



REPUBLIC OF NAMIBIA



MINISTRY OF EDUCATION

**NAMIBIA STUDENTS
FINANCIAL
ASSISTANCE FUND
(NSFAF) POLICY**

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TABLE OF CONTENTS

	PAGE
1. INTRODUCTION	1
2. PARAMETERS	1
3. BASIC CRITERION	2
4. ADMINISTRATION OF AWARDS	3
4.1 <i>Application procedures</i>	3
4.2 <i>Recommendation/approval of applications</i>	4
4.3 <i>Selection Committee</i>	5
4.4 <i>Fields of Study</i>	5
5. PAYMENT AND CONTINUATION OF LOAN	6
6. RECOVERY OF LOANS	7
6.1 <i>Repayment of loans</i>	7
6.2 <i>Recovery guidelines</i>	7
6.3 <i>Interest on loans</i>	8
6.4 <i>Suspension (of interest) and cancellation of loan</i>	
<i>Repayment</i>	8

1. INTRODUCTION

The Namibia Student Financial Assistance Fund is a loan/grant scheme which was designed to replace the Public Service bursary scheme whose purpose was to train people to work solely in the Civil Service. Soon after independence, the demand for new recruits in the Civil Service was significantly decreased following the integration of the various ethnic-based administrations into one national Government. Hence the Public Service bursary scheme lost its relevance. In the meantime the demand for financial assistance by students was ever on the increase. Cabinet therefore decided to replace the bursary scheme with the NSFAF, which would allow the Government to continue addressing the human resources need of the country in general beyond the needs and requirements of the Public Service. This NSFAF was approved in 1996 and being implemented with effect from January 1997. Ultimately the Namibia Student Financial Assistance Fund (NSFAF) Act 2000 (Act No.26 of 2000) came into being and operational.

2. PARAMETERS

The two main parameters for awarding financial support to students are allocation according to a Regional Quota (the region where the student wrote his/her first grade 12 examination) and Priority Fields of study. The regional quota is based on awarding assistance to a certain proportion of Grade 12 students in a particular political region as a percentage of all Grade 12 enrolled students. This ensures an equitable distribution of funds throughout the political regions, and guarantees that many more students now have access to the Fund than in the past.

The former bursary scheme was focused primarily on training people for the civil service, which was already oversubscribed. Giving priority to certain fields of study enables the Government to spearhead fields where the need for qualified staff is greater in terms of fulfilling Namibia's human and economic development needs, or where economic growth will create employment opportunities.

Once the loan beneficiaries have completed their studies, they are required to fulfil their social responsibility and contribute to the Fund by repaying their loans.

3. BASIC CRITERION

The NSFAF provides financial assistance by way of loan only to needy (full-time not part-time) Namibian students at recognized institutions of higher learning in accordance with the following requirements:

- Financial assistance is granted to cover tuition, textbooks, registration fees and related educational expenses/ costs at rates as may be determined and approved by the NSFAF Board from time to time.
- Financial assistance relating to accommodation, meals, transport, maintenance etc. are offered only to students in selected fields of study of high priority as determined by the Board from time to time.
- Financial assistance is offered only to students whose combined parental/guardian annual earnings/ gross salary does not exceed N\$150 000 (basic salary plus allowances and other benefits minus income tax and pension fund contributions). Exception can be made in cases where parents/guardians are already paying for other children at any other recognized tertiary institution. In both situations proof thereof is required.
- Financial assistance offered to students on the basis of the regional quotas is meant to ensure fair distribution to students from all political regions.
- Financial assistance is only considered for first-degree at universities and certificate, diploma or first-degree courses at Polytechnic, Colleges and Vocational Training and Health centres. Financial assistance is not given to students pursuing courses outside Namibia that are offered in Namibia. If and when such an exception is made, only the local rates are applied.
- Financial assistance is provided to students pursuing studies in SADC in specified fields of studies at rates determined by the NSFAF Board from time to time.
- Financial assistance to students pursuing studies in SADC is offered only on condition that the applicant provides evidence or commitment indicating ability to cover the difference in fees should the NSFAF rate be less than the total study costs.

