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Factsheet for case **HU-2020-18/717**

Interest-free student loans

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|--------------|---|
| Country | Hungary, applies nationwide |
| Time period | Temporary, 01 May 2020 - 31 December 2020 |
| Type | Legislation or other statutory regulation |
| Category | Measures to prevent social hardship – Extension of social protection |
| Case created | 17 April 2020 (updated 20 April 2020) |

Background Information

Under government decree 96, students of higher education and adult education may take out an interest-free loan to offset their living expenses during the covid-19 pandemic. The measure was introduced as part of efforts to help families with little or no savings, as well as seeing students as a group vulnerable to losing their part-time jobs or not finding a job during the pandemic situation. The loan can be requested via the student loans provider Diákhitel Központ until 31 December 2020.

Content of measure

The amount of the interest-free loan for students in higher education is a one-off lump sum of HUF 500,000 (€1,429). Students in adult education courses organised by the Ministry of Innovation are also eligible, they can apply for an interest-free loan of HUF 1.2 million (€3,429). Students will have 12 months before they must start repayment of the loan, which can be over a period of 1 to 5 years, at their discretion. As part of this set of measures targeting students, the rules about losing students' state scholarships on the basis of academic achievement will be suspended for the duration of the pandemic situation. Higher education students will not be required to pass language examinations during this period, either, and the existing targeted language exam loans will be converted to the new 0% interest loan. There are also suspensions introduced on the repayment of other existing student loans

Use of measure

No information to date

Actors, target groups and funding

| Actors | Target groups | Funding |
|---------------------|--------------------------|----------------|
| National government | other workers & citizens | National funds |

Social partners

| | |
|-------------------------|----------------|
| Role of social partners | No involvement |
| Form of involvement | No involvement |

There was no involvement of social players in this measure

Sectors and occupations

This case is sector-specific (only private sector).

| Economic area | Sector (NACE level 2) |
|---------------|-----------------------|
| P - Education | P85 Education |

This case is not occupation-specific.

Sources

- 10 April 2020: Government decree 96/2020
- 10 April 2020: New pandemic student loans - how big the repayments? (mfor.hu)