

# HIGHER EDUCATION STUDENTS' LOANS BOARD



## GUIDELINES AND CRITERIA FOR ISSUANCE OF STUDENT LOANS AND GRANTS FOR 2014/2015 ACADEMIC YEAR

### BACKGROUND

As part of implementation of the National Higher Education Policy of 1999, the Higher Education Students' Loans Board (HESLB) was established under Act No. 9 of 2004 and commenced operations in July, 2005. Among other things, the Board has been entrusted by the Government with the responsibility to issue loans to students pursuing Advanced/ Higher Diplomas and degree studies at accredited higher education institutions in and outside the country and to collect repayment for all loans issued to students since 1994, so as to make the scheme successful and sustainable.

According to the Act, **eligible and needy** Tanzanian students who secure admission in higher education institutions to pursue academic programmes that lead to attainment of Advanced/Higher Diplomas or Degrees may seek loans from HESLB to meet **part of, or all costs of their education**. This stipulation is the legal interpretation of paragraph 6.2 of Higher Education Policy (1999) which ushered in cost – sharing in the provision of higher education in the country. Cost – sharing in higher education is construed to mean a shift in shouldering at least part of the costs of education from the Government, which had hitherto been the main financier, to the beneficiaries.

Section 6 (b) of the Act gives powers to the Board "to formulate mechanisms for determining eligible students for issuance of Loans. Section 6 (c) empowers the Board "to administer and supervise the whole process of issuance and repayment of loans". On the basis of budget limitation, Section 7 (1) empowers the Board to determine maximum number of eligible students to be given loans in any particular year; while section 7 (h) empowers the Board to determine other criteria and conditions governing the issuance of loans, including rate of interest and recovery of loans.

On the strength of these legal powers, these Guidelines and Criteria are hereby issued to prospective loan applicants and the public at large to guide the whole process of application and issuance of loans for **2014/2015** academic year.

## **PART A: ISSUANCE OF STUDENTS' LOANS**

### **1.0 PROVISION OF LOANS UNDER THE ACT**

Provision of students' loans falls under section 16 and 17 of the Act No. 9 of 2004. Section 16 (1) of the Act provides that:-

- 1.1 Subject to the provisions of the Act, the Board may provide, on a loan basis, **financial assistance** to any **eligible student who is in need** of the loans and **who has applied for such assistance** as is required to meet all or any number of the students' welfare costs of Higher Education.

The Phrase "Financial Assistance" implies that parents or guardians have the primary obligation of meeting higher education costs of students.

- 1.2 For purpose of these Guidelines, **NEEDY** applicant means:-
  - A poor orphan (who has lost both parents)
  - A poor applicant with disability or applicant whose parents have disability.
  - A poor applicant who has lost one parent.
  - An applicant from poor family.
- 1.3 Loans may be issued to cover either partially or fully the following items;
  - i. Meals and Accommodation charges
  - ii. Books and Stationery expenses
  - iii. Special Faculty Requirement expenses
  - iv. Field Practical Training expenses
  - v. Research expenses
  - vi. Tuition Fees

### **2.0 ELIGIBILITY FOR LOANS FOR 2014/2015 ACADEMIC YEAR**

Eligible students for loans in **2014/2015** academic year must meet the following conditions (for First Degree or Higher Diploma students):-

- 2.1 Must be a Tanzanian (as defined by HESLB Act No. 9 of 2004, as amended).
- 2.2 Must have applied for a loan through the Online Loan Application System (OLAS).

- 2.3 Must have been admitted into **a fully** accredited/registered Higher Learning Institution as a candidate for a **First Degree or Advanced/ Higher Diploma** on **full time basis through Central Admission System (CAS) or other accepted system in programmes recognized by TCU and NACTE.**
- 2.4 Must be a continuing student who has passed the examinations necessary to enable him/her to advance to the next year or stage of study.
- 2.5 Must be a person who is not fully funded by other organizations or sources.
- 2.6 Must be **first time direct applicants who are form six leavers.** These will include only applicants who completed their Advanced Secondary Education (form six) between **2012** and **2014 and must have not been employed.**

OR

**A first time direct applicants under the Technical and Vocational Education and Training (TVET).** These include only applicants who completed their NTA level six (6) between **2012** and **2014** as well as applicants who completed their Diploma in Teacher Education between **2012** and **2014** years.

OR

**A first time indirect applicants admitted into Health Sciences, Education (Science) and Education (Mathematics) programmes only.** These include also applicants who completed their Advanced Secondary Education (form six), NTA level six (6), and or those who completed their Diploma in Teacher Education **more than three** years ago.

