

DHET clarifies facts in NSFAS story

1 July 2016 - The Department of Higher Education and Training is very concerned about the misinformation reported in a NEWS 24 article "*Students must ask what must rise, before saying what must fall – Nzimande*", dated 29 June 2016.

The article quoted the Minister as saying that government has resolved to cancel all debts owed to NSFAS for 2013, 2014 and 2015. This is totally incorrect and needs to be rectified.

Government has provided R2.543 billion of State funding in the 2016/17 financial year to be allocated to the National Student Financial Aid Scheme (NSFAS) to provide for loans to assist 71 753 identified students, who qualified for NSFAS funding but were either partially or not funded at all over the past three academic years.

NSFAS loans have been made available to ensure that the student debt of these students, who qualified for financial aid, is settled with the universities.

Students have to complete loan agreement forms and sign a contract with NSFAS. These loans (capital and interest) are repayable as soon as the student begins to work and earns more than R30 000 per year.

The parents of the student are not responsible for repaying the loan. If the student never earns gainful employment, and therefore remain poor, the loan is not repayable.

It is important for NSFAS beneficiaries to repay their loans. These repayments are returned to the pool of funds made available to assist future generations of poor students.

If NSFAS receives R500 million in recoveries per year, an estimated additional 7,000 students can be funded at an average NSFAS award of R71,000.