

FAQs On NELFUND Student Loan

What is the Students Loans (Access to Higher Education) Act, 2024?

The Student's Loan Act is an Act of the Parliament that makes it possible for Nigerian students to access zero interest loans to enable them pay for institutional charges and upkeep to any higher institution of their choice within Nigeria.

Is the Student Loan the same as the Nigerian Education Bank?

No. The Student's Loan Act has repealed the Nigerian Education Bank Act and established a framework for providing zero interest loans to eligible Nigerian students who desire to study at any institution of higher education.

Who administers the loans to the students?

The loans will be administered by the Nigerian Education Loan Fund (NELFUND), which is the body established by law to carry out the day-to-day activities of the Fund. It is headed by a Managing Director, appointed by the President of Nigeria.

Is the loan open to all tertiary institutions?

The Loan is open to all public tertiary Institutions. The first phase of the loan is open to only students studying/desiring to study in federal higher institutions in Nigeria. The other phases will be announced in due course.

Who is eligible to apply for loans under this Act?

Students who have secured admission into all Public Nigerian universities, polytechnics, colleges of education, or vocational schools, with a proof of admission that includes Name, Date of Birth, Admission, JAMB number, Matriculation number, and BVN.

All new and existing students within the institution above can apply for the loan.

Can a Direct Entry Student into higher institutions apply for the loan?

Yes, but such a student must have a JAMB number.

Will the loan be available for all students or only applicants?

All full-time students are eligible for the loan but only applicants will benefit from the loan.

How much loan are students allowed to apply for?

That would be determined by the institutional charge of each Institution. The loan will cover the cost of institutional charges and upkeep if required by the student. The institutional charges will be remitted directly to the applicants' institutions and the upkeep will be paid to the applicant on a monthly installment basis.

Will the applicant be required to make any payment before the loan is disbursed?

No payment is required before the disbursements of the loan.

Is there an interest payable on the loan?

Zero interest on the loan.

Is the loan open to every student?

The loan is open to new and existing full-time students in tertiary institutions.

How are loan applications processed, and what is the disbursement timeline?

Applications are done online. Applicants are required to input specific personal details that include:

- i. Name of Institution of study
- ii. Admission Number
- iii. JAMB Number
- iv. Date of Birth
- v. NIN
- vi. BVN

NELFUND will disburse within 30 days of approval of successful applications.

Is there an age limit for applicants?

No, there is no age limit for applicants.

Who is responsible for the loan repayment?

The beneficiary of the loan is responsible for the repayment of the loan.

Is the loan applied for only once?

The loan will be applied for every academic session by the student.

How do applicants know their application is approved?

Applicants will receive a notification and the status of the loan application can be seen in the applicant's profile on the portal.

When is the loan due for repayment?

The loan is due for repayment 2 years after the completion of NYSC

What happens if a beneficiary does not have job after two years post-NYSC?

The beneficiary should notify NELFUND by sworn court affidavit every 3 (three) months after two years post NYSC if still unable to gain employment.

How will the loan repayment process work?

Ten percent (10%) of the beneficiary's salary will be deducted at source by the employer. Self-employed beneficiaries are required to remit 10% of their monthly profit to the Fund.

You are at liberty to seek to repay beyond the statutory 10% monthly repayment by your employers/by self if you are self-employed.

What if I have the money to pay back before I get a job

You can repay once you have money to pay back, even before you gain employment.

How do I repay when I am relocating abroad?

You will contact the NELFUND and sign an agreement with modalities to repay.

Do students require a guarantor to access the loan?

The student' loan has no requirement for a guarantor.

What are the consequences of defaulting on the loan?

Deliberate default could result in penalties, legal action, and potential damage to your credit score.

Is there any appeal process when an application is denied?

A complaint can be raised from the portal, or you can send an email to the NELFUND

Are there any documents to upload during the application process?

Yes. Scanned admission letter for new students (compulsory), scanned Student Identification Card (optional).

Under what circumstances would NELFUND deny an application?

if such an applicant is:

- Proven to have defaulted in respect of any previous loan granted by any licensed financial institution;
- Found guilty of submitting fake/fraudulent documents and dismissed for exam malpractices by any school authority; and
- Convicted of fraud and forgery, drug offences, cultism, felony, or any offences involving dishonesty;