

BOV STUDIES PLUS+

FINANCING PACKAGE

FREQUENTLY ASKED QUESTIONS (FAQs)



Benefits

What are the main benefits of the BOV Studies Plus+ Financing Package?

The underlying objective of the BOV Studies Plus+ Financing Package is to ease access to finance for students seeking to further their studies. This will be done by:

- Providing a moratorium period, with a zero repayment, during their studies, irrespective of whether in full time or part time study. This will be ensured via a full subsidy of the 2.75% interest rate during the moratorium period;
- The student will not be required to provide any form of collateral requirements or life insurance cover;
- During the capital and interest repayment period the product has a significant reduction in interest rate, and
- A longer term repayment programme will be considered, ensuring that the loan is affordable for the student via a lower monthly repayment.

What is the interest rate? Is the interest rate a fixed or variable rate?

The interest rate will be a variable rate since it will be composed of the fixed margin over the bank's consumer lending bank base rate (CLBBR) which is variable. The fixed margin is 0.5% and the CLBBR is 2.45% with a final debit interest rate of 2.95%. For the latest CLBBR please visit www.bov.com.

Is the student required to provide security?

The student is not required to provide any form of security under the BOV Studies Plus+ Financing Package.

Does the student require a life insurance cover to avail himself of the loan?

No, the student will not require a life insurance to benefit from the loan, reducing the costs on the student to avail himself / herself of the loan.

What is the total amount available of funds available under the BOV Studies Plus+ scheme? What happens when this is exhausted?

The total volume of loans is Euro 5.5 million up to December 2023. As outlined in the MDB call for service - <https://mdb.org/mt/en/Schemes-and-Projects/Pages/Further-Studies-Made-Affordable.aspx> this can be topped up should the funds be exhausted.

Eligibility

Who is eligible to benefit under the BOV student lending facility?

Eligible students undertaking an accredited course in MQF levels 5,6,7 or 8 as well as internationally recognised certificates would need to be:

- Maltese citizens; or
- A national of an EU/EEA Member State or a family member of such

EU/EEA national (as defined in SL460.17 and SL217.04 respectively for EU and EEA nationals), provided that such person has obtained permanent residence in Malta in accordance with SL460.17 and SL217.04 respectively for EU and EEA nationals; or

- A national of an EU/EEA Member State who is in Malta exercising his/her Treaty rights as an employee, self-employed person or person retaining such status in accordance with SL460.17; or
- A third country national that has been granted long-term residence status under SL217.05

In the case of a married couple, and one of them wants to take the BOV student loan, will the loan be in the joint names, or in student's name?

In case of married couples, the eligible loan needs to be issued in the joint names. In line with Family Law, one of the applying parties needs to comply with at least one of the categories above. The student will be the main account holder with the other party being the joint account holder.

Is there a minimum and maximum age limits for the scheme?

The minimum age is 18 years old. There is no maximum age limit however the student would need to be in employment for the duration of the loan following the completion of the study course.

Is the loan applicable if a student opts to study in a European University not located in Malta?

Yes of course it is the MQF level which decides eligibility not the chosen institution.

Where can I find a list of eligible courses?

The student may best contact his/her nearest BOV branch to confirm that the course he/she is seeking to follow is an accredited course in MQF levels 5,6,7 or 8 or an internationally recognised certificate.

Is the loan applicable to students reading for the degree on full time basis only?

The scheme is open to both full time and part time students undertaking an accredited course in MQF levels 5,6,7 or 8 as well as internationally recognised certificates.

Do on line courses qualify?

On line courses both full time and part time are eligible so long as they classify as an accredited course in MQF levels 5,6,7 or 8 or are an internationally recognised certificate.

Is there any means testing process on the student before the loan is approved?

There is no means testing however normal banking credit evaluation criteria will apply.

Application Process

What type of documentation is required to apply for the loan?

The student may best contact his/her nearest BOV branch and provide the following documentation:

- ID card,
- BOV application form detailing: Educational Institution; Type of Degree; Official Name of Course; Expected Course Start Date; Expected Course End Date; Expected First Drawdown Date; Country of Educational Institution; Country of Attendance; MQF Level Course, Full Time /Part Time Course and distance Learning, if applicable.
- Evidence of income (where applicable) – FS3 and latest 3 payslips or P & L Account together with Inland Revenue income and self-assessment form submitted to the Inland Revenue covering a period of at least 3 years in case of a self-employed.
- Evidence re academic fees, related study expenses and subsistence, transport expenses (including location) to further customer's studies.

Loan Features

What is the maximum amount a student can avail from the loan?

The maximum loan amount is Euro 100,000. Should the student seek other forms of funding these can be used as his contribution to his study costs reducing the requested loan amount. All repayments concerning the full credit exposure will be taken into consideration in terms of feasibility to meet all liabilities when due.

What happens if the costs for the course exceeds €100,000?

In such circumstances the loan will be capped at €100,000 and the remaining expenditure would need to be forked out by the student. In assessing your application, the bank will take into consideration all repayments by the applicant concerning the full credit exposure in terms of feasibility to meet all liabilities when due.

Will students be able to avail of 100% of their expenses through the loan?

Yes, students will be able to avail of 100% of their eligible expenses through the loan. Eligible expenses are defined as Tuition Fees, Accommodation Fees, Living allowance, Transport expenses; Textbooks and other costs related to the study course, together with a 10% foreign exchange contingency (when applicable). In the case of payments made in non-Euro currencies, the loan will be denominated in Euro, and drawdowns will be debited to the loan account in the Euro equivalent.

What is the term of the loan?

The maximum term of the loan is 10 years, however the bank will consider a shorter loan term depending upon the value of the loan and the duration of the study course. The term of the loan will be set with the ultimate aim of ensuring that the loans monthly re-payments are affordable.

Are there any additional costs to apply for the loan?

All the fees to apply for this loan have been waived by the bank to ease access to finance for the student. However, as per normal banking practise, if the loan is in arrears the bank will charge: EUR 10 per letter advising the student arrears on the loan repayments. If the loan requires rescheduling EUR 30 per application for re-scheduling of facilities.

Will the bank pay the Institution directly or pay the student to pay the Institution?

The Bank will pay directly the course fees, lodging and other large amounts which are normally accompanied by an agreement or a formal invoice.

Is there a capping on the amount of loans allocated to any individual institute?

No cappings are in place since the funds are allocated to the students not the educational institutes.

Obligations

What obligations will the student carry if he fails to get the qualifications within the stipulated time frame?

Should the student fail to get the qualifications within the stipulated time frame an extension of up to one year can be granted to get the expected qualification, subject to the moratorium period not exceeding the maximum five years from the first disbursement.

What obligations will the student carry if he decides to stop the studies / course?

If the student is still within the moratorium period, the moratorium period will be terminated and the student will start repaying the loan, capital and interest. In addition the interest rate subsidy will be suspended with effect from one month from the date the student decides to stop the studies. In such circumstances the bank may increase the interest to a normal commercial rate, and decrease the loan term.

Loan Repayments

Will the student be able to benefit from the GetQualified Tax Rebate after graduation and working in Malta?

Yes of course the loan is assisting the student to access finance during the study period, once working in Malta such tax rebates can be used to repay the loan.

What if the student wants to accelerate loan repayments or decides to pay the loan in full, in advance?

The student can accelerate loan repayments or pay the loan in full and will not be subject to any penalty fees. In accelerating repayments, the student is advised that the following monthly repayments will not be decreased automatically to align to the remaining term of the loan.