

HIGHER EDUCATION STUDENTS' LOANS BOARD



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GUIDELINES AND CRITERIA FOR ISSUANCE OF STUDENT LOANS FOR 2009/2010 ACADEMIC YEAR

1.0 BACKGROUND

Following the adoption of the National Higher Education Policy of 1999, by the Government, the Higher Education Students' Loans Board (HESLB) was established under Act No. 9 of 2004 and commenced operations in July, 2005. Among other things, the Board has been entrusted by the Government with the responsibility to issue loans to students pursuing Advanced Diplomas and degree studies at accredited higher education institutions in and outside the country and to collect repayment for all loans issued to students since 1994, so as to make the scheme successful and sustainable.

According to the Act, **eligible and needy** Tanzanian students who secure admission in higher education institutions to pursue academic programmes that lead to the attainment of Advanced Diplomas or Degrees may seek loans from HESLB to meet **part of, or all costs of their education**. This stipulation is the legal interpretation of paragraph 6.2 of Higher Education Policy (1999) which ushered in **cost-sharing** in the provision of higher education in the country. Cost-sharing in higher education is construed to mean a shift in shouldering at least part of the costs of education from the Government, which had hitherto been the main financier, to the beneficiaries.

Section 6 (b) of the Act gives powers to the Board "to formulate the mechanism for determining eligible students for payment of loans" and Section 6 (c) empowers the Board "to administer and supervise the whole process of issuance and repayment of loans". On the strength of these legal powers, these Guidelines and Criteria are hereby issued to prospective loan applicants and the public at large to guide the whole process of application and issuance of loans for 2009/2010.

2.0 PROVISION OF LOANS UNDER THE ACT

Provision of students' loans falls under section 16 and 17 of the Act No. 9 of 2004. Section 16 (1) of the Act provides that:-

- 2.1 Subject to the provisions of the Act, the Board may provide, on a loan basis, **financial assistance** to any **eligible student who is in need** of the loans and **who has applied for such assistance** as is required to meet all or any number of the students' welfare costs of Higher Education."

Financial Assistance implies that parents or Guardians have the primary obligation on meeting higher education costs of students.

2.2 For purpose of these Guidelines, **NEEDY** applicant means:-

- A poor orphan,
- A poor disabled applicant or applicant who has disabled poor parents,
- An applicant from a poor single parent family
- An applicant from poor marginalized and disadvantaged groups, and

- An applicant from a low income threshold family earning equivalent to or below the national minimum salary.

2.3 The financial assistance may cover the following items:-

- i. Meals and accommodation charges
- ii. Books and stationery expenses
- iii. Special Faculty Requirement expenses
- iv. Field practical expenses
- v. Research expenses
- vi. Tuition fees

3.0 ELIGIBILITY FOR LOANS FOR 2009/2010 ACADEMIC YEAR

Eligible student for loans in 2009/2010 academic year must meet the following conditions (for first degree and Advanced diploma students):-

- 3.1 Be a Tanzanian (as defined by HESLB Act No 9 of 2004 as ammended)
- 3.2 Has been admitted to an accredited (recognized) Higher Learning Institution in **Tanzania** as a candidate for a **First Degree** or **Advanced Diploma** on **full time basis**.
- 3.3 A continuing student who has passed the examinations necessary to enable him to advance to the next year or stage of study.
- 3.4 A person who is not fully funded by other organizations or sources
- 3.5 First time applicants **with Division I or II in form six examinations**.
- 3.6 First time applicants holding an **Ordinary Diploma** of at least **second class grade** or an **average of "B" scores** (if the diploma is not graded) or Full Technician Certificate (FTC) with **average of "C" scores**.
- 3.7 Priority shall be given to applicants admitted to pursue **Sciences and Teaching Profession Programmes**.
- 3.8 An Overseas student under bilateral agreements between the Government of the United Republic of Tanzania and other Governments.

