

Allocation Rules 2016-2017

With explanations and examples

22 March 2016

**Icelandic Student Loan Fund (LÍN)
2016**

Section I. Courses of Study Which Qualify for Loans

1.1 General

The Fund grants student loans for higher educational courses at recognized educational institutions which provide higher education leading to university (third-level) degrees. The Fund may grant student loans for special studies.

Courses of study qualify for loans if they are organised as full-time studies in the syllabus of an educational institution, 60 ECTS units of study ('ECTS' stands for 'European Credit Transfer and Accumulation System') in each academic year or at least 30 ECTS units each semester in cases where the course structure does not cover a complete academic year. Registration at an institution is the criterion for whether or not the student is pursuing a course of study which qualifies for a loan.

Loans may be granted to cover tuition fees for courses (not including maintenance) that are not organised as 60 ECTS units during the academic year (*cf.* the second paragraph of this Article). However, such courses must be organised as at least 45 ECTS units of study in each year of study, i.e. 75% of full studies (*cf.* Article 2.1), these to be completed in not more than 12 months.

Loans are not granted for studies that form part of paid employment under an employment contract. This applies, for example, to paid postgraduate studies by physicians.

Loans are not offered for preparatory studies or for studies which are further to a doctorate degree or a comparable qualification.

If the student has fully utilised his or her entitlement to receive loans for a particular course of study or a particular level of the educational system (*cf.* Article 2.1), then further studies in the relevant course or level shall not qualify for loans.

A condition for receiving a loan from the Fund is that the applicant is financially competent, or will be during the semester for which the loan is sought.

1.1.1 Icelandic students' entitlements

Icelandic citizens are entitled to student loans if they meet one of the following conditions (*cf.* Article 3 of the Regulation No. 478/2011):

1. They must have been continuously resident in Iceland for five continuous years preceding the application date.
2. They must have pursued paid employment in Iceland
 - a. for the last 12 months preceding the date of application, and shall have been continuously resident in Iceland over the same period, or
 - b. shall have worked for less than 12 months but been resident in Iceland for a total of two years over a period of five continuous years.
3. In cases where the applicant has not pursued paid employment continuously during the 12 months preceding the date of application, applications may nevertheless be accepted in certain circumstances which are defined in Article 3 of the Regulation No. 478/2011.

Furthermore, the board of the fund may, in special cases, accept an applicant's strong connections with Iceland as equivalent to having met the above conditions.

1.1.2 Rights of Nordic students

Students from the Nordic countries, who are domiciled in Iceland and pursuing curricula in Iceland qualifying for loans, have the right to study assistance on the same basis as Icelandic students, provided

they do not receive study assistance from their home countries, cf. the current agreement between the Nordic countries on these matters.

1.1.3 Rights of EEA citizens who are wage-earners/self-employed and of their family members

Students who are wage-earners/self-employed or have this status in accordance with the rules of EEA law and are citizens of states in the European Economic Area, and their families and others who are supported by them, are entitled to student loans in accordance with the conditions of Article 4 of the Regulation No. 478/2011.

1.1.4 Rights of EEA citizens other than those specified in Article 1.1.3

Students who are citizens of states in the European Economic Area, other than those specified in Article 1.1.3, are entitled to student loans in accordance with the conditions of Article 5 of the Regulation No. 478/2011.

1.1.5 Rights of other foreign students

A foreign citizen acquires the right to loans on the same basis as Icelandic students in the semester in which it is agreed to grant them Icelandic citizenship.

A foreign citizen, other than a citizen of a Member State of the European Economic Area (EEA), can apply for loans for studies pursued in Iceland or in the other Nordic countries if he or she meets both of the following conditions:

1. is married to an Icelandic citizen meeting the conditions in Article 1.1.1 and
2. has been legally domiciled in Iceland for at least two of the five years preceding the commencement of studies.

1.2 Courses of Study in Iceland Which Qualify for Loans

1.2.1 University Courses

University courses and other courses which make demands regarding preparatory study comparable to those made regarding university studies, qualify for loans. Courses at university level at the following institutions qualify for loans:

University of Iceland
University of Akureyri
Bifröst University
University of Hólar
Reykjavík University
Icelandic College of Agriculture
Iceland Academy of the Arts

1.2.2 Special Studies in Iceland

Courses of special study in Iceland that qualify for loans include those that confer the legally protected right to engage in an industrial trade, and other upper-secondary level vocational courses of at least one year's duration that have been approved by the Ministry of Education, Science and Culture under the Upper Secondary Schools Act, No. 92/2008, that also meet the following conditions:

1. the course must have been approved by the relevant professional council,

2. students on the course do not receive wages for it under a collective agreement over and above the level of basic support in Iceland (*cf.* Articles 3.1.1 and 3.2),
3. the conclusion of the course is on the third qualification level, and
4. comparable courses of study are not generally on offer at university level in Iceland.