OR

**A first time equivalent qualifications applicants admitted into Health Sciences, Education (Science) and Education (Mathematics) programmes only.** These include all applicants who are holders of other Diplomas recognized by NACTE; Diplomas from outside Tanzania accredited by NACTE; degree holders intending to join other degree programmes and form six leavers who have attended a one year certificate course which is recognized by NACTE.

- 2.7 Given the high demand for student loans viz a viz a limited budget, priority shall be given to applicants who will be admitted to pursue National Priority Programmes. **Except Health Sciences, Education**

**(Sciences), Education (Mathematics), Civil and Irrigation Engineering, Petroleum and Gas engineering, all applicants shall be subjected to Means Testing and loans will be issued depending on the Means Testing Results (Student neediness).**

**National Priority Programmes** for the time being shall be the following:-

- 2.7.1 Education (Science) and Education (Mathematics);
- 2.7.2 Health Sciences (Doctor of Medicine, Dental Surgery, Veterinary Medicine, Pharmacy, Nursing, Midwifery, BSc in Prosthetics and Orthotics, BSc in Physiotherapy, BSc in Health Laboratory Sciences, BSc in Medical Laboratory Sciences and BSc in Radiotherapy Technology);
- 2.7.3 Civil and Irrigation Engineering;
- 2.7.4 Petroleum and Gas engineering;
- 2.7.5 Education Non-Science and Non Mathematics **with two teaching subjects.**
- 2.7.6 Engineering **Programmes** (Civil, Mechanical, Electrical, Mining, Mineral and Processing, Textile, Chemical and Processing, Agriculture, Food and Processing, Automobile, Industrial, Electrical and Electronics, Electronics and Telecommunication, Computer, Computer Science Software, Information Systems and Network, Environmental, Municipal and Industrial Services, and Bio-Processing and Post-Harvest)
- 2.7.7 Agricultural and Forestry Sciences **Programmes** (Agriculture General, Agronomy, Horticulture, Agricultural Economics and Agribusiness, Forestry, Aquaculture, Wildlife Management, and Food Science and Technology)
- 2.7.8 Animal Sciences **and Production**
- 2.7.9 Sciences Programmes (BSc General, BSc in/with Applied Zoology, Botanical, Chemistry, Physics, Biology, Microbiology, Molecular Biology and Biotechnology, Fisheries and Aquaculture, Aquatic Environmental sciences and Conservation, Geology, Petroleum Geology, Petroleum Chemistry, Mathematics, Mathematics and Statistics, Environmental Science and management, Environmental

Health, Biotechnology and Laboratory, Wildlife and Conservation and Computer)

- 2.7.10 Land Sciences **Programmes** (Architecture, Landscape and Architecture, Interior Design, Building Survey, and Land Management and valuation)
- 2.8 Overseas students under bilateral agreements between the Government of the United Republic of Tanzania and other Governments.
- 2.9 Students studying at the Open University of Tanzania **for a maximum period of six (6) years** (through Means Testing). Students admitted at the Open University of Tanzania will be eligible for only two loanable items (tuition fee, and Books and Stationary).
- 2.10 All other candidates admitted into programmes other than Health Sciences, Education (Mathematics), Education (Sciences), Civil and Irrigation Engineering and Petroleum and Gas Engineering on the basis of indirect or equivalent qualification entrance to HEI shall not be eligible for loans.

## 2.11 **Postgraduate students Academic Staff**

In order to enhance adequacy of academic staff in local Higher Education Institutions, a limited number of loans will be available to academic staff pursuing Masters and PhD courses. Loan applicants for Masters or PhD programmes must meet the following conditions:-

- 2.11.1 Must be a Tanzanian
- 2.11.2 Must have been admitted to a fully accredited/registered higher education institution in Tanzania.
- 2.11.3 A person who is not fully funded by other organizations or sources.
- 2.11.4 Must have applied for Loans through the Online Loan Application System (OLAS).
- 2.11.5 Must hold a first degree or Advanced/Higher Diploma with a minimum of Upper Second Class (for applicants pursuing Masters Degrees) or Master's Degree with minimum of Upper Second Class (for applicants pursuing PhD degrees).
- 2.11.6 Must be an academic staff at a fully accredited/registered higher learning institution in Tanzania

- 2.11.7 Must have been officially nominated by the employer and obtained endorsement by the Deputy Vice Chancellors/Principal/Provosts/Rectors for Academics Research and consultancy or Deputy Vice Chancellors/Principal/Provosts/Rectors for Finance and Administration, of the respective institution.
- 2.11.8 The employer must have signed the Financing Agreement between the Higher Education Students' Loans Board and Higher Education Institution.
- 2.11.9 She/he must have started to repay previous loan instalments at least for unbroken period of twelve months, or a lump sum of the same instalments if he/she is already a student loans beneficiary.
- 2.12 Postgraduate students admitted at the Nelson Mandela African Institute of Science and Technology (NM-AIST) which is established as one in a network of African Institutions of Science and Technology (AISTs) in Sub-Saharan Africa (SSA).

