

Student loans must be paid back

More than 1,700 youth who benefitted from the Higher Education students loan scheme have graduated and are set to start the repayment process.

The scheme involves borrowing from the Government to pay tuition and other fees.

There are over 2,000 other student beneficiaries who are at different levels of education.

But so far, only two beneficiaries have paid off their loans.

The condition for the loans is that students who have completed and got some work should immediately embark on paying back this money, so that it can help other needy students.

A look at the repayment terms of the loans shows the Government was considerate.

First, there is a grace period of one year, after completion of the studies.

Second, deductions should be less than 30% of one's net pay, every month.

Third, the beneficiaries of a three-year university programme are required to pay the money in six years, while for a four-year programme, it is eight years.

Certainly, the terms are better than borrowing from a commercial bank or loan sharks whose interest rates are very prohibitive.

Since the programme was rolled out, the number of beneficiaries has risen significantly from 1,200 in 2014/15 to 2,950 last year. The number is expected to hit 3,000 this year. Of course, this number is still a drop in the ocean. But the rationale of the programme is to ensure more needy students are helped to get a decent education.

In this tight economic situation, many parents cannot afford school fees. So, this loan comes in handy, to ease that pressure of looking for the money.

The reality is that getting jobs can be a nightmare. But, whatever a beneficiary does to earn some income, effort must be made to pay back the money.



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