If a course of studies begins directly after the student has completed the final junior (compulsory) school examination, no loan shall be granted for the first semester of the studies, and if the programme of studies is structured to cover more than five semesters, support loans shall not be granted for the first two semesters. At most, loans shall be granted for 75% of the total study period, including a paid working period.

Courses of studies pursued in comprehensive schools, grammar schools and other schools offering courses which are part of preparation for the matriculation examination or another comparable examination are not eligible for loans in accordance with this article.

1.3 Courses of Study Abroad Which Qualify for Loans.

1.3.1 University Courses

Loans are granted for higher education at internationally recognised universities (third-level institutions) abroad which make demands of the students comparable to those made regarding university studies in Iceland (see, however, Article 4.5 regarding loans for tuition fees).

1.3.2 Special Studies

Loans may be granted for special studies abroad. Eligibility for a loan is subject to the condition that the educational institution is recognized by the educational authorities in the country, that the course is structured as at least a one-year programme of studies and that it is deemed sufficiently substantial, by the board of the Fund, in terms of its nature, structure, admission requirements and the professional entitlements it confers. The same demands are made regarding courses abroad which qualify for loans as for courses in Iceland, including the requirement that no comparable course of studies at university level in Iceland is available. Loans are not made for vocational studies for which the student receives wages under a collective agreement over and above the level of basic support in Iceland as defined in Articles 3.1.2 and 3.2.

1.3.3 Language Courses as Preparatory Studies

Loans may be granted for language courses if these constitute necessary preparation for studies that qualify for loans in a country where a language other than English or a Nordic language (except Finnish) is spoken.

Preparatory language courses may be regarded as studies at the Master's or doctoral level (*cf.* Article 2.3.2 and 2.3.3) if the student has completed undergraduate studies and intends to pursue a Master's degree or doctoral studies in the same subject.

If the student has previously received a loan to study the language in question, then no loan shall be granted for preparatory language studies.

The maximum number of units for which loans are granted in accordance with this Article depends on the language involved, ranging from 30 to 90 ECTS units. Further details are to be found in Appendix III.

If, on completion of a language course, the recipient of a loan changes the country in which he pursues his course of study, he shall be denied a loan for the same length of time as he received a loan for the language course. If the student has the preparatory course assessed in order to shorten the new course

of studies, the assessment shall have the effect of reducing the time during which he does not qualify for a loan.

Eligibility of a preparatory language course for a loan is subject to the condition that the course in question consists of at least a two-month programme of organised study that is deemed as sufficiently substantial, by the board of the Fund, in terms of its nature and structure (a minimum of 15 academic hours per week). Loans shall only be granted once for preparatory language studies.

Confirmation of admission to studies in a subject qualifying for a loan in the same country must be submitted before loans for preparatory language studies are fully processed.

1.4 Information about Curricula Qualifying for Loans

The Fund's homepage provides instructive information on educational institutions and curricula for which loans have been granted. If an application is submitted for a loan for studies at educational institutions, or courses of study, for which loans have not been granted before, it must be discussed by the board of the Fund. In such cases, the student must provide detailed information on the educational institution and the course.

The Fund may at any time reconsider whether educational institutions and curricula qualify for loans from the Fund. The Fund may also request new documents confirming that a school or curriculum meets the Fund's requirements for loan-qualified curricula, whether Icelandic or foreign schools are involved. Even if the Fund rated an educational institution or curriculum as qualified for loans in the past, this is not a promise or guarantee that this will be so in the future.

Section II. Academic Progress

2.1 General

Generally, a student is considered as being in full-time studies if he completes 60 ECTS units, or the equivalent, in an academic year in one programme of study. If the student changes to a new educational institution, a new subject of study or a new academic degree, this shall constitute a new study programme.

Loans are granted for a maximum of 30 ECTS units in each semester, or 20 ECTS units in each quarter. Loans are granted for a maximum of 20 ECTS units during the summer semester. At no time are loans granted for more than 80 ECTS units during each year of study. A cost-of-living loan for 80 ECTS units is based on a student's cost of living for 12 months per year.

The total number of ECTS units for which loans are granted in individual courses of study shall take account of the structure of the academic institution approved by the board of the Fund. Only courses which lead to a final examination are taken into account; units assessed from previous studies are not counted as part of academic progress.

