

Financing adult learning database

Name of the instrument - Local language	Valsts galvotie studiju un studējošā kredīti
Name of the instrument - English translation	State-guaranteed loans for students
Scheme ID	153
Country	 Latvia
Reporting year	2020
Type of instrument	Loan
Sub-type of instrument	Loan for HE expanded to adults
Type of entry	Single instrument

Short description	Adults can access a loan scheme introduced to support students in initial education to cover tuition fees in higher education and living costs during full-time education. Financial resources for student loans are determined by law through the state budget for the year. There is no maximum amount for the study loan - it can be as high as the study fee requested by the higher education institution. Students are able to apply for two types of loans with the government guarantee and favourable interest rates: 1) a study loan, which is intended to cover tuition fees; 2) a student loan for student subsistence expenses. The loan is disbursed every semester and directly transferred to the loan taker. The loan repayment starts 1 year after graduation. The maximum period over which the loan could be repaid is not set. The loan can be forgiven for a new parent or for persons working in the public sector. The interest rate of the loan cannot exceed 5% per annum. The payment of the periodic interest rate starts after graduation.
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Level of operation	National
Name of a part of the country	Not applicable
Name of the region (for regional instruments)	Not applicable
Name of the sector (for sectoral instruments)	Not applicable

Relevance	Further instrument
Legal basis	Regulation on state guaranteed study loans
Objective(s) and target(s)	Objectives are not mentioned in the main legal act regulating the loans.
Year of implementation	1999
Year of latest amendment	2020
Operation/management	The provision of state-supported loans for higher education students is coordinated by the State Education Development Agency. The state selects commercial banks that are allowed to provide loans guaranteed by the state and guarantees the loan in the amount of 90%.
Eligible group(s)	All students applying for studies in accredited HEIs and are able to provide one guarantor can receive the state-guaranteed study loan.
Group(s) with preferential treatment	No preferential treatment
Education and training eligible	Studies in accredited HEI study programmes.
Source of financing and collection mechanism	Study loan is provided by commercial banks and the state provides the guarantee for the loan and partly covers interest payments during the studies in one year after completion of the studies. In addition, the state is setting the rules for repayments and the general interest rate, financing the administration costs. The Source of state guarantee loan is the national budget.
Financing formula and allocation mechanisms	An applicant, fulfilling the eligibility requirements, can apply for the study loan. The loan is disbursed every semester and directly transferred to the loan taker. The loan repayment starts 1 year after graduation. The maximum period over which the loan could be repaid is not set. The loan can be forgiven for a new parent or for persons working in the public sector. The interest rate of the loan cannot exceed 5% per annum. The payment of the periodic interest rate starts after graduation. If studies are discontinued, then, pursuant to the loan agreement, the full interest rate will be payable for the received loans starting with the next month after discontinuation of studies. The minimum and the maximum amount of the loan is not set. There is no limitation to re-use the loan.
Eligible costs	Costs to cover study programme fee.
Volumes of funding	Overall volume of loans:2016: EUR 6 814 2382017: EUR 6 072 1432018: EUR 7 005 138
Beneficiaries/take up	Total number of all beneficiaries:2016: 1 8172017: 1 4772018: 1 513
Organisation responsible	State Education Development Agency

for monitoring/evaluation	
Monitoring/evaluation reports available	Not available
Most relevant webpage - in English	https://latvija.lv/en/DzivesSituacijas/izglitiba/Studijas_finansesana
Most relevant webpage - local language	https://www.altum.lv/lv/pakalpojumi/studentiem/studiju-un-studejoso-kre...
Recent changes	21-04-2020. The most recent amendment abandoned the requirement for the second guarantor. Recent changes in response to COVID-19 No changes
Sources	https://likumi.lv/ta/id/314184-noteikumi-par-studiju-un-studejoso-kredi...