

Students must sign loan deals or lose out on funding

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More than 200,000 students on the National Student Financial Aid Scheme (NSFAS) have not received their funding and are in danger of losing it entirely if they fail to sign loan agreements.



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The NSFAS has a R15bn budget for 2017 and is responsible for providing funds to poor students for tuition fees, accommodation and books.

NSFAS spokesman Kagisho Mamabolo said slightly more than 200,000 students had signed loan agreement forms.

Unaudited NSFAS data show that more than 700,000 students applied for funding.

"The initial number of students the NSFAS paid registration for will change when students come forward to sign the agreements," Mamabolo said.

"If they do not, it means they are no longer NSFAS-funded students, thus the NSFAS will not make further payments in this regard," he warned.

The NSFAS, which adopted a student-centred model, faced challenges earlier in the year when students shut down colleges in protest at not receiving their living allowances.

Higher Education and Training Minister Blade Nzimande told Parliament two weeks ago 93% of the 46,345 students eligible for living allowances had received them at end-May.

Nzimande admitted there were challenges with the NSFAS system, but a project team was giving them urgent attention.

Mamabolo praised the new model and said it helped to prevent fraud. "And we do not have to worry about getting refunds from institutions." Under the student-centred model, the scheme channels funds to students and not institutions.

More than 21 funders contribute to the NSFAS budget. Most undergraduate students are funded through the department's general loan programme and smaller bursaries.

Mamabolo said the NSFAS had paid registration at the start of the year for some students. But because they had not yet signed loan agreement forms, they remained in danger of losing their funding for the year.

Source: Business Day

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