n y r  
n n.

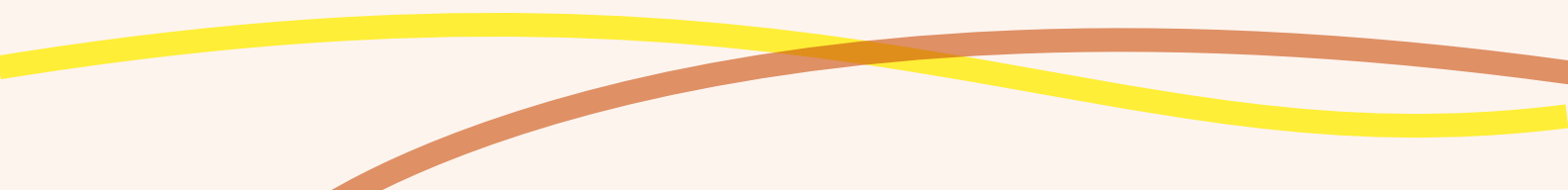
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# DLAN

Studies: r r y

Lives: y r r r

Loans in first year: ,250 n n

n ,500 n n n n

y n r n r n 55,000

## DLAN' J URNE

1 y n j n ry.  
ry 1 ,500, repays £0.

r j r r n y 1 ,500,  
r y n r 25,000 n r y n .

2 y r r, n j .  
ry 31,000, repays £45 a month.

y n' n j y 31,000 y r n n y  
ry 2,500, 500 r y n r  
2,000 n r y 45 n ( 500 % 45).



3 y n n n ry.  
n £ . 20,000, repays £0.

n r y r n , y n' n £ r  
20,000, r , r yn  
n. - £ y n r  
nn r rn.

4 y n' n £ .  
n £ . 42,500, repays £1,575 through his tax return.

y n' ry £ r n n nn n £  
r 42,500. r y £ n r ,  
r y 1,575 r y r £ £ yn  
n n n n n .

5 y n' ry n n r n nn  
n r £0,000. He repays £3,150 for the year.

nn nn £0,000, y n y  
3,150 r y r r r rn.

6 y n repays his student loan in full.

**Studies:**      n n    n    n n

**Lives:**    \   n    n

**Loans in first year:**    ,250      n    \    n

  n    ,000\    n n n    \    n

  r    r                    n    n    r    n    5,000

## GRACE' J URNE

**1**    r            j            n            n n .

  ry    3,000, **repays £90 a month.**

  r    ' j                    ry    3,000,                    3,000    n

  r            n            y 1000    r    r    y    n    r

  2,000                    r    r    y 0    n

( 1000    %    0).

**2**    n            r            r    r    n n

**continues to repay her student loan**    r    y

  n \    n    ny.

  n    r    ,    r    n    r    n                    n

  r    y    n    r            r            n ry    n    r    r    n n

  r    y    r    n.

