



SLA LOAN POLICIES AND GUIDELINES

1. PERSONS ELIGIBLE FOR LOANS THROUGH THE STUDENT LOAN SCHEME

- ✚ Bona fide, Guyanese, students of the University of Guyana who have been resident in Guyana for one hundred and eighty days continuously in the twelve months prior to the academic year in which first enrolled.
- ✚ Students are eligible for loan funding of one (1) loan per program of study with a maximum of five (5) years of study per program, inclusive of programs such as Law and Medicine where there is a one year pre-requisite program. In these instances, students will be considered for an amalgamation of loans upon completing the pre-requisite course or the Diploma studies to allow for the completion of the Degree to a maximum of five (5) years of study.
- ✚ Students will not be eligible for additional funds if they exceed the number of required years per program due to them having failed more than one (1) year or semester.
- ✚ Where a student is applying for a loan for an additional/new course of study, all existing indebtedness must be cleared before the new loan application can be considered.
- ✚ Students moving to a new program after the **one year's** pre-requisite studies (for example pre-law) or students moving on to a Degree after completing a Diploma in the same program will be considered for an amalgamation of loans.

NOTE: Parents/Guardians, of minors (under 18), must countersign applications and provide appropriate documentation to confirm relationship.

2. PERSONS ELIGIBLE TO STAND AS GUARANTORS FOR A STUDENT LOAN

- ✚ A Guarantor can be a resident or non -resident Guyanese preferably over the age of twenty-one (21) but not below eighteen (18), (at the beginning of the academic year) who is employed, self-employed or unemployed. If unemployed, a guarantor must be the owner of unencumbered tangible or immovable property.



Guarantors will be subject to credit screening.

Credit Screening

All persons requesting to stand as guarantors are required to obtain a credit report prior to eligibility considerations by SLA. Persons who are liable for defaulting students or are considered a high credit risk based on the said report are deemed ineligible to stand as guarantors.

- ✚ Credit Report – Service provided by SLA at a cost of \$1500.00.
- ✚ Total Debt Service Ratio Report (TDSR): Below 40% required

3. LOAN REPAYMENT

- ✚ The borrower undertakes to repay in one hundred and eighty (180) equal monthly installments the Principal sum and interest, inclusive of the interest that accrued during the period of studies /before the commencement of the repayment. Borrowers can opt to pay more than the monthly installment to accelerate the repayment to reduce interest; however, any under-payments will incur additional interest.
- ✚ For unemployed borrowers, payment is to commence on the expiry of one year from the date of the completion of the course of study for which the principal sum was loaned, or on the expiry of six (6) years, from the original date of the first loan, whichever is earlier.
- ✚ Employed borrowers, will be required to establish a salary deduction or standing order immediately whereby such repayment would clear the entire loan over a period no longer than fifteen years.
- ✚ For government employees, payments are to be made via a mandatory payroll deduction.
- ✚ For Persons forty-five (45) years and older a reduced amortization term will be applied to have the entire loan cleared prior to the person attaining the age of retirement.
- ✚ Where students are in gainful employment at the time of applying for loan, a deduction order must be immediately established whereby such repayment would clear the entire loan over a period no longer than fifteen years.



- ✚ At the end of the fifteen (15) years amortization term, all outstanding interest is capitalized and added to any outstanding principal payments. New loan tranches are issued reflecting the adjusted principal and the student and guarantors are informed of the new liability via demand notices. The amortization period schedule for this restructured loan will be subject to age and eligible income.

4. WAIVER

- ✚ Graduates of the University of Guyana who worked for five (5) continuous years in identified Hinterland communities, following graduation, can have their student loan/s waived.
- ✚ Where the student would attain the age of forty-five before September 1st of the current year, a request (addressed to the Finance Secretary, Ministry of Finance) for a waiver of the age limit must be **submitted along with the loan application**. The request must include a proposed repayment plan, with monthly installments to commence immediately, that would clear the entire loan by the time the borrower has attained the retirement age of fifty-five.

5. SPECIAL CONSIDERATION

- ✚ Requests for special consideration and exceptions to policy must be addressed to the Director, SLA who in turn can make representation on the student's behalf to the SLA/ MoF Sub-committee for consideration and or approval on a case-by-case basis.

EFFECTIVE September 2018

DIRECTOR, SLA