From academic year 2014/15, Higher Education Students' Loans Board will issue loans to postgraduate students admitted to pursue Science related programmes for Masters and PhD courses at the Nelson Mandela African Institute of Science and Technology (NM-AIST). Loan applicants for Masters or PhD Science related programmes must meet the following conditions:-

- 2.12.1 **Must be a Tanzanian**
- 2.12.2 **Must have been admitted at the Nelson Mandela African Institute of Science and Technology (NM-AIST) to pursue Masters or PhD program in one of under listed priority sectors:-**
- a) Health related Sciences
  - b) Engineering
  - c) Agricultural Sciences,
  - d) Land Sciences
- 2.12.3 **Must have applied for Loans through the Online Loan Application System (OLAS).**
- 2.12.4 **Must have been an employee in a Public Institution and worked for a minimum of 5 years.**
- 2.12.5 **Must be guaranteed by the employer**

- 2.12.6 **Must have started to repay previous loan instalments at least for unbroken period of twelve months, or a lump sum of the same instalments if he/she is already a student loans beneficiary.**
- 2.12.7 **Repayment for postgraduate loans shall start immediately upon completion of the first year of study by monthly instalments deducted by employers and remitted to the Board.**

### **3.0 MEANS TESTING, LOAN ITEMS AND AMOUNT/RATE TO BE FINANCED**

According to the Act, the Board may provide loans to cover either all items or any of the items stipulated under section 1.3 above.

#### **3.1 Means Testing System**

The Board has since 2011/2012 academic year reviewed the Means testing system to make it Simple, Transparent and Fair.

The Means Testing System considers School Fees paid in O – level, A – Level Secondary Schools or Ordinary Diploma as indication of applicant's ability to contribute to the costs of higher education.

Thus, Applicant's neediness shall be measured as a difference between the higher education costs (*Meals and Accommodation charges, Books and Stationery expenses, Special Faculty Requirement expenses, Field Practical expenses, Research expenses and Tuition Fees*) of a particular institution of study **and** the applicant's ability to pay for his/her own education; multiplied by a factor to acknowledge the high return of Higher Education to the applicant. The factor ranges from 1.1 to 1.5 depending on the magnitude of Tuition Fees paid at O-Level and A-Level Secondary/Ordinary diploma Education. The higher the magnitude, the higher the factor.

In addition, the system shall make adjustments to cover for Loan applicants with special socio-economic disadvantages such as Orphanage, Disability (of Parents/applicants) and Single parenency.

Under the new Means Testing System, the whole loan shall be aggregated to one lump sum amount. Out of that, the Tuition Fee and Special Faculty Requirement components shall be paid directly to the Institution of study, whereas the remaining amount shall be paid to the student, quarterly.

The Means Test shall be applicable to first time applicants on Tuition fee and Special Faculty Requirements loan items only. The other four loan items (Meals and Accommodation, Books and Stationery, Field Practical Training and Research) may be allocated one hundred (100) per cent loans.

### **3.2 Number of Students to be given Loans**

In view of limited loanable funds budget, and pursuant to section 7 paragraph (1) of Act No 9 of 2004 (as amended), the Board in **2014/2015** academic year shall issue loans to a limited number of applicants as per allocated budget.

In view of limited loanable funds budget, candidates who are able to meet costs for higher education, are strongly advised not to apply for loans from the Board.

### **3.3 Applicable Tuition Fee Rates**

Tuition Fee for **first time** applicants approved for loans in **2014/2015** academic year as well as **all continuing** loan beneficiaries **in Local HEIs** shall be pegged to the equivalent tuition fees paid in Public Higher Education Institutions.

