

**GUIDELINES FOR THE OPERATIONS OF THE NIGERIAN
EDUCATION LOAN FUND UNDER THE STUDENTS LOANS ACT,
2024**

i. **GLOSSARY**

1.0 INTRODUCTION

- 1.1 Background
- 1.2 Overview/Importance of higher education
- 1.3 Objectives of the NELFUND
- 1.4 Target Beneficiaries
- 1.5 Expected Outcome

2.0 ELIGIBILITY CRITERIA

- 2.1 Nationality
- 2.2.0 Academic Criteria
- 2.3 Know Your Customer (KYC) Criteria

3.0 DISQUALIFICATION CRITERIA

4.0 LOAN APPLICATION PROCESS

- 4.1 Application Requirements
- 4.2 Review and Evaluation
- 4.3 Loan Approval

5.0 LOAN DISBURSEMENT

- 5.1 Execution of Loan Agreement
- 5.2 Execution of Global Standing Instruction mandate
- 5.3 Disbursement Approval
- 5.4 Disbursement Notification to Applicant and Tertiary Institution
- 5.5 Conditions for Institutional Refunds/Reversals
- 5.6 Breaches and sanctions

6.0 LOAN REPAYMENT

- 6.1 Repayment terms and conditions
- 6.2.1 Repayment options and schedules
- 6.3 Recovery Actions

7.0 LEGAL AND ETHICAL CONSIDERATIONS

- 7.1 Compliance with national and international laws and regulations

7.2 Ethical considerations in loan management

7.3 Confidentiality and Data Protection

GLOSSARY	
BVN	Bank Verification Number
CBN	Central Bank of Nigeria
CRMS	Credit Risk Management System
DPR	Data Protection Regulation
ETI	Eligible Tertiary Institutions
FAQ	Frequently Asked Questions
GSI	Global Standing Instruction
IBR	Income-Based Repayment
JAMB	Joint Admission and Matriculation Board
KYC	Know Your Customer
NIBSS	Nigeria Inter-Bank Settlement System
NIMC	National Identity Management Commission
NIN	National Identity Number
NOUN	National Open University of Nigeria
NYSC	National Youth Service Corp
PAYE	Pay As You Earn
NELFUND	Nigerian Education Loan Fund
SLA	Student Loan Act
SHEL	Student Higher Education Loan
The Act	The Student Loan (Access to Higher Education) Act 2023
The Fund	The Nigerian Education Loan Fund
UNESCO	United Nations Educational, Scientific and Cultural Organization

1.0 INTRODUCTION

1.1 Background

The Students Loans (Access to Higher Education) Act, 2024 was signed into law by the President, Federal Republic of Nigeria, His Excellency, Bola Ahmed Tinubu. The Act repealed the Student Loans (Access to Higher Education) Act 2023 and established the Nigerian Education Loan Fund (NELFUND) as a body corporate to receive, manage and invest funds to provide loans to eligible Nigerians for higher education, vocational training and skills acquisition.

In compliance with Section 23 (3) of the Act, the Board¹ hereby issues this Guidelines for the eligibility criteria, loan application process, loan disbursement, and repayment of student loans under the Act.

1.2 Overview/Importance of Higher Education

A UNESCO report² titled "*What You Need to Know About Higher Education*," published in April 2023 highlighted a global surge in student enrollment into higher institutions of learning within the past two decades, with numbers exceeding 235 million. This trajectory showcases the increasing recognition of the vital role of higher education in personal and societal development, as it equips individuals with the knowledge, skills, and critical thinking necessary to actively participate in the workforce and contribute to economic growth.

The International Covenant on Economic, Social, and Cultural Rights calls for accessible higher education, stating that it is necessary for the "full development of the human personality and the sense of its dignity." This is provided for under the Sustainable Development Goal 4: "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all". This highlights the importance of ensuring equal access to higher education opportunities for all, regardless of gender, economic status, disability, or location.

For many Nigerians, especially those from humble backgrounds, higher education acts as a springboard towards economic security and a brighter future. With the strategic investment by the Federal Government in the

¹ Administration of Students' Higher Education Loans Scheme as provided by Section 23 of the Students Loans Act, 2024

² (see UNESCO's website: [What you need to know about higher education | UNESCO](https://www.unesco.org/en/higher-education))

education sector through NELFUND, Nigeria is unlocking immense potentials by paving ways for brighter future generations.

1.3 Objectives of NELFUND

1.3.1 *Enhance Access to Higher Education*

To broaden access to higher education by offering financial support to students who face challenges in funding their education.

1.3.2 *Ensuring financial inclusivity for all eligible students*

Promote equal opportunities to higher education for eligible students without any form of discrimination.

