National Students Financial Aid Scheme

NSFAS Eligibility Criteria and Conditions for the NSFAS Student Loan Scheme

2025 Academic Year

Important notice: These Loan Scheme guidelines are to be read in conjunction with the “NSFAS ELIGIBILITY CRITERIA AND CONDITIONS FOR FINANCIAL AID”. These guidelines only encompasses definitions, concepts, and criteria that are in respect of the NSFASLOAN SCHEME.

EFFECTIVE DATE: The Loan Scheme funding guidelines are effective on concurrence by the Minister of Higher Education and Training.

NSFAS
National Student Financial Aid Scheme

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1. PREAMBLE

In 2023, the Honorable Minister of Higher Education and Training, Science and Innovation, Professor B.E. Nzimande announced the conclusion of the work of the Ministerial Task Team (MTT) which was assigned the responsibility to **"*...determine and advise on alternative financing and operating models for funding poor and missing middle students***". The conclusion of the work of the MTT sets in motion a process toward the finalization of the **Comprehensive Funding Model** for Universities and the Technical Vocational Education and Training (TVET) Colleges in South Africa.

The model would for the first time in the history of the PSET system include funding for the "missing middle" students. The National Student Financial Aid Scheme (NSFAS) is mandated by the NSFAS Act 56 of 1999 to determine, in consultations with the Minister, the conditions and criteria for loans and bursaries. This document defines the NSFAS eligibility criteria and conditions for granting loans to students whose household income is between R 350 000 and R 600 000 and who want to study atpublic institutions in South Africa, for approved courses.

This document is intended to set the funding conditions as determined by the Department of Higher Education and Training on the loan scheme for missing middle students as part of the the comprehensive student funding model.

2. LIST OF ACRONYMS

ACRONYM	STANDS FOR
S.T.E.M	Science, Technology, Engineering, and Mathematics
L.A. F	Loan Agreement Form

3. GLOSSARY OF TERMS

Terminology	Definitions
Borrower	The borrower in respect of an NSFAS Loan is the student who received financial aid in terms of the NSFAS missing middle loan scheme.
Lender	The lender in the case of a student loan is the NSFAS.
Loan Agreement Form (LAF)	This is the loan agreement documentation between the student and NSFAS for loans provided in terms of the National Credit Act, 34 of 2005.
Exit	When a student completes the registered programme or when the student fails to return for the next cycle of the registered programme.
Missing Middle Students	The student's combined annual gross household income is above R350,000 but below R600,000 per annum.
Surety	A parent or legal guardian, or any other person, and by agreement between the applicant and that person, who is willing to provide assurance and take responsibility for the student's obligations in terms of the LAF.
Academically Eligible Student	A student who is registered and has passed 60 percent of their modules either from a STEM, Commercial, or Social Science field.
Eligibility Assessment	The process by which NSFAS determines whether an applicant is eligible to receive financial aid in the form of a loan, or whether a student is eligible to continue receiving financial aid in the form of a loan.
Financially Eligible Applicant	Those applicants who qualify to be beneficiaries of loan scheme funding in terms of the financial eligibility criteria.
Eligible Student	A student who is both financially and academically eligible to be a loan scheme beneficiary.
NSFAS Consent Form	A document that gives NSFAS the consent to use third-party sources such as SARS, Credit Bureau, etc., to verify the annual household income of parents, guardians, or verified parental relationships in determining the financial eligibility of a student to receive a loan.
Academic Term	The duration of the qualification, whether it is annual, semester, or trimester.

Terminology	Definitions
N+ Rule	The N+ Rule sets the outer limits for the duration that a student may receive financial aid from NSFAS.

4. APPLICABLE LEGISLATIVE FRAMEWORK

4.1 This policy standard should be read in conjunction with the following legal instruments, which directly impact student funding in South Africa:

- 4.1.1 Constitution of the Republic of South Africa (1996)
- 4.1.2 Higher Education Act, 1997 (Act 101 of 1997, as amended)
- 4.1.3 National Student Financial Aid Scheme Act, 1999 (as amended)
- 4.1.4 Public Finance Management Act, 1999 (Act 1 of 1999)
- 4.1.5 Continuing Education and Training Act, 2006 (Act 16 of 2006)
- 4.1.6 National Credit Act, 2005 (Act 34 of 2005)
- 4.1.7 Protection of Personal Information Act, 2013 (Act 4 of 2013)

4.2 This policy standard is also linked to the implementation of the following policy documents:

- 4.2.1 National Development Plan (2030)
- 4.2.2 White Paper for Post-School Education and Training (2013)
- 4.2.3 Norms and Standards for Funding TVET Colleges
- 4.2.4 NSFAS Eligibility Criteria and Conditions for Financial Aid (2024)

5. PURPOSE

The primary purpose of this policy standard is to:

5.1 Establish a consistent and equitable method for evaluating financial and academic eligibility in the management and administration of the NSFAS loan scheme.