2.1.1 Summer

Studies during the summer semester shall be considered as part of the previous academic year. Students must complete a minimum of 15 ECTS units in a summer semester in order to qualify for summer loans. At no time shall loans be granted for more than 20 ECTS units during the summer semester and a total of 80 ECTS units during each year of study. Special applications must be submitted for summer loans. In order to be entitled to a special loan to cover tuition fees during a summer semester, the student must complete at least 60 ECTS during the year of study (*cf.* Article 4.5).

2.2 Units (Credits) Qualifying for Loans

To be entitled to a loan for studies, a student must be registered for at least 22 ECTS units through the end of each semester and complete at least 22 ECTS units or their equivalent each semester, or the corresponding proportion per term in educational institutions operating on a quarterly (trimestral) basis, in a single programme of study. Loans may only be granted for studies in two or more programmes of study during the same semester if the student is completing an undergraduate university course and has received permission from the university to begin master's studies in the same subject, The same shall apply if a student is required by the educational institution to take additional courses in an undergraduate curriculum qualifying for a loan in parallel with a Master's curriculum. This authorisation shall be subject to the condition that the student has not already fully utilised his allowance to utilise loans in accordance with Article 2.3.

A student who completes 22-30 ECTS units in a semester shall be entitled to a loan for the completed units (i.e., up to 30 ECTS units).

Loans are granted only once in respect of each completed unit, except in studies where student number restrictions (*numerus clausus*) are in force (*cf.* Article 2.4.1).

If a student's right to loans at a specified curriculum level is below the minimum requirements for academic progress, the student may be granted a loan equalling his/her remaining unit rights, provided that the student completes at least 22 ECTS units per semester or the corresponding proportion in trimestral schools in one curriculum.

2.3 Length of Studies

Students may receive loans for a total of up to 480 ECTS units, subject to the restrictions resulting from the division of their loan entitlements between levels of study. Further details of the division of loan entitlements between levels of study are given in Articles 2.3.1 – 2.3.5.

2.3.1 Basic (undergraduate) studies

Students are entitled to receive loans for 180 ECTS units of basic study. ‘Basic study’ here refers to special studies and undergraduate (first degree) studies.

2.3.2 Master’s studies

Students are entitled to loans for 120 ECTS units of master’s studies, or comparable studies following the completion of three years’ university studies according to the structure of an educational institution approved by the board of the Fund. In US universities, however, this shall apply to studies in excess of four years. Additional employment-related university studies lasting up to one year, which do not end with a higher degree, e.g. pedagogy (education) courses in order to gain the right to teach, social counselling and academic counselling, may be considered as studies at master’s level.

2.3.3 Doctoral studies

Students are entitled to loans for 60 ECTS units of doctorate studies. Where students have not fully used their latitude under Article 2.3.2, they may use the remainder of that entitlement for doctoral studies.

2.3.4 Common latitude

In addition, each student shall be entitled to a loan for an additional 120 ECTS units, at the undergraduate, master’s or doctorate level, at his own choice.

2.3.5 Scope of older rules

Regarding the length of curricula (in accordance with Section 2.3), students shall enjoy the rights in accordance with the rules in force at the start of their studies. This authorisation is cancelled if students begin a new curriculum or take a break from studies longer than one year. A new curriculum starts if students change schools, majors or degrees.

2.4 Additional Leeway in Studies

Students not fulfilling the Fund’s conditions on minimum academic performance per semester or trimester (*cf.* Article 2.2) may apply for exemption due to circumstances listed in Articles 2.4.1 – 2.4.7. In those instances where approval is given for exemptions, entitlement to loans shall be based on the minimum number of units, i.e. 22 ECTS units per semester at educational institutions using a semester structure or 15 ECTS units at institutions based on a quarterly (four-term) structure.

Where, in this Section, provision is made for demanding the medical certificates, the Fund reserves the right to seek information from the Fund’s consulting physician obtain information from the medical practitioners concerned regarding medical certificates submitted and to comment on their contents. If such information is not given, the Fund may take the view that a satisfactory application for additional latitude in studies has not been submitted.

2.4.1 General

A student who completes more than 30 ECTS units in a semester shall be entitled to utilise the extra units in another semester in the same year of study providing that he fulfils the minimum requirements regarding achievement during that semester (*cf.* Article 2.2) or to transfer them to later years of study in the same study programme. If the student changes to a new educational institution, a new subject of study or a new academic degree, this shall constitute a new study programme.