- 3.9 Students studying at the Open University of Tanzania **for a maximum period of six (6) years.**

3.10 *Postgraduate students*

In order to enhance the adequacy of academic staff in local Higher Education Institutions, a limited number of loans will be available to academic staff pursuing masters and PhD courses. Loan applicants for Masters or PhD. Programmes must meet the following conditions:-

3.10.1 Must be a Tanzanian

3.10.2 Must have been admitted at accredited higher education institution in Tanzania.

3.10.3 A person who is not funded by other organizations or sources.

3.10.4 Must complete loan application forms (SLF₄ and SLF₂)

3.10.5 Must hold a first degree or advanced diploma with a minimum of Upper Second class (for applicants pursuing Masters degrees) or masters degree of Upper second class (for applicants pursuing PhD degrees).

3.10.6 Must be a teaching academic staff at an accredited higher learning institution in Tanzania.

3.10.7 The application should bear a recommendation letter from employer addressed to the Board supporting the request for post graduate loan

3.10.8 The employer must execute a guarantee for the borrower or a collective agreement to repay the loan on behalf of the borrower.

3.10.9 She/he must have started to repay a previous loan, if he/she is already a student loan beneficiary.

4.0 **LOAN ITEMS AND AMOUNT/RATE TO BE FINANCED**

According to the Act, the Board may provide loans to cover either all items or any of the items stipulated under section 2.4. above.

4.1 **Science students**

In an attempt to attract more students into science based programmes, beginning 2009/2010 academic year all eligible Needy **natural science programmes** loan applicants may be **provided with 100% loans** for all the six loan items as stipulated in section 2.4 above. To remove ambiguity on the word "science", a list of the approved science programmes shall be published by the Board which list may be reviewed in consultation with the Tanzania Commission for Universities (TCU) and the National Council for Technical Education (NACTE).

4.2 Percentage of Loans for Means Tested Items

The percentage of financial assistance **for the non-science programmes/courses** may differ from one student to another depending on the socio-economic status of a student, parents or guardian, and the maximum loan amount allowable for each loan item. In other words, amount of loan to be awarded to **non science students shall depend on Means Testing results** as well as the approved upper loan limit for each item. Means Testing results have been reviewed into eleven categories viz; **A (100%), B (90%), C (80%), D (70%), E (60%), F (50%), G (40%), H (30%), I (20%), J (10%) and K (0%)** for Items being means tested as outlined below.

4.2.1 Tuition Fee

The Board may provide tuition fee loans of **between 10% and 100%** based on the comparable rates charged by public and private institutions and also depending **on the types of the programme offered by the comparable institutions.**

The **ceiling of Tzs 2.6 million** that was imposed on medical related programmes over the past two academic years shall continue to be in force during 2009/2010. Also, **no institution will be allowed raise the fee structure during that academic year.**

Tuition fee funds shall be paid directly to the higher learning institutions but the student borrower shall have to acknowledge receipt of the funds by signing on a copy of the payment list issued by the Board.

4.2.2 Field Practical/Teaching Practice Work expenses

The Board may provide loans at the rate of **Tzs 10,000 per day** up to a maximum of 56 days in year, and, depending on Means Testing results, the Board may provide such loans **between 10% and 100%** for those **programmes that require field practical trainings** as recommended by the respective Higher Education Institutions and approved by the respective regulatory authority such as NACTE and TCU.

4.2.3 Special Faculty Requirements

Subject to Means Testing results, the Board may provide special faculty requirement loans of **between 10% and 100%** but only **for study programmes that require special faculty requirement** items and only for specified items based on the rates comparable to public institutions.

Funds for special faculty requirements shall be paid directly to the Higher Learning Institutions but respective student borrowers shall have to acknowledge receipt of the funds by signing on a copy of the payment list issued by the Board.

Within the amount allocated for special Faculty requirements, eligible and needy **disabled students** may be provided loans to cover special academic material requirements as may be determined by the Board.

4.3 Percentage of Loans for Items not being Means Tested

Notwithstanding the means test grades and loan categories accorded to non- science loan applicants as specified in section 4.2 above, the Board shall provide 100% loans to successful eligible needy students on the following loan items.

4.3.1 Meals and Accommodation

The Board may provide loans for Meals and Accommodation at the rate of **Tzs 5,000 per day of theoretical instruction** in the academic year.

4.3.2 Books and Stationery expenses

A maximum of **Tzs 200,000.00 per annum** for Books and Stationery may be granted to an eligible and needy student. However, loan beneficiaries from Open University of Tanzania (OUT) may be granted books and stationery loans for 3 to 4 academic years only (depending on the programme of study) and not every year.

