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imagine learn play imagine learn



you can afford to dream

NSFAS HAS MADE IT POSSIBLE FOR ACADEMICALLY DESERVING STUDENTS WHO ARE IN NEED OF FINANCIAL ASSISTANCE TO CONTINUE THEIR STUDIES!

www.nsfas.org.za

STUDENT GUIDE TO FUNDING



Ten things you need to know about NSFAS

What is a Financial Aid office and how can they help you?

- Every Higher Education Institution has a Financial Aid office that deals with students questions and issues regarding loans. They will:
 - advise you about loans and assist you with loan application;
 - explain how you access the money and how to repay the money;
 - evaluate your ability to succeed in your chosen course and conduct a means test that will determine whether you are really among the most financially needy.
- Contact the NSFAS Call Centre on 021 763 3232 for more information on Financial Aid offices where you plan on studying and their contact details.

1. NSFAS was established by the South African Government in 1996.
2. It was set up to ensure that students, who have the potential, but cannot afford to fund their own studies, will have access to funding for tertiary education.
3. It is funded by the government, international donors, and the private sector.
4. TEFSA, which was established in 1991, managed and administered the scheme until 2000 when TEFSA became NSFAS.
5. All of the financial assistance received by a successful applicant takes the form of a loan.
6. Up to 40% of loans can be converted into bursaries, depending on students' pass rates.
7. Loan repayments are recycled to help future generations of students.
8. The NSFAS Act of 1999 allows NSFAS to have employers deduct loan repayments from monthly salaries of those who have received assistance from the Scheme.
9. Loan repayments are based on individuals' earnings.
10. The interest charged on loans is subsidised and therefore considerably less than the commercial rate which is charged by banks.



NSFAS is a SA Government funded loan & bursary scheme that offers loans at low interest rates with reasonable repayment plans

NEED TO

FUND

We know there are limited options out there, such as private loans from banks, part-time employment, assistance from family members and for the lucky few, bursaries. So here's another alternative if you are academically deserving and in need of financial assistance.

your own studies? The National Student Financial Aid Scheme (NSFAS) offers a unique opportunity to access a loan, part of which can be converted to a bursary.

What is NSFAS and what do they offer?

The National Student Financial Aid Scheme (NSFAS) is a loan and bursary scheme operating in terms of Act 56 of 99 and funded by the National Department of Education. They offer:

- The means to obtain a tertiary qualification
- Loans at low interest rates
- Loans without guarantees
- A reasonable repayment plan.

What is a loan?

The money you borrow to cover all the costs associated with your tertiary studies and this money has to be repaid.



Apply for your loan from the Financial Aid office at the university or technikon where you are/or plan on studying. They will advise you on how much money you are eligible for by providing you with NSFAS's maximum and minimum assistance figures.

You qualify for a NSFAS loan if you are:

- A South African citizen
- Registered at a South African university or technikon
- An undergraduate, studying for a first higher educational qualification, or
- Studying for a second higher education qualification, if this is necessary to practise in your chosen profession (e.g. LLB or HDE)
- Able to demonstrate potential for academic success
- In need of financial assistance.

How much interest does NSFAS charge?

Believe it or not, it costs money to borrow money. Interest is the price you pay to borrow money. NSFAS's interest rate is much lower than that of other loans because it is subsidised by donations from the government / private companies / overseas donors. NSFAS's interest rate is generally equal to the rate of inflation plus 2%. This 2% helps to sustain the loan scheme. It contributes towards the administration costs and the shortfall resulting from death and long-term non-repayment due to unemployment.

How do you pay back?

Only once you start earning a salary will you be eligible to pay back your loan.

NSFAS sends you quarterly statements informing you of your settlement terms.

The method of payment can include a debit order, direct deposits into the NSFAS account, postal orders, cheques or employer deductions.

How much do you pay back?

The repayments are worked out at a rate that will not place a great burden on you. **Repayments are based on the salary you earn and start only once your salary is R26 300 or more per year.** At this level your repayment is 3% of your annual salary, rising to a maximum of 8% when your salary reaches R59 300 or more.



*Repaying loans
It is my responsibility to ensure that I keep in touch with NSFAS and start repaying my loan as soon as I become liable!*

What is a bursary and how is the bursary component of your loan calculated?

A bursary is that portion of the award that does not need to be repaid. The size of the bursary is dependent on your academic success.

Up to 40% of the loan may be converted into a bursary, and does not need to be repaid pending on your end of year results, which are re-evaluated every year after your first year of tertiary study.

What happens if you have money left over in your account?

- You can't receive more money from NSFAS than you require.
- If there is money left over in your fee account at the end of the year (example if you received a bursary or a merit award after the NSFAS award was granted), the Financial Aid Bureau has to return the money to NSFAS. This will count as your first loan repayment.
- Money left over in your account is never paid out to you. Furthermore, it is in your interest to ensure that the money is returned to NSFAS to avoid paying interest on it.

DREAM

What is inflation?

- Each year money loses value and can buy less. The decline in the value of money from one year to the next is called inflation.
- An example of how inflation affects your studies is the increase in fees each year.
- In order for NSFAS to be able to assist students in the future, NSFAS has to try to make sure that the value of its money is retained. That is why its interest rate
- NSFAS's interest rate is low because it is subsidised by donations from the government, private sector companies and overseas donors.