At the end of the academic year (the autumn or spring semester or the fall, winter or spring trimester, as appropriate), the student's academic achievement shall be updated. In instances where a student does not achieve the minimal achievement in each semester or trimester, the overall academic achievement for the school year may be taken into account and loans granted for individual semesters/trimesters, in accordance with accrued units if all of the following conditions are met:

1. The student applied for loans for all semesters or trimesters of the school year.
2. The combined academic achievement for the school year is at least 44 ECTS units in semestral schools or the corresponding proportion in trimestral schools.
3. The student was registered for a curriculum of at least 22 ECTS units each semester or the corresponding proportion in trimestral schools to the end of the term.

Loans are never granted in an amount exceeding 30 ECTS units in a single semester or 20 ECTS units in trimestral schools.

If the student loses his right to units that he has previously earned, and received a loan to complete, he shall be considered as owing the number of units to which he has lost the right, and this debt shall be deducted from the units that he completes before his loan entitlement is assessed. However, unit debts that are more than ten years old shall not be counted. This applies, for example, when the student is obliged to repeat a course because of student number restrictions (*numerus clausus*) that are laid down in the regulations of the educational institution or because the student takes a too long break from his studies according to the rules of the school. However, a student who has achieved satisfactory results in the first semester, and has not made further academic progress solely because of the rules on student number restrictions, may be granted a loan to repeat the semester once.

If a student has received a loan for an exchange course abroad (e.g. Erasmus or Nordplus) and the credits in the exchange course are not utilised in full towards a final examination, then during the final semester of studies an exemption may be granted from Article 2.1 and a loan may be approved for the additional credits over and above the maximum number of credits for the course according to the structure of the academic institution. This exemption allows granting a loan for 22 ECTS units per semester in semestral schools and 15 ECTS units per term in trimestral schools if the student completes at least the minimal number of units.

2.4.2 Assessment of Diligence

A loan may be made on submission of a statement of the student's diligence in cases where the student takes examinations only once a year or at longer intervals. In such cases, loans are then made in accordance with academic results if academic progress is assessed in the statement. Loans may be granted for 30 ECTS credits if it is stated clearly in the assessment that the student has been engaged in full-time studies. Loans shall be reviewed when the results for the year of study are available. If it is then found that academic progress during the year of study was not satisfactory, the support loan for the spring semester will not be disbursed and loans granted in advance for tuition fees for the spring semester shall then be recalled as having been disbursed in excess of the correct amount (*cf.* Article 5.7).

If the student is completing studies, final disbursement of loans for the year of study may **not** take place until confirmation of completion of studies has been received.

2.4.3 Illness

The condition for qualifying for additional latitude in accordance with this Article is that the student shall previously have attained satisfactory achievement in a course of study eligible for a loan, or that he attains satisfactory achievement in the semester following the period in which he requires latitude.

When progress of studies is assessed, consideration may be given to situations in which the student falls seriously ill during the study period. In such cases, up to 6 ECTS credits (in the case of educational institutions operating on a semester basis, and a corresponding proportion in those operating on a quarterly (four-term) basis) may be added to the credits he has completed, so that his loan entitlement is based on the minimal number of units (*cf.* Article 2.4). If the student falls ill in the latter half of a semester, or during examinations, up to 22 ECTS units (in the case of educational institutions operating on a semester basis, and a corresponding proportion in those operating on a quarterly (four-term) basis) may be added to the units he has completed, so that his loan entitlement will be based on the minimum number of units (*cf.* Article 2.4). In cases where the student is obliged to discontinue studies due to illness, a loan may be granted for the proportion of the time during which he did pursue studies, this being confirmed by the authorities of the educational institution, up to a maximum of 22 ECTS units (in the case of educational institutions operating on a semester basis, and a corresponding proportion in those operating on a quarterly (four-term) basis). In cases where the student has paid fees for the period, and receives no reimbursement from the institution (this being attested by the institution in question), he shall not be required to reimburse the loan for the fee to the institution as he would be in the case of an excessive loan disbursement. Generally, the maximum latitude permitted shall not be increased because of this.

The exceptions provided for here may also apply if serious illness affecting the student's spouse, child or parent has necessitated hospitalisation or comparable care, so substantially disrupting the student's personal circumstances.

The condition for this concession shall be that the student submit a medical certificate stating clearly when he consulted the doctor and for what period he was incapacitated, due to illness, in the opinion of the doctor, from pursuing studies. The condition for granting exemption due to illness of the student's spouse, child or parent shall be that a medical certificate be submitted stating when the a doctor was consulted, confirming that a substantial case of illness was involved and stating when care was required. Similarly, a death in the student's immediate family may be taken into account when assessing academic achievement. 'Immediate family' for this purpose shall be considered as covering, e.g., the student's spouse, children and parents and the student's siblings and their children.