5.2 Ensure compliance with the National Student Financial Aid Scheme Act, 1999 (Act 56 of 1999), including all amendments to the Act.

5.3 Outline the criteria and conditions for awarding loans to eligible students.

6. PRINCIPLES

The following principles govern the NSFAS loan scheme:

6.1 According to Section 19(6) of the NSFAS Act, "No entitlement to a loan or bursary from NSFAS can be inferred from any provision of this Act."

6.2 NSFAS financial loans are specifically intended for students from the "missing middle" group who satisfy the eligibility criteria specified in this document.

6.3 NSFAS provides ongoing financial aid in the form of a loan, contingent upon the student's continued eligibility and available budget. Continued funding is not guaranteed; students must consistently meet eligibility criteria to retain financial aid.

6.4 Should a student become financially ineligible due to changes in household income or fail to meet academic requirements, NSFAS reserves the right to cancel the loan funding. The student may appeal for reconsideration based on their circumstances.

6.5 If a student changes to a qualification that does not align with the approved criteria of the loan scheme, their funding will be discontinued.

6.6 NSFAS evaluates the annual combined household income according to South African legal standards and considers the financial responsibilities of biological parents and legal guardians, including those for students aged 18 and older.

6.7 Acceptance of NSFAS loan funding obligates the beneficiary to repay the loan and adhere to academic conditions throughout the study period. The loan is subject to annual renewal based on academic performance and available budget.

6.8 Loans are available for both undergraduate and postgraduate programs, following the criteria outlined in Sections 5.2, 5.3, and 5.4.

7. APPLICABILITY AND EXCLUSIONS

7.1 This policy standard applies to:

7.1.1 Students who intend to or registered to study programmes within STEM.

7.1.2 All institutions offering STEM study programs indicated must comply with all requirements and conditions outlined in this document.

7.1.3 Seventy (70) percent of the loan funding is earmarked for students studying in the STEM programmes.

7.1.4 Thirty (30) percent of the funding is earmarked for all other remaining programmes, i.e. Humanities, Arts, etc.

7.1.5 The Loan Scheme covers funding for both undergraduate and postgraduate qualifications.

7.2 NSFAS does not provide loans in the following situations:

7.2.1 Students who have received loans, bursaries (including NSFAS funding), or scholarships from non-NSFAS sources that cover their study costs or allowances.

7.2.2 Students studying at an institution other than public universities or public TVET colleges.

7.2.3 Students enrolled in qualifications that are not included in the approved list for loan funding.

7.2.4 Qualifying students who do not sign a loan agreement form.

7.2.5 Any student who does not meet the eligibility criteria defined in this document.

8. LOAN VALUE AND TERMS

8.1 The total value of loans provided will depend on the availability of the budget.

8.2 Loans are interest-free during the study period and will begin accruing interest 12 months after the student's exit date.

8.3 Priority ranking for loan allocation may be applied based on the available budget and may vary between undergraduate and postgraduate funding.

8.4 Loans may be allocated to cover study-related expenses, including course/tuition fees, accommodation, and learning materials.

9. LOAN OFFERS AND PRE-AGREEMENT STATEMENTS

9.1 Each eligible student is required to sign a pre-agreement and quote in line with the provisions of the National Credit Act.

9.2 Each eligible and approved student must accept and sign the NSFAS Loan Agreement Form to agree to the terms and conditions.

10. DECLINING THE LOAN OFFERS

10.1 If a student wishes to decline the loan, they must inform NSFAS, and the institution concerned within 30 days.

10.2 Students who do not accept their loan offer or fail to provide all required supporting documents within 30 calendar days will be deemed to have declined the loan offer.

11. CONDITIONS AND CRITERIA FOR OBTAINING THE LOAN

The following conditions must be met to obtain the NSFAS Loan:

11.1 Citizenship and Place of Study

Only South African citizens and permanent residents with a valid South African ID number, who intend to register at a public university or TVET college, will be considered.

11.1.1 General Conditions

11.1.1.1 General conditions of funding

The following general conditions are applicable for funding.

11.1.1.1.1 Students register or have registered for one of the specified programmes that are funded for on the loan scheme, subject to NSFAS and DHET approved enrolment numbers, meet the financial eligibility and academic criteria before a loan award is confirmed.