### **3.4 Continuing students who are loan beneficiaries**

All other continuing students' loan beneficiaries shall continue to receive their loans as per their previous Means Test grades. **However all continuing students who are loan beneficiaries need not to reapply for loans except those who are no longer in need should notify the Board through the Online Loan Application System (OLAS).**

### **3.5 Tuition Fee**

The Board may provide tuition fee loans of **between 0% and 100%** based on the comparable rates charged by public institution and also depending **on the types of the programme offered by the comparable Public institutions.**

**The ceiling of Tzs 3.1 million that was set on medical related programmes in 2013/2014 academic years shall continue to be in force during 2014/2015. This ceiling will be applicable for first year and second students only while third year to fifth year will continuing with the ceiling of Tzs 2.6 million.** Also, given increased demand for loans, and limited budget available, HESLB shall, unless directed otherwise by the Government, continue to **issue Tuition Fees**

**loans for Non-Medical related programmes based on the rates that prevailed in previous year, (2013/2014) academic year for both new and continuing students,** for all programmes of study.

Tuition fee funds shall be paid directly to the higher learning institutions but the student borrower shall have to acknowledge receipt of the funds by signing on a copy of the payment list issued by the Board. It will be the responsibility of the Higher Education Institutions to obtain the signatures of the students on the Tuition Payment lists and submit the same to the Board within **sixty (60) days** after receipt of the funds.

### **3.6 Field Practical/Teaching Practical Work expenses**

The Board may provide Field Practical Training/Teaching Practical (FPT) loans at the rate of Tzs **10,000 per day** up to a maximum of **56 days** in a year. FPT loans shall not be subjected to Means Testing.

However, 5<sup>th</sup> year continuing loan beneficiaries shall continue to receive their Field Practical/Teaching Practice loans as per their previous year means test grades.

The Board may provide such loans for those **programmes that require Field Practical Training (FPT)** as recommended by the respective Higher Education Institutions and approved by the Tanzania Commission for Universities (TCU) and the National Council for Technical Education (NACTE).

### **3.7 Special Faculty Requirements**

Subject to Means Testing results, the Board may provide Special Faculty Requirement (SFR) loans of **between 0% and 100%** but only **for study programmes that require special faculty requirement** items and only for specified items as approved by TCU/NACTE based on the rates comparable to public institutions.

Funds for special faculty requirements shall be paid directly to the Higher Learning Institutions but respective student borrowers shall have to acknowledge receipt of the funds by signing on a copy of the payment list issued by the Board.

Within the amount allocated for Special Faculty Requirements, eligible and needy students with disability may be provided with loans to cover special academic material requirements as may be determined by the Board.

### **3.8 Meals and Accommodation**

The Board may provide loans for Meals and Accommodation at the rate of **Tzs 7,500 per day while on campus for theoretical instructions** in the academic year.

### **3.9 Books and Stationery expenses**

A maximum of **Tzs 200,000.00 per annum** for Books and Stationery may be granted to eligible and needy students. However, loan beneficiaries from Open University of Tanzania (OUT) may be granted books and stationery loans **for 3 to 4 academic years only** (depending on the programme of study) and not every year.

### **3.10 Research expenses**

The Board may provide loans of 100% for Research expenses in selected fields only, based on the rates applicable at public institutions and as may be endorsed by either TCU or NACTE. These fields include:-

- Health Sciences as defined in section 2.7.2 above
- Engineering
- Agriculture
- Land Sciences
- Other eligible undergraduate programmes may be given Research loans to a tune of **Tzs 100, 000.00** in their final year of study

## **4.0 OTHER CONDITIONS ON ISSUANCE OF LOANS**

### **4.1 Loan Value Retention fee**

For the purpose of retaining the value of loans issued as well as making the loan scheme sustainable, all loans issued beginning 2011/2012 shall bear **Loan Value retention fee equal to 6% (six) percent, per annum.**

### **4.2 Students with multiple admissions**

The Board shall not disburse loan to any eligible candidate admitted into more than one Higher Education Institution. Loan applicants and Higher Education Institutions are hereby advised to ensure that a candidate is admitted into only one Institution. The Board shall not be responsible for delayed or non-disbursement of a loan arising from a problem of multiple admission.

### **4.3 Students shifting from one Institution to other Institution**

To avoid misdirection of loan funds for students admitted at one HEI who later choose to shift to another HEI, the Board shall not raise a duplicate loan payment to such students. Instead, loan

applicants who shifted to other HEI will have to wait until the Board receives back the funds from HEI where it was initially paid.

The Board may re-direct the loan funds to the Institution where the student has shifted to subject to obtaining written confirmation from TCU/NACTE that, the transfer of institution has been approved as well as written report that the candidate has actually reported and registered at the new HEI.

**The Board will honour and process only transfers which have been received within ninety (90) days from the date of admission for first year students.**

#### **4.4 List of Candidates admitted into Higher Education Institutions**

To ensure compliance and enforcement of quality issues in higher education, only candidates in the official admission lists approved by the TCU or NACTE for respective institutions shall be considered for loans. Higher Education Institutions are advised to strictly submit lists of admitted students through either TCU or NACTE. Admission lists submitted directly to the Board by Higher Education Institutions shall not be considered.