A student who has received exemption due to illness but achieves fewer than 16 ECTS credits (in the case of educational institutions operating on a semestral basis, or a corresponding proportion in those operating on a trimestral basis shall not be entitled to have illness taken into consideration again until he has made up the amount by which his achievement fell short this sum, so completing the aforementioned 16 ECTS units (in the case of educational institutions operating on a semester basis, and a corresponding proportion in those operating on a quarterly (four-term) basis).

2.4.4 Childbirth

The general condition for a student's entitlement to additional latitude under this Article is that he/she achieved satisfactory results in a loan-qualified curriculum in one term the last 12 months before needing such leeway, or that she achieve satisfactory results in the term following this.

If a student has a baby during the period of study, up to 16 ECTS credits (in the case of educational institutions operating on a semester basis, and a corresponding proportion in those operating on a quarterly (four-term) basis) may be added to the number of units completed when the loan is calculated, the student's loan entitlement then being based on the minimum number of units (*cf.* Article 2.4). The maximum amount of latitude shall not be increased for this reason. The period during which it is possible for students in courses of study to avail themselves of this additional latitude due to the birth of a child shall never be longer than two semesters following the birth of the child. However, the mother may be entitled to additional latitude of up to 3 months prior to the birth of the child due to illness during pregnancy. Birth certificates/medical certificates shall be submitted in such cases. A student may utilise this leeway until the child reaches the age of 12 months.

A condition for this concession is that the student has custody of the child and that the child is legally domiciled with him or her, or demonstrably lives with him or her during the period of study. However, the combined additional latitude enjoyed by both parents in connection with childbirth shall not exceed 16 ECTS credits for educational institutions operating on a semestral basis or a corresponding proportion for those operating on a trimestral basis).

2.4.5 Disability

If, due to a disability, a student is unable to attain minimum academic achievement (*cf.* Article 2.2), up to 13 ECTS units (in the case of educational institutions operating on a semester basis, and a corresponding proportion in those operating on a quarterly (four-term) basis) may be added to the units he has completed, his loan entitlement then being based on the minimum number of units (*cf.* Article 2.4).

The condition for the concession provided for under this Article is that an assessment by a physician shall have been submitted stating that the disability rating of the student concerned is at least 75%. A special application must be submitted to the board of the Fund for the aforementioned concession. The application must be accompanied by a medical certificate.

2.4.6 Dyslexia and other specific learning difficulties

If due to dyslexia or other specific learning difficulties a student is not able to complete the minimum academic requirement (*cf.* Article 2.2), up to 13 ECTS units for educational institutions operating on a semestral basis, or a corresponding proportion for those operating on a trimestral basis, may be added to the units completed, his or her loan entitlement then being based on the minimum number of units (*cf.* Article 2.4).

The condition for the concession provided for under this Article is that an assessment by a physician shall have been submitted confirming that the student is unable to achieve the minimum academic requirement due to dyslexia or other specific learning difficulties, taking into account the latitude allowed by the educational institution for the student in question to pursue studies, methods of taking examinations, etc. A certificate to the same effect from the educational institution shall also be submitted. Special application for the aforementioned exemption must be made to the Board of the Fund.

2.4.7 Numbers of units completed under special circumstances and at the end of studies

Students who are only able to pursue studies in units of 10 or 20 ECTS credits during a specific term may receive loans in direct proportion to the number of units they complete, providing that they complete not less than 20 ECTS credits. The condition for this exception shall be that the student is registered in a full-time programme of studies (30 ECTS units) until the end of the term.

Students having less than the equivalent of 22 ECTS units of a semester in the last semester of studies may obtain loans in direct proportion to the amount they have yet to complete, provided that the units submitted are not **less** than 12 ECTS units.

Students **unable** to complete 22 ECTS units per semester because of a school's organisation or because of achievement in previous studies can obtain loans in direct proportion to number of units completed, provided they complete all of the units offered, and the number of units submitted is not less than 15 ECTS units.

Section III – Basic Support and Income

3.1 Basic Support

3.1.1 Basic Support in Iceland

Basic support during periods of study during the academic year shall be based on the student being in full-time studies (60 ECTS credits during the academic year), and is set forth in Appendix I.

3.1.2 Basic Support Abroad

The level of basic support abroad during periods of study during the academic year varies according to the country and city where the educational institution is located in accordance with the decision set forth in Appendix II and is based on the student being in full-time studies (60 ECTS credits during the academic year).