11.1.1.1.2 The term of the loan repayment is determined at a maximum period of (60) months from the date of employment.

11.1.1.1.3 NSFAS may for each subsequent academic term re-assess the eligibility of any funded student and reserves the right to withdraw funding if the student no longer meets the eligibility criteria.

11.1.1.1.4 Students who change institution types from TVET College to University or vice versa) would terminate their loan agreement and a new application would have to be made to be considered for loan fund eligibility at another institution type. It is the loan scheme's prerogative to consider a re-consolidated loan agreement.

11.1.1.1.5 Students who de-register or drop out during an academic term and wish to resume their studies in future academic terms, must re-apply.

11.1.1.1.6 A student can only be funded for one qualification at one institution at any one time.

11.1.1.1.7 Applicants for financial aid accept the terms and conditions of the NSFAS Loan Agreement Form (LAF) at the point of application and approval of the loan, which indicates that they accept the obligations and responsibilities of the loan should they be funded.

11.1.1.1.8 If a student receives a full bursary or loan from another source, the student and the institution must advise NSFAS within 10 days of receipt of the alternative funding, the NSFAS loan will be withdrawn, and no further payments made to the student, and all excess funds must be refunded to NSFAS. Failure to inform NSFAS of such other funding by the student is considered a criminal offense by NSFAS and will result in instituting a criminal liability against the student.

11.1.1.1.9 Further to clause 11.1.1.1.9, Institutions will be held liable for failure

to affect the above clause through an MOU signed between NSFAS and institutions.

11.1.1.1.10 The loan provided will cover tuition, books, and accommodation allowances only. Transport allowance is not provided for as part of the loan funding.

11.1.1.1.11 A student who no longer complies with the University N+ Rule or TVET College N+ Rule may not receive a loan.

11.1.1.1.12 Parents or legal guardians will be required to sign the surety for the loan.

11.1.1.1.13 The loan amount must be paid in full including accrued interest.

11.1.1.1.14 A student is required to maintain an average of 60% academic performance to keep the loan funding. Failure to do so may result in the withdrawal of the loan.

11.1.1.1.15 A student must submit all applicable NSFAS forms and supporting documents in a manner that is complete, accurate, and free from omission for their application to be considered for funding eligibility evaluation.

11.1.1.1.16 The final award for a loan will be provided subject to budget availability.

12 DISCONTINUATION OF FUNDING

NSFAS reserves the right to withdraw or cease loan funding under the following conditions:

12.1 The student no longer meets the financial or academic eligibility criteria specified in this policy standard.

12.2 The student has been found to have committed fraud against NSFAS.

12.3 The student was funded in error.

12.4 Incorrect information provided by the institution led to erroneous funding.

12.5 Incorrect or false information submitted by the student was used to assess funding eligibility.

12.6 Dual registration records have been received from different institutions for the same student, and the issue remains unresolved.

12.7 The student is no longer registered for a qualification included in the approved list for the loan scheme.

13 FINANCIAL ELIGIBILITY CRITERIA

Financial eligibility criteria are used to assess prospective students applying for funding for the first time and returning students.

13.1 HOUSEHOLD INCOME IS DETERMINED AS FOLLOWS:

13.1.1 Where the student/ applicant is unmarried, household income is the sum ofthe gross income (from all sources) of the biological (or adoptive) mother, the biological (or adoptive) father, spouse, life partner, and the student/ applicant.

13.1.1 Where the student/ applicant is under legal guardianship, the household income is the sum of the combined annual household gross income (from all sources) of the legal guardian and that of the student/ applicant.

13.1.2 Where the student /applicant is married, the combined annual household gross income (from all sources) is the sum of the gross income of the student's spouse and that of the student/ applicant.

13.1.3 In the event of co-habitation partners, the co-funding partner will assume the status of surety already provided for in the policy.

13.1.4 Students/ applicants who are unmarried and independent of their parents are exempted from providing the NSFAS declaration form.

13.1.5 All students (except those with disabilities), irrespective of when they first registered at an institution, will be assessed as financially eligible if the applicant's combined annual household gross income is above R350,000 and below R600 000.

13.2 THIRD-PARTY DATA SOURCES

13.2.1 NSFAS will use any third-party data source, over and above the declared household income to determine an applicant's financial eligibility.

13.2.2 All students are required to submit complete, accurate and duly signed NSFAS consent forms to enable NSFAS to assess the student's financial eligibility.

14 ACADEMIC ELIGIBILITY CRITERIA

14.1 Academic progression criteria will be measured by the percentage pass of modules that a student achieves in the academic term.

