



THE GOVERNMENT OF THE
COMMONWEALTH OF THE BAHAMAS

EDUCATIONAL LOAN PROGRAMME



Ministry of Education Headquarters, Thompson Boulevard

STUDENT COUNSELLING MANUAL

August, 2003

TABLE OF CONTENTS

	Page
Educational Loan Programme	3
Basic Conditions	3
Application Process	3
Loan Awards	5
Annual fees	7
Maximum Annual Loan Amounts	7
Borrowers and Co-Borrowers' Responsibilities	8
Useful Advice	8
Payment Schedule	9

THE GOVERNMENT OF THE
COMMONWEALTH OF THE BAHAMAS
EDUCATIONAL LOAN PROGRAMME

This Manual has been prepared to ensure that student borrowers and their co-borrowers understand fully all the policies, procedures and rules that govern the award of the Government of The Bahamas Educational Loans.

PLEASE READ IT VERY CAREFULLY.

You are applying for a Bahamas Government Educational Loan to assist in the pursuit of your college or university education. Before you go any further, you need to understand the terms of obtaining and repaying this type of loan.

Please note that, if you are granted a student loan, you and your co-borrower are by law equally responsible for repaying that loan and for fulfilling all the terms and conditions set out below.

1.0 Basic Conditions

1.1 The following conditions must be satisfied before a loan application is considered:

- **the student is a Bahamian citizen;**
- **the student is sixteen years of age or more;**
- **the loan is made to a person who is eighteen years of age or more;**
- **the student has been accepted into an approved tertiary institution;**
- **the student is supported by an eligible co-borrower.**

2.0 Application Process

2.1 Application forms should be obtained from the offices of the Ministry of Education Scholarship and Educational Loans Division or downloaded from the Ministry of Education's Web Site at:

www.bahamaseducation.com

2.2 Application forms should be completed in full with all necessary

supporting documents provided as indicated on the form.

- 2.3 Completed application forms must be returned to the Scholarships and Loans Division or to the offices of the District Superintendents in Grand Bahama and the Family Islands no later than 30 April of each year.
- 2.4 Applications will be processed by the Scholarship and Educational Loans Division and forwarded to the Education Committee for consideration. The Education Committee is the body with legal responsibility for approving the award of educational loans. Applicants should remember that incomplete applications will not be considered by the Committee. Applicants may be required to present themselves for an interview.
- 2.5 Priority will be given to students applying to attend the College of The Bahamas, other local institutions and the University of the West Indies.
- 2.6 The number of loans awarded each academic year will be based upon the funds available for this purpose. Selection of recipients will be made on the basis of criteria which will include the following:
 - previous academic performance;
 - institution to be attended;
 - relevance of proposed field of study to national development needs;
 - financial need; and
 - the ability of the borrower and/or co-borrower to service the loan.
- 2.7 Applicants will be informed by letter of the outcome of their application. Successful applicants will be informed by means of press announcements of the dates on which they should present themselves to the agent of the Education Loan Authority for the processing of their loan

3.0 Loan Awards

- 3.1 Applicants should note that loans awarded under this programme are only intended to assist borrowers to meet the costs of higher education. Applicants should therefore not expect that all costs will be covered by amounts awarded.
- 3.2 Loan awards will be made in accordance with the scale outlined below. **No amounts beyond those listed in the scale will be provided.** Distribution in respect of tuition will be made to the tertiary institution. Any other distribution will be made at the discretion of the Education Committee.
- 3.3 **Loan recipients must note carefully the following regulations which will be stringently enforced. Upon confirmation of a loan award the student and the co-borrower will be called upon to sign an agreement indicating acceptance of these conditions:**
- A loan is awarded for a particular course of study, at a particular institution, and for a specific period of time. **Any change of major, institution or period of study requires the prior approval of the Education Committee.**
 - If the approved course of study is completed in a shorter period of time than that originally stated on the application form, the student will not be allowed to claim the balance of the loan for other studies. If the approved course of study is NOT completed in the time period specified, the Committee will consider the circumstances and MAY extend the Loan. Requests for such consideration must be submitted to the Education Committee **in writing** and must be
 - supported by relevant documents, including confirmation by the institution of the anticipated date of graduation, and proof of circumstances claimed (e.g. medical reports etc.).

