

**Financial Assistance to Students
Pursuing Post-secondary Education**

Tertiary Student Finance Scheme – Publicly Funded Programmes

- Students registered as *full-time* and taking up exclusively UGC funded or exclusively publicly funded student places in recognised courses at UGC-funded institutions, the Vocational Training Council, the HKAPA or the Prince Philip Dental Hospital, can apply for financial assistance from the Tertiary Student Finance Scheme – Publicly Funded Programmes.
- Financial assistance is provided in the form of a grant and/or loan. The grant is for covering tuition fees, academic expenses and compulsory union fees. The loan is for living expenses and is interest-bearing at 2.5% per annum chargeable from the commencement of the repayment period. The maximum grant for a student is equal to the tuition fee (not including the continuation fee for postgraduate courses) payable to the local institution concerned and academic expenses for the course of study plus the compulsory union fees (subject to a ceiling). The maximum loan amount is \$37,250 for 2010/11 applications. Eligible students who do not pass the means test for full grant may receive partial grants according to a sliding scale.
- Students may also apply for non-means-tested loans under the Non-means-tested Loan Scheme. This scheme operates on a full-cost recovery basis. Interest is charged at the Government's no-gain-no-loss rate, which is currently set at 2.984% below the average best lending rate of the note-issuing banks, plus a risk-adjusted factor of 1.5% that seeks to cover the Government's risk in disbursing unsecured loans. Interest is accrued once the loan is drawn down and throughout the study period. As at September 2010, the interest rate was 3.599% per annum. The maximum loan amount receivable under the scheme is capped at the tuition fees payable by the student.

Financial Assistance Scheme for Post-secondary Students

- *Full-time* students aged 25 or below who are engaged in locally accredited self-financed post-secondary education programmes leading to a qualification at the sub-degree level or above can apply for the Financial Assistance Scheme for Post-secondary Students, subject to their fulfilling the following conditions:

- students engaged in sub-degree programmes must have not obtained any qualifications at the sub-degree level or above; or
 - students engaged in top-up degree programmes must not have obtained any qualification at the degree level or above, and have obtained a locally accredited sub-degree qualification; or
 - students engaged in degree programmes must not have obtained any qualification at the degree level or above, and any sub-degree qualification must be locally accredited.
- Means-tested assistance under this scheme is capped at \$60,610 for tuition fee grant, \$3,210 for academic expenses grant and \$37,250 for living expenses loan in the 2010/11 academic year. Eligible students who do not pass the means test for a full grant may receive partial grants according to a sliding scale.
 - Students may also apply for non-means-tested loans under the Non-means-tested Loan Scheme for Post-secondary Students to cover tuition fees (without ceiling), academic expenses and living expenses (after deducting the actual amount of means-tested assistance, if any). Similar to the Non-means-tested Loan Scheme, the Non-means-tested Loan Scheme for Post-secondary Students operates on a full-cost recovery basis. Interest is charged at the Government's no-gain-no-loss rate, which is currently set at 2.984% below the average best lending rate of the note-issuing banks, plus a risk-adjusted factor of 1.5% that seeks to cover the Government's risk in disbursing unsecured loans. Interest is accrued once the loan is drawn down and throughout the study period. As at September 2010, the interest rate was 3.599% per annum.
 - Until recently, sub-degree graduates who wished to "top-up" their studies in locally accredited self-financing degrees programmes could only apply for non-means-tested loans to cover their tuition fees. Since the 2008/09 academic year, the Government has extended the Financial Assistance Scheme for Post-secondary Students to cover sub-degree graduates pursuing:
 - (i) self-financing degree/top-up degree programmes that have been accredited in Hong Kong by a government-recognised accreditation agency (*e.g.* by the HKCAAVQ); or
 - (ii) self-financing degree/top-up degree programmes operated by local self-accrediting institutions with the resulting qualifications

awarded solely or jointly by such institutions.

- The decision about (i) may encourage non-local institutions to seek accreditation locally for their non-local degree (including non-local top-up degree) programmes. At present, non-local degree programmes are regulated under the Non-local Higher and Professional Education (Regulation) Ordinance (Cap. 493). Application for *registration* under Cap. 493 of a course leading to the award of non-local higher academic qualification by a non-local institution is approved if the course meets the specified criteria [E54]. The Ordinance also stipulates conditions under which non-local courses can be *exempted* from registration, such as when the courses are conducted in collaboration with a specified local institution of higher education [E55]. There is no requirement for the non-local courses to seek local accreditation by, for instance, the HKCAAVQ. With the extended coverage of the Financial Assistance Scheme for Post-secondary Students, non-local course providers may seek local accreditation of their programmes so that their students can be eligible. It is believed that the move will help to enhance the overall quality of non-local degree programmes offered in Hong Kong, without changing the fundamentals of the existing regulatory regime.