10 February 2016

STUDENT LOANS OFFERING: STANDARD BANK

1. INTRODUCTION

The issue of the 'missing middle' funding continues to be a challenge. In his communique dated 13 January 2016, the Director General: Higher Education and Training, Mr. G Qonde, indicated that one if the outcomes of the 'Presidential Task Team on short-term student funding challenges at universities' was the process to develop a new model which will be put in place immediately with the intention of being tested in the 2017 academic year, for full implementation in 2018.

2. BACKGROUND

From the above, it can be noted that the fruits of the new model will only be realised in 2018, to keep a student in the system, this is too long, hence the many efforts the University continues to embark on to seek alternative funding for the affected students. To that effect Standard Bank was approached and has responded positively with a product that seeks to alleviate and/or remove pressure from the students whilst they study which enables them to focus on their studies and not funding issues.

3. THE STUDENT LOAN FACILITY IN A NUT SHELL

3.1. Student Registered at CUT for:

To be eligible for the loan the student must be a registered student of CUT and studying towards any of the following:-

    i.   A certificate,

    ii.   A diploma,

    iii.   A degree or,

    iv.   A postgraduate degree or diploma.

3.2. To Be Academically Competent

For eligibility to the Student Loan facility the student needs to provide the previous year academic results indicating the previous year of study has been passed.

Please note that outstanding fees from prior years will not be financed by the Student Loan therefore students to apply as soon as registered/prior to registration where possible.

3.3. Income Criteria

The required income is dependent on the qualification being studied as follows:-

i.   Studying towards a Degree and Diploma: the surety should earn a minimum income of R3 000 per month.
ii. Other Courses, e.g. a Certificate, etc.: the surety should earn a minimum of R5000 per month.
iii. Part Time students who earn R5000 or more.

3.4. Loan Repayments

The facility has to be serviced as follows, depending on the nature of studies at CUT:-

i.   **For full-time students**,

    a. The principal amount is only payable on completion of one's studies.

    b. During one's study, the surety needs to pay the monthly interest & service fees which are minimal in comparison to monthly servicing of the full loan amount.

    c. So as to ensure funding in the future, please ensure that b is honoured and taken seriously as failure to do so may compromise the student's opportunity of further funding by the bank.

    d. Upon completion of studies, a student who does not immediately find employment will be accorded a grace period for principal repayments. An extension may be granted to enable students to complete articles, etc.

ii. Part-time students are expected to service the loan amount, i.e. principal and interest, whilst studying.
iii. All monthly payments to the bank are to be made by debit order
iv. Should the student not complete their studies, they will be expected to repay the loan immediately.

3.5. How To Apply

Students may apply by completing an online application form through the 'Student Loans Portal' on the Standard Bank website – Student Loans page. The link is given below.

youth-applications.standardbank.co.za/mystudentloan

Should the application be declined, the surety can e-mail Standard Bank for the 'decline reasons' at the following e-mail address.

StudentLoanDeclineQuery@Standardbank.co.za

4. CONCLUSION

For full details about this opportunity please refer to the attached presentation from Standard Bank; CUT Student Offering. The office of the CFO can be contacted for clarity regarding this arrangement.

Mrs Precious Dube
Chief Financial Officer

Attached:
1. Standard Bank Presentation on CUT Student Offering.