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EQUALITY IMPACT ASSESSMENT - RESULTS

Title of Policy	Changes to the student loan repayment period
Summary of aims and desired outcomes of Policy	Relevant National Outcomes: "We are better educated, more skilled and more successful, renowned for our research and innovation" "Our young people are successful learners, confident individuals, effective contributors and responsible citizens" At present, the terms and conditions relating to Income Contingent Repayment (ICR) student loans stipulate that unpaid student loans will be written off after the following periods: • When the student reaches the age of 65 (for ICR loans taken out before 2007) • After 35 years (for ICR loans taken out after 2007). The desired outcome is to reduce the student loan repayment period from 35 to 30 years for all borrowers (new and existing), improving the overall terms and conditions of repayment.
Directorate: Division: team	Advanced Learning and Science Directorate. Higher Education and Science: Student Support & Participation Team.

Executive summary

A review of the reduction to the maximum student loan repayment period from 35 to 30 years was carried out, of which this EQIA forms a part.

The EQIA identified that reducing the repayment period would have a positive impact for all Income Contingent Repayment (ICR) student loan borrowers and ensures that students are supported not just during their studies but after they graduate, by reducing their overall loan repayments and the time in which it will be repaid.

The EQIA identified potential indirect discrimination of pre-2007 borrowers who had taken out an ICR student loan at a later stage in their life. It was identified this group may be financially worse off due to the policy change as their repayment period could be extended beyond the age of 65, which is the current maximum repayment period for this group of borrowers.

This was addressed in the final policy change by ensuring that the maximum repayment period for a pre-2007 borrower will be the earlier of either the borrowers 65th birthday or 30 years after they first enter repayment.

Background

At present, the terms and conditions relating to ICR student loans stipulate that unpaid student loans will be written off after the following periods:

- When the student reaches the age of 65 (for ICR loans taken out before 2007)
- After 35 years (for ICR loans taken out after 2007)

The 2017 Scottish Programme for Government (PfG) made a commitment to reduce the maximum student loan repayment period from 35 to 30 years for all new and existing borrowers by the end of the current Parliamentary term. The aim of this policy is to meet this PfG commitment.

This contributes to the following national outcomes:

• We are better educated, more skilled and more successful, renowned for our research and innovation.

• Our young people are successful learners, confident individuals, effective contributors and responsible citizens.

The Scope of the EQIA

The policy has relevance to the protected characteristics of age and sex.

As the change to the student loan repayment period is intended as a positive change to benefit all Scottish borrowers, it is considered that a concise and focused Equality Impact Assessment is proportionate in these circumstances.

At present, referring to statistics provided by the Scottish Government Higher Education Analytical Services Division, there are currently 470,400 students currently in repayment who will be affected by this change in policy.

The EQIA considered key data regarding the age and gender of Scottish domiciled students currently in repayment provided by the Student Loans Company (SLC).

However, the reduction in the repayment period will apply to all current and new borrowers regardless of age and gender and therefore is seen as a positive change for all.

Key Findings

The EQIA identified that there are gaps in the information available relating to the characteristics of the current borrowers of ICR loans and therefore the impact the repayment period has on the protected characteristics.

However, reducing the repayment period in general is seen as a positive change for all equality groups and ensures that students are supported not just during their studies but after they graduate by reducing their overall loan repayments and the time in which it will be repaid.

The EQIA identified a negative impact, specifically for pre 2007 borrowers who had taken out an ICR loan later in life. For example, a pre-2007 borrower who took a loan out aged 50 would have their maximum repayment period extended by 15 years, as it would no longer be written off when they reached the age of 65.

This was addressed in the final policy change to ensure the maximum repayment period for a pre-2007 borrower will be the earlier of either the borrowers 65th birthday or the 30-year repayment period.

Recommendations and Conclusion

In conclusion, positive impacts as a result of reducing the repayment period have been identified for borrowers in all equality groups. The maximum repayment period for a pre-2007 borrower will be the earlier of either the borrowers 65th birthday or the 30-year repayment period, ensuring that no borrower is adversely affected by this policy change.

Any change to the policy will be subject to ongoing monitoring by the Higher Education and Science Division. The Student Loans Company will continue to publish annual statistics in relation to student loan repayments including the total amount of borrowers and the total amount owed.

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