

Students urged to sign loan agreement forms

4 May 2017 - The National Student Financial Aid Scheme (NSFAS) has urged students, who received funding, to sign their Loan Agreement Forms (LAFs) to avoid funding retraction.

NSFAS called on 63 558 students, who have not yet signed their LAFs and Schedule of Particulars (SOP), to do so at their respective universities and Technical and Vocational Education and Training (TVET) colleges as soon as possible, or before 31 May 2017.

NSFAS warned that affected students could possibly face retraction of NSFAS funding if they fail to honour their funding obligation, although they are approved for the 2017 funding.

NSFAS spokesperson Kagisho Mamabolo explained that the NSFAS terms and conditions states that the loan amount recorded in the loan agreement will be paid as a credit to the student account with the university, for the academic, residence, student levies and other similar cost of pursuing the course of studies for which the student is registered.

“No loan advance will be made unless the Loan Agreement has been signed. It is our responsibility, as stated in the National Credit Act 34 of 2005, that prior to entering into any credit agreement with a consumer, we must conduct a detailed financial assessment on behalf of the client.

“Now that we have done that, we are appealing to the students to do their part and sign the agreements for their own benefit. No credit agreement can be concluded without the signing of the agreement form and acceptance of the terms and conditions thereof,” said Mamabolo.

Mamabolo added that NSFAS ensures that students understand the risks, costs and obligations created by the financial assistance they are receiving, and therefore, “signing of agreement is compulsory and it is common practice for any institutions that provides financial assistance in South Africa”.

Mamabolo emphasised that NSFAS will not process any tuition payments for students who have not signed their agreements.

“All funded students are obliged to acknowledge that they understand the terms and conditions and the amount of funding stipulate in the LAF/SOP. However, funded students who are eligible for financial assistance will continue to receive funding (automatically) until they complete their studies, provided they achieve the 50% pass mark.”

To sign a LAF/SOP, a student can simply visit the NSFAS website ww.nsfas.org.za, click on the SIGN YOUR LAF/SOP Link, and then enter an ID number into the search engine. The details will appear on the screen.