3.1.3 Exchange Student Support

Exchange students may apply to have their basic support rates take account of the cost of support in the country where they pursue their studies as exchange students; calculations shall be based on the exchange rate as of 1 June 2016. This does **not** apply to the recipients of Erasmus and Nordplus grants and other exchange students on comparable grants during their exchange studies.

3.1.4 Support for Students in Distance-Learning Programmes

Basic support for students in distance-learning programmes shall be based on basic support costs in Iceland. The same shall apply regarding additional loans to cover housing costs (see Article 4.2).

3.2 Student Support

In addition to basic support, the factors in Articles 4.2 - 4.6 have an effect on the rate of student support. Dependent children aged younger than 18 years who are supported by the student are taken into account. Loans under Articles 4.7 - 4.9 are additional to loans for student support. Consequently, income may cause a reduction of these loans in accordance with the provisions of Article 3.3.

3.3 Income

3.3.1 Income

The income of the student and his or her spouse during the year 2016, as defined by the board of the Fund, may affect the amount of the loan he or she receives during the study period of the academic year. If the student pursues studies abroad, his or her income will be converted into the currency of the country of study, based on the exchange rate valid on 1 June 2016.

Forty-five per cent of the student's income in 2016 over ISK 930,000 shall be deducted from the student loan. In cases where loans are granted for spouses, 45% of the joint income of the couple or individuals in a registered civil union in 2016 over ISK 1,395,000 shall be deducted from the student loan. Deductions made in respect of earnings shall normally be spread evenly over 60 ECTS credits.

3.3.2 Resumption of studies after a break

The level of income allowed without entailing a reduction of the student loan may be trebled in the case of a student resuming studies after a break (*cf.* Article 3.3.1), providing that it is demonstrated that he has not been studying during the past 6 months. In this context, "resuming" applies to the entire curriculum, whether or not it qualifies for a loan (e.g., this includes studies in secondary school). The Fund reserves the right to demand materials in support of this if this is considered necessary.

3.3.3 Income Estimate – Tax Returns

Before a loan is granted for study during the autumn semester, the student shall submit information on his estimated income during the year 2016.

Before a loan is granted for study during the spring semester, confirmed tax-return information regarding the student's income during 2016 shall have been submitted to the Fund.

3.3.4 Final Adjustment According to Income

A final adjustment shall take place after the tax authorities have assessed tax. If a loan recipient's income is estimated at that time, the Fund shall determine the amount of the student loan he is to receive in accordance with the estimate. This decision shall be final unless the loan recipient raises an objection against it within 30 days of being informed of the decision. It may then be reviewed, taking account of new income data that has been confirmed by the tax authorities.

3.3.5 Unsatisfactory Income Estimates

The board of the Fund may amend an unsatisfactory income estimate.

3.4 What is Considered Income?

3.4.1 Income during 2016

All income forming the tax base for the year 2016 shall be regarded as income for the purpose of calculating loans under Article 3.3.

3.4.2 Student Grants, Bursaries, etc.

Taxable student grants, research grants and payments for teaching, e.g., teaching assistantships and "utbildningsbidrag", shall be considered income (*cf.* Article 4.5).

3.4.3 Special Student Grants

Grants made by Nordplus and Erasmus and other comparable student exchange organisations are not deducted from a student loan, *cf.* Article 3.3.1.

3.4.4 Deductions from Income

The following is deducted from income:

- a) university (college, etc.) fees for which the students do not receive a loan because they have exhausted their entitlement under Article 4.5 and
- b) fixed repayments of student loans which fall due and are paid during the loan period.

3.4.5 Disbursement of Additional Private Pension Savings in 2016

Applicants who received disbursements of their additional private pension savings during 2016 may request to have them excluded when their student loans for the academic year are calculated. Applications for adjustment for the academic year must be submitted by 1 May 2017.

3.5 Obligations of Students and their Spouses to Declare Their Incomes

By signing an application, the student and his spouse grant the Fund an authorization to examine their tax returns during the period in which loans are granted or repaid. Information regarding income shall be given in response to requests from the Fund.

Section IV – Loan Categories

4.1. General Premises

Loans generally take account of students' personal circumstances, family size and place of residence as recorded in the National Register on 1 September each year. If changes occur in their personal circumstances during the academic year after 1 September, these are nevertheless taken into account when loans are determined under Articles 4.2 – 4.5 and 4.9, resulting in an increase or reduction of that item, as appropriate.