14.2 Institutions and NSFAS will progressively align academic progression criteria requirements.

14.3 To ensure continuous funding from the loan scheme, a university student must obtain a 60 percent pass of their course modules in each academic term.

14.4 To ensure continuous funding from the loan scheme, a TVET student must pass 3 out of the 4 subjects for the Report 191 level.

14.5 A loan may only be awarded to students progressing to the next NC (v) level ifthey passed at least 5 subjects in the previous N-Level.

14.6 Academic progression criteria requirements for continuing students studyingoccupational programmes will be determined by TVET Colleges, and resultsshared with NSFAS.

14.7 Only NSFAS-approved University and TVET College academic progression pathways are funded and implemented in conjunction with this eligibility criteria.

15 DURATION OF STUDY

15.1 The University N+ Rule is based on the number of years a student is registered in the higher education sector. The TVET College N+ Rule is based on NSFAS-funded academic terms at TVET Colleges. The additional NSFAS-funded academic term may be for repeating at any level from the entry academic term to the exit of the academic term. The N+ Rule does not apply to occupational programmes as these programmes are aligned to employmentcontracts that do not make provision for the N+1 period of study.

15.2 The N period of study equates to the minimum time required to complete a qualification.

15.3 In the instance of distance university students studying at a non-contact university, the N period of study equates to double the minimum time required to complete the qualification.

15.4 The N+1 Rule applies to all students who receive a loan from NSFAS.

15.4.1 The additional funding (denoted by 1) is applied once over a student's academic career within the sector (University or TVET College).

15.4.2 The N+ rule is applied to the qualification that the student is registered for inthe

relevant academic term. The N thus changes for students who change qualifications from one academic term to the next.

15.4.3 Where a student has changed their qualifications, they will no longer be eligible for the loan.

16 NSFAS LOAN CONDITIONS

16.1 Loan Application Process

The student will be required to apply for the loan on the MYNSFAS portal.

16.2 Loan Disbursement

16.2.1 The loan disbursement will cover Tuition Fees which are inclusive of registration fees,Accommodation, Study materials, and/or equipment as may be determined by the Higher Education Institution or Technical Vocational Education and Training College.

16.2.2 The allowance amounts will be published annually in a policy handbook separate from the policy document.

16.3 Repayment of the loan

16.3.1 The term of the loan repayment is determined as a maximum period of (60) months.

16.3.2 It is the student's responsibility to notify NSFAS of their employment within the first three months (90 days).

16.3.3 The student must begin repaying the loan amount and accrued interest in monthly installments from the 1st month of employment.

16.3.4 The number of installments will be determined by NSFAS from time to time.

16.3.5 NSFAS will provide students with a repayment schedule indicating minimum repayment amounts applicable to the capital amount borrowed.

16.3.5.1 In principle a higher total annual income will result in higher monthly installments.

16.3.5.2 The lower the student's income, the lower the monthly installments.

16.3.6 The commencement of repayments can be delayed until the student secures employment.

16.3.7 A schedule setting out the applicable scales for installments is obtainable from NSFAS.

16.3.8 Early settlement or repayment of the loan.

16.3.8.1 The student is allowed to settle his/her debt to NSFAS at any time, without giving advance notice to NSFAS.

16.3.8.2 The amount required to settle with NSFAS is:

16.3.8.2.1 The unpaid balance of the Loan Amount at that time, and

16.3.8.2.2 The unpaid accrued interest on the Loan Amount.

16.3.9 By paying the whole of the settlement amount to NSFAS, the Student will terminate this Agreement.

16.3.10 The student is entitled, at any time and without notice or penalty, to prepay any amount owing to NSFAS under this Agreement, i.e.: to pay that amount even thoughit is not yet due or payable.

16.3.11 Each monthly instalment will be a separate debt and will become due (as contemplated in section 12(1) of the Prescription Act, 1969 (No.68 of 1969) only on the last day of the month in which NSFAS is entitled to demand payment of that installment.

16.3.12 Extinctive prescription will not take effect in respect of the outstanding balance of theLoan Amount or any accrued interest:

16.3.12.1 During any period when the student is not paying installments because the student's annual income is below the minimum level.

16.3.12.2 For as long as the student fails to notify NSFAS in writing that the student's annual income has increased to or beyond that minimum level. Any such failure will be deemed to be a willful act or omission preventing NSFAS from coming to know of the existence of a debt, as contemplated in section 12(2) of the Prescription Act, 1969.

16.3.13 Unless NSFAS enforces any right it may require to demand early repayment in terms of clause 8.

16.3.14 Legal costs incurred due to non-compliance with the loan guidelines will be added to the outstanding loan amount, including accrued interest, per the "in duplum" rule under the National Credit Act. This rule stipulates that interest cannot exceed the principal loan amount.