4.3.3 Research expenses

The Board may provide loans of 100% of the Research expenses in selected fields only, based on the rates applicable at public institutions and as may be endorsed by either TCU or NACTE. These fields include:-

- Medicine (which includes Human/Veterinary Medicine, Dental Surgery, Nursing)
- Pharmacy
- Engineering
- Architecture
- Agriculture
- Sciences

5.0 OTHER CONDITIONS ON ISSUANCE OF LOANS

5.1 Multiple Admission

Throughout the period of its operations, HESLB has encountered the problem of multiple admissions which has adversely affected performance and efficiency of the Board. Arising from this problem are students' complaints about delayed loan allocation and disbursement.

As strategy to counter this problem, **the Board shall not disburse loan to any of the eligible candidate admitted into more than one Higher Education Institution.** Loan applicants and Higher Education Institutions are hereby advised to ensure that a candidate is admitted into only one Institution. The Board shall not be responsible for delayed or non- disbursement of a loan arising from a problem of multiple admission.

5.2 Students Shifting from one Institution to other Institutions

The Board has also been encountering problems arising from students who after being admitted/ registered at one institution later decide to shift to other institutions hence causing mis-direction of loan funds. The Board shall not raise duplicated payments to such students. Instead, they will have to wait until the Board receives back the mis- directed funds and then re-direct the loan funds to the institutions where they have shifted.

5.3 **List of Candidates admitted into Higher Education Institutions.**

To ensure compliance and enforcement of quality issues in higher education, only candidates in the official admission lists approved by the Tanzania Commission for Universities (TCU) or National Council for Technical Education (NACTE) shall be considered for loans. Higher Education Institutions are advised to strictly submit lists of admitted students through either TCU or NACTE. Admission lists submitted directly to the Board by Higher Education Institutions shall not be considered.

5.4 **Second Selection Admission**

In the event Higher Education Institutions are compelled to carry out "Second Selection Admission"; the admission list must be approved by either TCU or NACTE who should consequently submit the same to the Board for loan consideration.

5.5 **Verification of Applicants Information by Ward Education Committee.**

In order to minimize submission of wrong information to the Board, it is mandatory that beginning 2009/2010 academic year the respective **Village governments and Ward education Committees where the applicant is domiciled must meet to discuss and recommend all loan applications** emanating from applicants residing within the same ward. The Ward/ Village government and the education Committee shall be held accountable for endorsing wrong information being submitted to the Board (section 23 (1) of HESLB Act).

5.6 **Ceiling Number for non priority programmes to be considered for loans**

Due to high demand for loans against budget constraint, it shall be necessary, starting 2009/2010 academic year to allocate ceilings (quotas) for number of students to be considered for loans **for non science / education programmes** and for each higher education Institution. Under this arrangement, Higher Education Institution may select, **on merit basis** a limited number of students who may be slotted into the HESLB loan arrangement. The remaining capacity at the HEIs (if any) may be filled by self-sponsored students.

All Higher Learning Institutions are requested to observe and implement this new arrangement which shall apply beginning with the first year students of 2009/2010.

6.0 **MODE OF APPLICATION AND AVAILABILITY OF APPLICATION FORMS**

6.1 **Caution for wrong Information**

Any person who, while filling a loan application form, knowingly makes a false statement whether orally or in writing relating to any matter affecting the request for a loan shall be guilty of an offence and shall be liable to a fine of not less than Tanzania shillings one million five hundred thousand (Tzs 1,500,000) or to

imprisonment for a term of not more than six months or both (sections 23 (1) of the HESLB Act No 9 of 2004 as amended).

Where it is discovered that the loan was granted due to false information furnished by the loanee, the Board shall cancel the loan and subject the loanee to prosecution.

6.2 How to apply

Applicants should make a written application in the prescribed form which when approved by the Board shall form the basis of the loan contract, to be known as the **Student Loans Agreement** between the applicant and the Board.

Applicants wishing to be considered for student loans for 2009/2010 academic year may collect loan application forms from any of the following agencies:-

- i. At the Board Offices located at the following address:-

Higher Education Students' Loans Board,
Tirdo Complex,
Kimweri Road, Msasani,
P.O. Box 76068,
DAR ES SALAAM.