4.2 Loans Taking Account of Housing/Accommodation

Students who meet the Fund's requirements for receiving support grants are entitled to loans covering basic support under Article 3.1. Students may also qualify for additional loans to cover accommodation costs if they live in rented accommodation or their own accommodation. A student applying for such an additional loan shall demonstrate the payment of normal rent by submitting a copy of a payment slip to the tax authorities or demonstrate ownership of an apartment by means of a certificate from the copy of confirmation from the Land Registry of Iceland or a certificate of registration of ownership.

Students who do live neither in rented accommodation nor their own accommodation shall **not** be entitled to an additional loan to cover housing costs as provided for in Articles 4.2.1 – 4.2.3.

The amount of the additional loan to cover accommodation costs shall take account of the student's family circumstances, i.e. his or her marital status and the number of children in the home. The sums involved are set forth in further detail in Appendix I regarding studies in Iceland and Appendix II regarding studies abroad.

4.2.1 Single Persons Living in Rented Accommodation or Their Own Accommodation

A single person living alone in rented accommodation or his or her own accommodation shall be entitled to an additional loan to cover housing costs amounting to ISK 10,557 for each ECTS unit in the case of studies in Iceland. Comparable additional loans to cover accommodation costs in other countries are set forth in Appendix II.

4.2.2 Persons Cohabiting or Married and Living in Rented Accommodation or Their Own Accommodation

A person who is married or living in a registered partnership and lives in rented accommodation or his or her own accommodation shall be entitled to an additional loan to cover housing costs amounting to ISK 7,460 for each ECTS unit in the case of studies in Iceland. Comparable additional loans to cover accommodation costs in other countries are set forth in Appendix II.

4.2.3 Parents Living in Rented Accommodation or Their Own Accommodation

a) Cohabiting or married students living in rented accommodation or their own accommodation

A student who is married or living in a registered partnership, with **one dependent child** and living in rented accommodation or his or her own accommodation shall be entitled to an additional loan to cover housing costs amounting to ISK 8,727 for each ECTS unit in the case of studies in Iceland. Comparable additional loans to cover accommodation costs in other countries are set forth in Appendix II.

A student who is married or living in a registered partnership, with **two or more dependent children** and living in rented accommodation or his or her own accommodation shall be entitled to an additional loan to cover housing costs amounting to ISK 9,431 for each ECTS unit in the case of studies in Iceland. Comparable additional loans to cover accommodation costs in other countries are set forth in Appendix II.

b) Single parents living in rented accommodation or their own accommodation

A single parent with **one dependent child** and living in rented accommodation or his or her own accommodation shall be entitled to an additional loan to cover housing costs amounting to ISK 17,454 for each ECTS unit in the case of studies in Iceland. Comparable additional loans to cover accommodation costs in other countries are set forth in Appendix II.

A single parent with **two or more dependent children** and living in rented accommodation or his or her own accommodation shall be entitled to an additional loan to cover housing costs amounting to ISK 18,862 for each ECTS unit in the case of studies in Iceland. Comparable additional loans to cover accommodation costs in other countries are set forth in Appendix II.

In order to receive additional loans to cover housing costs under indents a) and b) in this Article, the student must meet the condition of exercising custody over the child (sole or joint custody).

4.2.4 Students Living with Low-Income Parents/Single Parents

Students who live with their parents may be granted additional loans to cover housing costs as if they were living in rented accommodation or their own accommodation if the income of the parent(s) and, as appropriate, the parent's cohabiting partner, is below the reference threshold. The reference threshold for this purpose shall be equivalent to ISK 3,590,000 in the case of a single parent or ISK 7,180,000 in the case of married couples or cohabiting partners (see Article 4.2.2).

4.3 Additional Loans for Children

Students may qualify for additional loans for the support of children under the age of 18 years. The amount of the additional loan for each child dependent on the student's support shall be ISK 4,425 for each completed ECTS unit.

Students shall be entitled to an additional loan to cover child maintenance payments which they demonstrably make in respect of children under the age of 18 years. The amount of the additional loan in respect of child maintenance payments shall be ISK 4,425 for each completed ECTS unit for each child for which the student demonstrably pays child maintenance.

Students shall **not** receive additional loans in respect of a child or children unless they exercise custody over the child or pay child maintenance for the child. An additional loan to cover the support of a child and an additional loan in respect of child maintenance payments for the same child may not be made to the same student.