1.3.3 *Foster Skill Development*

The program aims to contribute to the development of a skilled and knowledgeable workforce by supporting students to acquire useful skills.

1.3.4 *Promote Socio-economic Mobility*

The Fund aims to create a level playing field for Nigerians irrespective of financial background to acquire higher education regardless of socio economic status.

1.3.5 *Reduce Dropout Rates*

By alleviating financial burdens, the program seeks to reduce dropout rates and enable students successfully complete their academic programs.

1.3.6 *Stimulate Economic Growth*

Investment in education and a skilled workforce capable of driving innovation and development will contribute to the overall economic growth and development of Nigeria.

1.4 EXPECTED OUTCOMES

1.4.1 Increased Enrolment: The program anticipates a rise in the enrolment of deserving students who would otherwise be unable to afford higher education.

1.4.2 Higher Graduation Rates: Financial support reduces the likelihood of students dropping out, leading to increased graduation rates and a more educated populace.

1.4.3 Skilled Workforce: The program contributes to the creation of a skilled and diverse workforce, aligning with the evolving needs of the job market.

1.4.4 Economic Empowerment: Beneficiaries, upon graduation, are expected to enter the workforce with improved earning potential, contributing to personal and familial economic empowerment.

1.4.5 National Development: As educated individuals contribute to societal progress, the program aims to play a role in Nigeria's long-term development by fostering a knowledgeable and skilled citizenry.

1.4.6 Establishment of a Sustainable Framework: Beyond immediate outcomes, the program seeks to establish a sustainable framework for continued support to future generations of students.

2.0 ELIGIBILITY CRITERIA

An intending loan applicant under the Fund is required to meet the following eligibility criteria:

2.1 Nationality

2.1.1 An intending applicant must be a Nigerian citizen as defined by the Constitution of the Federal Republic of Nigeria 1999 (as amended).

2.1.2 The proof of citizenship shall include the provision of National Identity Number (NIN), and Bank Verification Number (BVN).

2.2 Academic Criteria

The NELF can be assessed by persons who fall into the following categories:

2.2.1 **Fresh Entry** – where an intending applicant is a prospective student of an Eligible Tertiary Institution (ETI), such an applicant is required to have secured a valid admission to the ETI through the Joint Admission and Matriculation Board (JAMB).

2.2.2 *Direct Entry* – For direct entry, an intending applicant is required to have secured a valid admission to any ETI through JAMB.

2.2.3 *Full-time Undergraduate* – An intending applicant undergoing a full-time undergraduate programme at an ETI, is required to provide his/her matriculation number.

2.3 Know Your Customer (KYC) Criteria

An intending applicant is required to provide the underlisted documents/information:

- i) JAMB Number
- ii) Bank Verification Number (BVN) – for intending applicants aged 18 years and above;
- iii) National Identity Number (NIN);
- iv) Personal information such as age, gender, phone number, home address, and email address; and
- v) A passport photograph.

3.0 DISQUALIFICATION CRITERIA

- 3.1 An intending applicant is disqualified from assessing the loan if such an applicant is:
- Proven to have defaulted in respect of any previous education loan granted by the Federal Government of Nigeria, a state government, or any of their agencies or departments;
 - At the time of application, he or she is a beneficiary of any education loan or other scholarship scheme from the Federal Government of Nigeria, a state government, or any of their agencies or departments;
 - Found guilty of misconduct involving plagiarism, cultism, violence, submitting fake/fraudulent documents and dismissed for exam malpractices by any tertiary institution empowered by law or regulation to make such findings; and
 - Convicted of fraud and forgery, drug offences, felony, or any offences involving dishonesty.

LOAN APPLICATION PROCESS

4.1 Application Requirement

4.1.1 *Application channels*

- To apply for students loan, an applicant is required to complete the online application form through a portal on the NELFUND website: nelf.gov.ng
- An applicant is required to complete the designated application form on the online portal by providing accurate personal information, academic records, and any other necessary documentation required for the loan application.
- An applicant shall be required to complete an online indemnity agreement for the purpose of verification of the data submitted.
- The NELFUND Board may determine alternate channels for the submission of loan applications as circumstances and exigencies may warrant.

4.1.2 *Documentation requirements*

An applicant is required to provide the following documents as attachments to the online application form:

- A valid admission letter to an ETIStudent ID (optional)
- Any other document as may be determined by NELFUND's Board from time to time.

4.1.3 *Attestation Form*

The online application form shall include an Attestation Form which an applicant is required to execute thereby confirming that he/she:

- has no criminal records;
- has not been found culpable of submitting fake/forged documents or for exam malpractices by any tertiary institution;
- has not been convicted for drugs related offences, fraud & forgery, felony, or any offences involving dishonesty;
- is not a holder of a first degree or its equivalent from a Nigerian or foreign tertiary institution; and
- has not defaulted in respect of any previous education loan granted by the Federal Government of Nigeria, a state government, or any of their agencies or departments.