#### **4.5 Mode of Application**

The Board has since 2011/2012 academic year introduced an Online Loan Application System (OLAS) with the aim of simplifying and increasing efficiency of the loan issuance process.

Candidates wishing to apply for loans for the **2014/2015** application cycle are advised to apply through OLAS; print out the application form and Loan Agreement, appropriately sign the same, attach the necessary documentations and submit to the Board through a EMS or registered mail **to:-**

**The Executive Director,  
Higher Education Students' Loans Board,  
PLOT No.8 BLOCK NO 46, Service Trade Kijitonyama Area,  
Sam Nujoma Road, Mwenge,  
P.O. Box 76068,  
DAR ES SALAAM.**

Applicants are advised to maintain a copy of the application form and the receipt of mailing the application for subsequent tracking purpose of the application form.

Eligible needy candidates are advised to visit HESLB website **www.heslb.go.tz** to familiarize themselves with OLAS before attempting to apply.

#### **4.6 Loan Application Fees**

First time applicants must pay non-refundable one-off application fee of **Tzs 30,000.00** through M-Pesa, Tigo- Pesa **or** Airtel money.

#### **4.7 Application Deadline**

Loan Application cycle for **2014/2015** academic year will **start on 16<sup>th</sup> April, 2014 and come to end on 30<sup>th</sup> June, 2014**. Application lodged beyond this date shall not be honoured.

#### **4.8 Mode of Disbursement of Approved Loans**

In order to expedite disbursement of approved loans and minimize the possibility of wastage arising from disbursing loans from the Board directly to the students bank accounts, all loans shall continue to be paid through Higher Education Institutions. The Higher Education Institutions upon being satisfied that the student loan beneficiary has reported and been registered or has passed all the necessary examinations allowing him/her to advance to the next level of study shall remit to the student bank account the amount of loan so far received from the Board.

### **5.0 PUBLICATION OF SUCCESSFUL CANDIDATES**

A list of Candidates and awarded loans shall be posted on the Board's website **www.heslb.go.tz** as and when the process of means testing is completed.

### **6.0 APPEALS AGAINST AWARDED LOAN AMOUNTS**

Applicants who are not satisfied with the Awarded Loan Amounts may appeal to the Board as stipulated in the HESLB Regulations of 2008 and as clarified below:-

- 6.1 All appellants must complete the relevant Online Appeal Forms, make a printout of the same and attach thereto the necessary supporting documents. The Online Loan Application System is accessible at **http://olas.heslb.go.tz**.

#### **6.2 Appeal Fee (Tzs. 5,000 per appeal)**

All appeals will attract a non-refundable fee of **Tzs, 5,000** per appeal which should be paid using **Tigo Pesa, M-Pesa or Airtel Money** and the Transaction ID generated should be input into the Online System prior to printing the completed appeal form, otherwise the appeal will not be considered.

### **6.3 Routing of Appeals through Loan Officers at the institutions of study**

Appeals must be routed through the Loan Officers at the respective Higher Education Institution who will collect all appeals from his/her respective institution and submit them under a covering letter to the Board. The Board will not accept any appeal that will be submitted directly by students to the Board.

- 6.4 Appeals must be submitted to the Board within 90 days, counting from the date of opening of the respective Higher Education Institution.

## **PART B: ISSUANCE OF GRANTS**

### **7.0 GRANTS**

#### **7.1 Grants Items**

Grants may be issued to cover either partially or fully the following items;

- Tuition Fees
- Books and Stationery expenses
- Special Faculty Requirement expenses
- Field Practical Training expenses
- Research expenses

#### **7.2 Eligibility Criteria**

Issuance of grants to Higher Education Students shall be governed by the following conditions and procedures:

- 7.2.1 A limited number of grants shall be issued to direct students admitted into fully accredited HEIs in Tanzania to pursue MD, DDS or BVM.
- 7.2.2 Must have obtained outstanding academic performance of Division I or II at Advanced Level Secondary Education or a first class for Assistant Medical Officers.
- 7.2.3 Must have registered for studies with the HEIs.

**7.3 Signing of Bond**

Students awarded Grants shall be required to sign a Bond with the Board, where the student upon graduation shall work within Tanzania for a period of not less than five (5) years.

- 7.4 A separate advertisement calling for applications for grants shall be floated **to HEIs in October, 2014.**

Issued by:-

**THE EXECUTIVE DIRECTOR  
HIGHER EDUCATION STUDENTS' LOANS BOARD**