- Each overseas student (undergraduate or graduate) must at all times meet the requirements set by the institution for full-time students.
- Students are required to maintain a minimum Grade Point Average of 2.5 per semester, or the equivalent.
- **It is the responsibility of the student to ensure that performance reports are made available to the Scholarship and Loans Division of the Ministry of Education each semester. To facilitate this, students will be required to sign a form authorizing the institution to forward such reports directly to the Division.**

IT SHOULD BE NOTED THAT AN ORIGINAL OFFICIAL TRANSCRIPT MUST BE SUBMITTED AT THE END OF EACH ACADEMIC YEAR. TRANSCRIPTS MUST BE RECEIVED BY THE DIVISION NO LATER THAN 31 JULY EACH YEAR.

(An Official Transcript is one which is signed and sealed by the Registrar or other relevant authority of a College or University. Faxed copies or grade reports downloaded from the Internet are not considered Official Transcripts). Unless an official transcript is received, no further funds will be disbursed to the student.

- 3.4 The Educational Loan may be revoked at any time on the grounds of poor performance, the student's failure to enroll, failure to carry full course loads, unsatisfactory behaviour or any other reason deemed appropriate by the Education Committee. Should the loan be revoked, the recipient will be obliged to repay all monies owing, plus accrued interest.
- 3.5 **In circumstances where a loan has been refused or revoked by the Education Committee, persons have the right, under the**

provisions of the Educational Guarantee Fund Act , to appeal to the Minister for a review of a decision of the Committee regarding the refusal of an application for a loan, the modification of a loan or the revocation of a loan. An appeal for such a review must:

- be in writing;
- give particulars of the decision to be reviewed;
- include any material or representation to be taken into account;
- be delivered to the Minister within thirty (30) days after the individual has received notice of the Committee's decision.

4.0 Maximum Annual Loan Amounts

The following schedule outlines the maximum amounts available annually (inclusive of tuition and room and board). Of the maximum amount of the loan awarded in any year, no more than \$3,000 will be allocated to room and board.

Borrower's Academic Level	Maximum Amount of Loan Available
Undergraduate	\$10,000.00
Graduate or Professional Student	\$15,000.00

Approved loan amounts will be disbursed in two segments, one in August and one in December.

5.0 Annual Fees and Expenses

The following fees are charged annually in respect of each approved loan:

- 5.1 a 2% loan guarantee premium;
- 5.2 a \$300.00 bank processing fee;
- 5.3 premium for life insurance which will vary according to the

amount of the loan.

6.0 Borrower's and Co-borrower's Responsibilities

- 6.1 It is the responsibility of borrowers and co-borrowers to repay interest promptly throughout the course of studies until the payment of principal and interest begins.
- 6.2 Repayment of principal and interest shall commence effective 6 months after cessation of studies or on commencement of employment, whichever date shall first occur.
- 6.3 If the requisite payments as outlined in 6.1 and 6.2 are not made for ninety days, the loan will be in default.
- 6.4 Loans in default are subject to immediate repayment in full (i.e. all amounts received and all accrued interest). Persons who do not pay in full immediately will be charged an additional interest rate of prime plus two percent.

7.0 Useful Advice

- 7.1 Students are strongly advised to keep a file of all relevant documents and records.
- 7.2 The Scholarships and the Education Loans Division is available to advise and assist you throughout the course of your studies. Please keep the Division informed of your progress and of any problems you may encounter.

Educational Guarantee Fund Loan Programme Sample Amortization Schedule

PAYMENTS WHILE STUDENT ATTENDING SCHOOL - INTEREST ONLY PORTION

Annual Disbursement	YEAR 1		YEAR 2		YEAR 3		YEAR 4	
	Aug-Dec	Jan-July	Aug-Dec	Jan-July	Aug-Dec	Jan-July	Aug-Dec	Jan-July
\$4,500.00	\$15.29	\$30.58	\$45.87	\$61.16	\$76.45	\$91.74	\$107.03	\$122.32
\$10,000.00	\$33.97	\$67.95	\$101.92	\$135.89	\$169.86	\$203.84	\$237.81	\$271.78
\$15,000.00	\$50.96	\$101.92	\$152.88	\$203.84	\$254.79	\$305.75	\$356.71	\$407.67

PAYMENTS UPON COMPLETION OF STUDIES PRINCIPAL & INTEREST PORTION

180 MONTHS OR 15 YEARS @ 8% p.a.

Total Loan Amount

\$20,000.00 Payment is ----->>	\$189.86 /month
\$30,000.00 Payment is ----->>	\$284.79 /month
\$40,000.00 Payment is ----->>	\$379.73 /month
\$50,000.00 Payment is ----->>	\$474.66 /month
\$60,000.00 Payment is ----->>	\$569.59 /month