

INFORMATION NOTES ON NON-MEANS-TESTED LOAN SCHEMES

Objectives of the schemes

The Non-means-tested Loan Scheme (NLS) was introduced in 1998 to complement the Tertiary Student Finance Scheme – Publicly-funded Programmes and to ensure that no qualified students will be denied access to tertiary education because of lack of means. The NLS provides loans to eligible students to meet their tuition fees.

With effect from the 2001/02 academic year, the Government of the Hong Kong Special Administrative Region (the Government) introduced the Non-means-tested Loan Scheme for Post-secondary Students (NLSPS) to complement the Financial Assistance Scheme for Post-secondary Students to provide loans to eligible full-time students aged 25 or below pursuing locally-accredited self-financing post-secondary education programmes to meet their tuition fees, academic expenses and basic living expenses.

Eligibility

Applicants may apply to the Student Financial Assistance Agency (SFAA) for NLS/NLSPS loan(s) if the programmes/courses they pursue are eligible under the schemes and they have the right of abode in Hong Kong Special Administrative Region (Hong Kong) or have resided or have had their homes in Hong Kong continuously for 3 complete years, immediately prior to the commencement of the courses. This does not cover students staying in Hong Kong holding student visas.

Interest and administrative fee

The NLS and NLSPS operate on a full-cost recovery basis. Interest rate is set at the Government's no-gain-no-loss rate plus a risk-adjusted factor which seeks to cover the Government's risk in disbursing unsecured loan. The interest is charged at the prevailing NLS/NLSPS interest rate once the loan is drawn down and throughout the repayment period until the NLS/NLSPS loan is fully repaid. The Director of Accounting Services will review the no-gain-no-loss interest rate by the end of each month and will adjust the rate with effect from the first day of the following month.

An administrative fee, to cover the full costs of processing and administering the NLS/NLSPS loan(s), is chargeable as from the submission of the first application and annually thereafter until the loan(s) and the interest accrued thereon are fully repaid. The administrative fee is subject to review regularly. The fee payable on application may include the said administrative fee and a handling charge levied by and payable to the applicant's institution. Administrative fees paid are not refundable nor transferable.

Maximum loan amount

Eligible students may obtain a loan under the NLS up to their annual tuition fees payable. Applicants of the NLSPS may obtain a loan up to their annual tuition fees payable, plus academic expenses and basic living expenses.

Administration of the NLS/NLSPS

The NLS and NLSPS are administered by the SFAA on the advice of the Joint Committee on Student Finance which comprises prominent members of the community, representatives of institutions and student unions.

Level of funding

The NLS and NLSPS operate on an open-ended funding basis, i.e. funds will be provided to meet payment of loans to all eligible applicants.

Application processing

At the beginning of each academic year, students who wish to apply for the NLS/NLSPS loan will have to complete an application form, provide relevant supporting documents, including but not limited to documentary proofs on their course of study, and pay an administrative fee. The applications will be examined having regard to the eligibility criteria and where necessary, students will be required to give an explanation or provide supplementary information. After processing, the level of the NLS/NLSPS loan will be assessed and students will then be notified of the result. A student who is offered NLS/NLSPS loan will be required to complete an undertaking for repayment of the loan after graduation or termination of studies and to arrange for an indemnifier to sign a deed of indemnity. The payment of the NLS loan will be made to the respective institutions, while the NLSPS loan will be credited to the applicants' designated bank account upon the applicants' submission of the duly completed undertaking, the deed of indemnity and other required documents in one complete set. Under normal circumstances, the SFAA will issue notifications to students within 3 weeks from the date of receipt of applications which contain complete information.

Review mechanism

Applicants who are not satisfied with the results may seek a review of their applications by writing to the SFAA providing detailed justifications. The SFAA will review the cases based on the information provided. Under normal circumstances, the SFAA will issue the result within 3 weeks from the date of receipt of applications for review which contain complete information.

Repayment and deferment of loans

NLS loan recipients should repay the loans and the interest accrued thereon in full in 40 equal quarterly instalments within 10 years after graduation or termination of studies. NLSPS loan recipients are also required to repay the loans and the interest accrued thereon within 10 years upon graduation; or termination of studies; or lapse of 6 years from the first disbursement of the loans, whichever is the earliest. Loan recipients may choose to make early repayment of the loans.

Deferment of repayment may be granted to applications on grounds of further studies on full-time courses, financial hardship or serious illness upon application to the SFAA. All applications for deferment will be considered on individual merits.

Enquiries

All enquiries about the NLS/NLSPS should be addressed to the Student Financial Assistance Agency as follows :

Address: Non-means-tested Loan Scheme Section
Student Financial Assistance Agency
Room 1204, Cheung Sha Wan Government Offices,
303 Cheung Sha Wan Road, Kowloon

24-hour enquiry hotline: 2802 2345

Enquiry hotline (office hours): 2150 6222

Homepage: <http://www.sfaa.gov.hk>

Student Financial Assistance Agency
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