4.1.4 *Timeline for Application*

NELFUND's application window shall be as determined and communicated by the Board.

4.2 *Review and Evaluation*

4.2.1. Data Verification and Validation

The NELF shall verify the authenticity and accuracy of the submitted documents and information, to ensure that all required documents are in line with the established eligibility criteria and regulatory standards set by the National Universities Commission (NUC), National Commission for Colleges of Education (NCCE), National Board for Technical Education (NBTE) and other relevant authorities.

4.2.2. Evaluation Criteria

- i) Mandatory criteria – all applications shall be immediately evaluated to ascertain the following:
 - Completeness of the loan application;
 - Validation of the applicant's NIN with the NIMC;
 - Validation of the applicant's BVN with the NIBSS; and
 - Validation of the applicant's admission number/letter with JAMB and/or the ETI.
- ii) Future criteria – an applicant's attestation, as detailed in Section 4.1.3 shall be verified across the relevant platforms and Government Agencies. Where any of the declaration is found to be false, the applicant is immediately disqualified from the Scheme and the loan granted becomes immediately due for repayment.
- iii) Optional criteria – The Board may, from time to time, set other evaluation criteria such as field of study critical to development and as exigencies of national aspirations may require.

4.2.3 Evaluation and assessment of the loan applications

The evaluation and assessment of an application shall be fully automated in line with the timeline stipulated in the Act. The Board may also conduct random manual checks to ensure the effectiveness of the loan evaluation process.

4.2.4 Turn Around Time for the Evaluation

Evaluation of an application shall be within seven calendar days following receipt of an application.

4.2.5 Notifications to Applicant

NELFUND shall notify the applicant of the status of his /her application after evaluating the application.

4.3 Loan Approval

- 4.3.1 Any application that satisfies the mandatory evaluation criteria will be automatically approved.
- 4.3.2 A successful applicant shall be notified through the email address, of the approved loan and an agreement outlining the terms and conditions of the loan shall be attached to the notification email.
- 4.3.3 Turn Around Time for Loan Approval – the Loan approval and notification to the applicant shall not be more than 30 days following completion of the mandatory evaluation process.

5.0 LOAN DISBURSEMENT

Disbursement of a student loan shall be subject to availability of funds in the Scheme.

Disbursement of the student loan shall be directly to an ETI on behalf of the successful applicant and shall cover the applicant's institutional charge only. This may be however reviewed by the Board from time to time.

NELFUND shall obtain the schedule of fees for all programs offered by an ETI on an annual basis.

Upon successful student eligibility verification, the fee structures of enrolled students are validated through the integration with the institutions database and records, ensuring the accurate calculation of the loan amount required to cover institutional charges.

Disbursement of optional upkeep allowance shall be directly to the applicant.

Following from the above, a successful applicant is required to satisfy the following pre-conditions for the disbursement of an approved student loan.

5.1 *Execution of Loan Agreement*

- A successful applicant is required to execute a legally binding loan agreement on the Portal.
- Such a successful applicant is required to review the terms and conditions of the loan, acknowledge their understanding of the repayment obligations before accepting the terms and conditions therein.

5.2 *Execution of Global Standing Instruction (GSI) mandate*

5.2.1 The successful applicant is required to:

- Complete the GSI mandate form.
- Ensure that the terms and conditions of the mandate are clearly understood before execution.
- Ensure that all qualifying accounts linked to his/her BVN are disclosed in the GSI mandate form.
- Execute the GSI mandate on the Portal.

5.3 Disbursement Approval

- The NELF shall review the loan agreement and GSI mandate executed under Section 5.1 and 5.2 for completeness.
- Details of successful applicants who have completed the process shall be collated and recommended for loan disbursement.
- The Managing Director shall grant approval for disbursement of the approved student loan for payment of the successful applicants' institutional charges.
- Disbursements to the ETIs shall be effected no later than thirty days following the approval for disbursement.
- Disbursement shall be based on availability of funds.
- The institutional charges shall be paid electronically, directly to the ETI.

5.4 Disbursement Notification to Successful Applicant and Tertiary Institution

- Upon payment of the institutional charges to an ETI, a successful applicant shall receive a notification of the loan disbursement and payment of institutional charges to the ETI.
- The ETI shall equally receive a notification of the payment of the institutional charges with the details of the beneficiary.
- Notification to the successful applicant and ETI shall be within 30 days from the date the loan application is completed and submitted or as stipulated in the extant legislation.
- The ETI is required to acknowledge receipt of payment to NELFUND and generate a payment receipt for the beneficiary within 7 days.
- NELFUND may periodically publish a list of all successful applicants.