- The NSFAP policy makes provision for funding only to undergraduate studies and not post-graduate studies except for students granted assistance in the form of scholarships offered by friendly governments and/or international organisations through co-operate agreements with the Government of Namibia.
- Students on scholarships receive loans only for air tickets and stipends.
- Payment for air tickets for students to come to Namibia to do practical training/research can only be paid upon approval of such a request which should be received in writing from the Institution and the student after the Ministry/Company concerned has accepted the student for practical training/research.
- Students returning to Namibia from foreign countries after completion of their studies can be assisted with excess luggage fees for unaccompanied weight up to 20kg (kilogram) only.
- Students, who are going for studies to foreign countries on their own or on scholarships obtain privately, cannot be assisted by the Fund except when they apply for scholarships offered by that country through the NSFAP and are selected. If such students are not selected and apply for financial assistance from the Fund in the form of a loan and if approved, the approved SADC rate applies.
- Payment can only be done upon the signed contract.

4. ADMINISTRATION OF AWARDS

4.1 Application procedures

Application forms become available in August of each year at H/IGCSE schools, regional education offices of the Ministry of Education and at the NSFAP office and other institutions of Higher Education. Closing date for all applications is every 31st of October in exception of the fixed quotas. Late applications may not be considered.

To be eligible for NSFAP assistance, applicant should:

- Be Namibian citizen
- Be in good health
- Have been admitted to/registered for the course which he/she has applied for
- Have obtained a grade 12 or equivalent qualification or grade 10 certificate in case of vocational training.

The following documents must accompany the application:

- Birth certificate and or Namibia ID document
- Verified statement of parental/ income and or if unemployed, declaration made before Commissioner of Oath by the parents themselves
- Final examination results for H/IGCSE and or academic record
- Proof of registration/admission to an approved/recognized institution of higher education.

The offer for financial assistance may be approved only when all required information and documents are submitted.

4.2 Recommendation/approval of applications

All applications received on time are acknowledged and presented to the Selection Committees for initial consideration. Only the recommended applications are thereafter submitted for approval to the Permanent Secretary or responsible official appointed by the Board. Also only appeal applications from students who were unsuccessful during the initial selections (January/February) may be considered in between March and April. All applications with any outstanding or pending documents/information would be immediately turned down by the Committees.

Notices/results for all the successful students are issued and displayed at their respective local tertiary institutions' notice boards and this information is also made available at the NSFAP offices.

Once a student is awarded loan/grant, he/she is required to approach the Ministry and enter into agreements within two months (60 days) from the date of a Notice. It is also required from the students to affix their most recent passport photos on their loan/grant agreement forms. Students will automatically forfeit their offers if they fail to enter into loan/grant agreements within the prescribed period of time.

4.3 Selection Committee

The Selection Committee consists of representatives of key ministries, assisted by specialists in a particular field. The required selection criteria are applied by putting regional quotas and priority field of study onto a matrix. Allocation is based on what is needed compared to what is available, measured against what the institutions could accommodate.

The Selection Committees consists of representatives from:

- Ministry of Education
- Office of the Prime Minister
- National Planning Commission
- Ministry of Labour
- The University and the Polytechnic of Namibia
- Namibia National Students Organisation (NANSO)
- Specialists per field of study (employer)
- Line ministries/agencies

4.4 FIELDS OF STUDY

Priority fields of study in descending order (subject to change upon approval by the Board):

- 4.4.1 Teacher education majoring in mathematics and science, English and computer science
- 4.4.2 Medicine, nursing and related sciences
- 4.4.3 Agriculture and veterinary science
- 4.4.4 Natural science, computer technology and information technology
- 4.4.5 Engineering and related fields, including energy, mining and architecture
- 4.4.6 Communication, conservation, tourism, hospitality and information science, including teacher education in these fields.
- 4.4.7 Law
- 4.4.8 Economics, commerce and accounting, including teacher education in these fields
- 4.4.9 Police and strategic studies
- 4.4.10 Public administration and personnel management
- 4.4.11 Humanities, social work, including teacher education in these fields
- 4.4.12 Culture, sport and art including teacher education in these fields.

5. PAYMENT AND CONTINUATION OF LOAN/GRANT

The NSFAP would pay student loans/grants monies directly through the institution or the provider of services. No cash payments and/or cheques would be issued to students except in cases of contingency/emergencies.