17 EARLY OR IMMEDIATE REPAYMENT OF THE LOAN

The following are circumstances under which NSFAS can demand early or immediate repayment of the loan amount in full and accrued interest or withhold payment of any or all amounts to the Higher Education and Training Institution:

17.1 The student makes any dishonest or materially inaccurate statement in his/her application for a NSFAS loan.

17.2 The Higher Education Institution, for whatever reason, refuses to register or admit the student, or suspends or expels the student.

17.3 The student receives any other financial assistance in connection with the same course of study unless such assistance has been declared and approval has been granted by NSFAS.

17.3.1 The student commits a breach of any of the set guidelines.

17.3.2 The student fails to academically progress in his/her studies.

17.3.3 The student commits a crime, is prosecuted, and is convicted for the said crime.

17.3.4 The student de-registers a programme funded through the NSFAS loan.

18 INTEREST RATE

18.1.1 The interest rate will be set at the prime lending rate in effect on April 1st each year, minus 100 basis points.

18.1.2 Accrual interest will occur until the interest accrued is equal to the capital sum outstanding in line with the common law principle of in-duplum.

18.1.3 The interest on the outstanding loan amount will be calculated daily and compounded monthly in arrears.

18.1.4 Interest will start accruing 12 months after the date of exit from the public institution or the programme of study.

19 LOAN CONVERTED INTO BURSARY

A student who achieves at least 70% average in all registered modules in the programme and completes his/her studies within the minimum time as prescribed by the curriculum of the Higher Education Institution will be eligible for a 50% discount of the total loan amount. This provision is subject to the student having paid 50% of the loan amount first.

20 DEFAULT AND CREDIT BUREAUS

20.1 If a student is employed but fails to disclose employment details to NSFAS, in a period not exceeding 30 days after commencement of employment, NSFAS has the initial option to compel the student's employer (in terms of Section 23 of the NSFAS Act) to make deductions from the student's remuneration and pay over to NSFAS including arrears and interest accrued.

20.2 In the event action contemplated in 13.1 fails, NSFAS has the option to initiate collection from the surety.

20.3 In the event action contemplated in 13.1 and 13.2 fails, NSFAS has the option to list the Student and the Surety on a list of defaulting debtors maintained and published by any credit bureau.

20.4 Before NSFAS lists the Student and the Surety in terms of clause 13.3, NSFAS must send the appropriate letter to the home postal address/ess recorded in the Schedule of particulars. The letter will:

20.4.1 Notify the Student of his/her failure to make repayments, or his/her failure to comply with clause 13.1.

20.4.2 Notify the Surety of his/her failure to make payment, or his/her failure to comply with clause 13.2.

20.5 The defaulting Student will be allowed a period of fourteen (14) days only from the date of the letter to commence making repayments.

20.6 The defaulting Surety will be granted a period of fourteen (14) days only from the date of the letter to commence making repayments.

20.7 The Credit Bureau to which NSFAS will send default information concerning the student (if applicable) is the Information Trust Corporation.

20.8 The business of Credit Bureaus is to provide fee-paying clients, credit profiles and creditworthiness scores on the people about whom they keep credit-related information.

20.9 The Student or Surety are entitled, at any time and from time to time:

20.9.1 To contact any Credit Bureau to which NSFAS refers information concerning defaulting borrowers.

20.9.2 To require that the Credit Bureau disclose to the student or surety any information that NSFAS has sent to the bureau concerning the student.

20.9.3 To require the Credit Bureau to rectify any incorrect information kept or published by the bureau concerning the student.

21 PROCESS WHEN STUDENTS ARE NOT ABLE TO FULFILTHEIR LOAN REPAYMENT OBLIGATIONS

21.1 In the circumstances that employment conditions are not favorable to the student to meet his/her obligations in repaying the loan as contemplated in Section 6.3 of these guidelines, the student must submit an appeal for an extension of time. The appeal must contain the following:

21.1.1 Proof of employment.

21.1.2 Reasons for not being able to meet the repayment obligations as contemplated in Section 6.3 of these guidelines.

21.1.3 Any additional information may be required to assist NSFAS in deciding the appeal.

22 CESSION

The Student or Surety will not be entitled to cede, assign, or transfer any of his/ her rightsor obligations as set out in the guidelines and loan agreement without the prior written consent of NSFAS. However, NSFAS will be entitled in its entire discretion and at any timeto cede, assign, and transfer any or all its rights and/or obligations under this Agreement to any natural or juristic person of its choice.

-THE END-