5.5 Conditions for Institutional Refunds/Reversals

- i) **New students** – When a new student subsequently rejects an admission from an ETI after the institutional charges has been paid to the ETI by the Fund but prior to the commencement of the academic year, such an ETI shall refund the institutional charges to the Fund.
- ii) **Undergraduates** – When an undergraduate withdraws from the ETI, before the commencement of a new academic year but after the institutional charges for the new academic year has been paid by the Fund, such an ETI shall refund the institutional charges paid for the new academic year back to the Fund.
- iii) An ETI shall refund any overpayment or duplicated payments made for any student.
- iv) Any other instances as may be determined by the Board.

5.6 Breaches and Sanctions

An ETI shall be suspended from receiving funds from NELFUND, if:

- The institution contravenes the provisions of the Student Loan Act 2024 and any relevant section of this Guidelines.
- The institution engages in fraudulent activities related to institutional charges payment, such as falsifying student information/records or colluding with students to obtain loans for ineligible purposes.
- The institution fails to refund disbursed institutional charges in instances stipulated in Section 5.5 above.
- The institution fails to refund any overpayments or duplicate institutional charges payments made for any student.
- The Fund is investigating allegations of misconduct or irregularities by an institution.
- The institution fails to comply with reporting requirements.

The suspension of an ETI from receiving institutional charges payment from the Fund shall not apply to existing students under the scheme except in instances of proven fraud.

LOAN REPAYMENT

6.1 Repayment terms and conditions

- i) Beneficiaries of the loan shall commence repayment two years after completion of the NYSC program or exemption from it.
- ii) The beneficiaries are required to disclose their employment status quarterly to the Fund after completion of the NYSC program through channels as may be determined by the Fund.
- iii) Repayment shall be a direct deduction of 10 percent of the beneficiary's salary at source by the Employer and remitted to the Fund.
- iv) Any beneficiary who changes employment shall communicate his/her new employment details to the Fund within 30 days of resuming with the new employer.
- v) Where a beneficiary is Self-employed, he/she shall remit 10 percent of his/her total profit monthly to the Fund. A Self-employed person shall within 60 days of assuming that status submit information such as name of the business, address and location, registration documents (if registered), name of bankers, names of partners, names of directors, and shareholders, to the Fund.
- vi) A beneficiary can make voluntary repayments at any time.
- vii) A beneficiary is required to fulfill obligations and responsibilities of the repayment terms and conditions of the loan agreement.
The performance status of a student loan granted to a beneficiary shall be periodically reported to the CBN CRMS and private Credit Bureaus.
- viii) A beneficiary may receive an extension from the Fund by providing a sworn statement in such manner as the Board may determine, indicating that he is not employed in any capacity and is not receiving any income.

6.2 Repayment options and schedules

- PAYE: This option mandates a beneficiary to make monthly repayments of 10% of their salary, wages and any other income accruing to them to the Fund.
- IBR: This option requires a Self-employed beneficiary to make monthly repayments of 10% of their profit to the Fund.
Voluntary repayment: A beneficiary can make voluntary payments in addition to the mandatory monthly payments.

6.3 Recovery Actions

In the event of a loan default, the Fund reserves the right to take one or all the following actions:

- i) Warning Notifications: a defaulter shall be put on notice of the default via email and/or text messages and requested to make repayments immediately.
- ii) Restricting access to further credits: a defaulter will be restricted from accessing credit from any financial institution in Nigeria. Their credit records on CRMS and the regulated credit bureaus would reflect their non-performing loan status.
- iii) Publish a list of defaulters: the Fund can publish a list containing all persistent defaulters.
- iv) GSI: The GSI process will be triggered to access all credit balances of a defaulter in the financial system for the purpose of settling the loan.
- v) Legal Action: Legal redress may be sought against defaulters.

7.0 LEGAL AND ETHICAL CONSIDERATIONS

7.1 Compliance with National and International laws and regulations

The operations of the NELFUND shall comply with the provisions of the Student Loans Act 2024 and other relevant national and international laws and regulations.

7.2 Ethical considerations in loan management

- i) The Fund shall ensure fairness, equity, and transparency at all stages of the loan application, disbursement, management and repayment processes.
- ii) The Fund shall prohibit discrimination based on gender, ethnicity, religion, tribe or any other demographic factor, in loan allocation and management.

7.3 Confidentiality and Data Protection

- i) The Fund shall ensure that beneficiary data is handled in accordance with the requirements of the Data Protection Regulation (DPR) and the Nigeria Data Protection Act 2023.