- ii. At the nearest District Post Office.
- iii. At the office of the Deans of Students of all Higher Education Institutions (for continuing students only).
- iv. At the Board's Website www.heslb.go.tz

NB: Photocopying of the application forms or use of previous years application forms is not allowed.

- 6.3 **New applicants should complete SLF 1 and SLF2 forms only, whereas continuing students should complete SLF₂ and SLF₃ forms. First time Postgraduate applicants must fill SLF₂ and SLF₄.**

7.0 SUPPORTING/ VERIFICATION DOCUMENTS

Certified copies of the under listed documents must be attached to the application form (SLF₁) and (SLF₄) to verify eligibility of an applicant. The documents are:-

7.1 For Undergraduate Programmes

S/N	DOCUMENTS TO BE ATTACHED	JUSTIFICATION
(i)	Birth certificates or affidavit	Citizenship
(ii)	Death certificates	Orphanage/Single parenthood
(iii)	Doctor's recommendation	Disabilities
(iv)	Official Letter of Retirement of the parent	Retirement of the parent
(v)	Certified copy of Academic Certificates of Form IV & Form VI and/or Equivalent qualifications	Academic qualifications
(vi)	Letter from ward Education Committee	Identification/verification of applicant

(vii)	Certified salary slips for in-service applicants	Economic Status
(viii)	Certified bank statement with certificate of Balance from the Bank.	Economic Status

7.2 For Postgraduate Programmes

S/N	DOCUMENTS TO BE ATTACHED	JUSTIFICATION
(i)	Birth certificates or affidavit	Citizenship
(ii)	Death certificates	Orphanage/Single parent
(iii)	Doctor's recommendation	Disabilities
(iv)	Certified copies of first degree/advanced diploma	Academic qualifications
(v)	Letter of recommendation from the employer.	Proof of employment
(vi)	Copies of Admission letters	Proof of admission
(vii)	Certified salary slips for in-service applicants	Identification/verification of applicant

8.0 THE ROLE OF LOCAL GOVERNMENT LEADERS

All application forms must be routed through the respective Village governments and Ward Education Committee at the respective Village / ward for verification of the information filled therein by the applicants. Village governments and Ward Executive Officers shall be accountable for wrong information endorsed by them.

9.0 APPLICATION FEES

First time applicants must deposit a non refundable **one off** application fee of **Tzs 30,000/=** whereas continuing students must continue to deposit **Tzs 10,000/=** to the **"Higher Education Students' Loans Board" Account No. 01J1028467500 maintained with CRDB Bank.** A duplicate deposit slip should be attached and submitted to the Board along with the application forms.

Applicants from Zanzibar and Pemba, where CRDB has no branch should buy **Postal Orders** for the relevant amount of the application fee and attach it to the application forms.

10.0 DEADLINE AND MODE OF SUBMISSION OF COMPLETED APPLICATION FORMS TO THE BOARD

- 10.1 Loan applicants are free to decide whether to apply for loans now or to wait until after obtain "A" Level examination results. However applying now gives the Board more time to capture most of the information relating to the applicant, pending receipt of the "A" level examination results.
- 10.2 First time applicants are advised to submit duly filled application forms (**HESLB – SLF₁, SLF₄ and HESLB SLF₂**) through the nearest District Post Office to the Executive Director, Higher Education Students Loans Board using address shown above which also appears in the application forms, **before 15th May 2009.**

- 10.3 Continuing student loans beneficiaries should submit their duly filled **HESLB –SLF 2 and HESLB SLF 3** forms through the Deans of Faculties/ Heads of Departments of the respective Higher Education's Institutions of study **before 30th April, 2009.**
- 10.4 All applicants should note that the Board requires ample time to be able to process the loan application smoothly and well in advance before opening dates; hence there will not be any extension of the above deadlines.

11.0 PUBLICATION OF SUCCESSFUL CANDIDATES

Means Test results for eligible loan applicants shall be posted on the Board's website **www.heslb.go.tz** as and when the process of means testing is completed, in batches.

Issued by:-

**THE EXECUTIVE DIRECTOR
HIGHER EDUCATION STUDENTS' LOANS BOARD**