In terms of loan/grant contract beneficiaries are required to submit semester and or annual academic/training results to the Fund. Loans/grants will be suspended and students will have to repeat the semester or year at their own cost in case of failure/unsatisfactory results. Change of fields of study should be applied for in writing to the NSFAP and permission is subject to approval by the Permanent Secretary as delegated by the Board. Failure to observe these requirements would amount to breach of contract. Should approval be granted for changes of course, were a year is to be repeated, the loan/grant will be suspended. Payment will only resume if a student registered for the proceeding academic year. Exceptional cases such as ill health; change of majors, (as long as it does not prolong the agreed timeframe of completion of the course), may be considered; otherwise the beneficiary would bear the responsibilities of the cost for any repetition of study years.

Change of field of study and/ or institution may be considered on merits only once, during the course of study. Should such change affect cost, the amount already paid on behalf of the students would be deducted from the new allocation. Request for private accommodation may only be considered in exceptional cases where the Fund has done an investigation and concluded that there is really a need to grant such support. Students/debtors should inform the NSFAP in writing in case of changes in their surnames/ID numbers/first names/addresses, etc.

In the event of savings accruing from money paid by the Fund to a beneficiary during the course of study, such savings will return to the fund and deducted from the beneficiary's loan/grant. Institutions are required to update the beneficiaries account and forward information to the Fund.

6. RECOVERY OF LOANS

6.1 Repayment of loan

Loans are repayable to NSFAF when:

- A period of six months has lapsed since the student has completed his or her studies
- He or she has found employment
- He or she is earning a threshold salary
- He or she has not completed his/her studies but has committed breach of contract, or he/she has negotiated or accepted different terms under the loan/grant agreement or he/she has received another loan/bursary outside the agreement.

6.2 Recovery guidelines

It is required to repay the loan portion plus interest at half the prime rate in instalments of at least 15% of gross annual income minus tax and pension contribution. The maximum period for repayment must not exceed three times the number of years for which the debtor received the loan.

The debtor may pay more than the minimum amount required, and so redeem the debt sooner.

The debt is transferable to an employer; on condition that the amount is to be paid to the Fund within 30 days of acceptance of the arrangement. Proof of such arrangement should be submitted to the Fund.

If the beneficiary is unable to find employment, within six months of completing the course, he or she must inform the NSFAF in writing in order to receive a written extension of repayment. Loan holders who fail to commence their studies are obliged to repay the money so committed with interest.

(Instalments would be affected by the prime rate either on a monthly, quarterly, and half-yearly or annual basis and may be paid in arrears or advance to suit the debtor. The capital amount plus interest determines the instalment).

A debtor who is not earning a threshold (non taxable) salary at his/her discretion may offer to pay back the loan without interest. This is also applicable to debtors whose six months grace period has not lapsed.

Repayment may be made by debit order (through bank deduction), stop order (salary deduction), through any other approved institution or direct deposit to:

Namibia Student Financial Assistance Fund (NSFAF),
Cheque Account No.: 8 000 359 824
Bank Windhoek
Branch and Code: Kudu (48-21-72)

In case of direct bank deposit proof (deposit slip) thereof should be submitted to the Fund without delay.

The Subdivision Loan Recovery & Breach of Contract under the NSFAF should determine the instalment to be paid by the beneficiary and communicate the information to the beneficiary and institution authorised to receive such funds.

The NSFAF act provides that legal action may be instituted if employment information provided by the debtor is deliberately misleading or is intended in any way to avoid compliance with obligations under his or her loan/grant contract.

6.3 Interest on loans

Monies payable to the NSFAF under loan/grant contract are paid at half the current prime interest rate. Interest will be calculated from the date repayment is due.

If the beneficiary in any way fails to honour his or her term of contract, the full commercial interest rate (will apply as opposed to the half prime interest rate offered to other NSFAF beneficiaries).

6.4 Suspension (of interest) and cancellation of loan repayment

The NSFAF Board may decide to suspend the repayment of a loan if:

- The debtor becomes unemployed
- The debtor's annual earnings fall below the relevant threshold amount.
- The debtor becomes ill/mentally ill and is declared unfit for work for a period longer than three months by a registered medical practitioner.
- The debtor dies, in which case all liability for refunding of moneys would lapse provided a breach of contract did not occur before the event of death.

When a loan is suspended, interest will not accrue to the loan, however when repayment resumes, interest will also apply.