4.4 Loans for Spouses

The following circumstances may lead to rate of support for a married student or a student in a registered cohabiting union being raised with respect to his or her spouse:

- a) Due to the spouse's illness or disability according to a medical certificate demonstrating that the spouse is completely unfit for work.
- b) If the student and spouse have a chronically ill or disabled child whom they support and the spouse does **not** work in paid employment outside the home in order to care for the child. A condition for this is that the child must be legally domiciled with the student and spouse, and that a medical certificate be produced.
- c) If the student and spouse are resident abroad and have a dependent child, and the spouse does not qualify for a work permit in the country where studies are pursued. Students who received loans for spouses in the academic year 2009-2010 and who continue with the same programme of studies during the academic year shall retain their entitlement to apply for loans for their spouses.

If a loan is granted for a spouse, 50% is added to the student's basic support loan, additional loan to take account of location and additional loan to cover children. The spouse's income shall be deducted from the loan (*cf.* Articles 3.3.1 and 3.3.2).

No loan is granted with respect to a spouse if the spouse himself or herself is a loan recipient during the same term/semester.

The Fund reserves the right to request that the Fund's consulting physician at any given time obtain information from the medical practitioners concerned regarding medical certificates submitted and to comment on their contents. If such information is **not** given, the Fund may take the view that a satisfactory application has **not** been submitted.

4.5 Loans for Tuition Fees

Loans for tuition fees, less non-taxable grants covering tuition fees, are made for basic studies (“basic studies” here refers to special studies and undergraduate (first degree) university studies), Master’s studies and doctoral studies (*cf.* Article 2.3). The combined total amount obtainable in the form of loans for tuition fees in all academic programmes is ISK 3,500,000 for studies in Iceland. For studies abroad, Appendix III specifies, country by country, the combined total amount loaned for tuition fees.

If a course of study is structured as in Medicine, i.e. a continuous course of study lasting more than 5 years, then an additional loan of up to ISK 1,500,000 may be granted for the sixth year over and above the aforementioned maximum loan for tuition fees, or the equivalent in foreign currency based on the exchange rate on 1 June 2016.

For those pursuing basic studies, the rule is that in no instance is a loan for tuition fees made in a single year of study that is more than 1/3 of the total amount that is loaned for tuition fees in the country of study. Thus, the annual maximum amount loaned for tuition fees in basic studies in Iceland is ISK 1,166,667, and the for basic studies overseas the same proportion (1/3) of the total amount of tuition-fee loans as shown in Appendix III is granted.

If a loan recipient changes his country of study, the proportion of the maximum granted for tuition fees which he has used in the previous country is calculated, and this proportion is applied in the next country of study when calculating the latitude available regarding further loans for tuition fees.

Loans are only granted for annual tuition fees exceeding ISK 75,000 which the student demonstrably pays. The following expenses are **not** included in tuition fees: study trips or other trips, accommodation, meals, computers or other technical equipment, material costs or book costs and other comparable expenses. The Fund reserves the right to require a breakdown of tuition fees and, where appropriate, to subtract from the tuition-fee loan all the expense items listed above before disbursing the tuition-fee loan.

Tuition-fee loans may only be granted for studies in a single academic course for each semester or/term of the year of study. Furthermore, it is not normally permitted to grant tuition-fee loans for courses taken outside a course of studies which the Icelandic Student Loan Fund has not approved as qualifying for a loan.

Students must achieve results qualifying for loans as defined in Article 2.2 in order to be eligible for tuition-fee loans during the loan period. Loans for tuition fees are granted for each semester of the year of study following completion of 22 ECTS units, two semesters following completion of 44 ECTS units and for the summer semester following completion of 60 ECTS units. If the year of study is divided into four periods, loans for tuition fees shall be granted for one quarter following completion of 15 ECTS units, two quarters following completion of 30 ECTS units, for three quarters following completion of 45 ECTS units and for studies during the summer quarter following completion of 60 ECTS units.

Loans may be disbursed for tuition fees for one semester at the beginning of the study period to students other than first-year students, for the second semester following completion of 22 ECTS units and for the third semester on completion of 44 ECTS units. If the year of study is divided into four periods, payment in advance shall be permitted in the same way for the second quarter following completion of 15 ECTS credits, for the third quarter following completion of 30 ECTS units and for studies during the summer term following completion of 45 ECTS units. At no time shall a larger proportion of tuition fees be disbursed in advance at the beginning of a semester than is equivalent to full-time studies (30 ECTS units) during that semester; however, this may be reviewed when the student’s academic performance is known and it comes to the settlement of the loan amount for that semester/term.

NB: student's earnings may affect the amount loaned for tuition fees (*cf.* Article 3.4).

4.6 Loans to Cover Disruption of the Student's Personal Circumstances

In the event of an unforeseeable disruption of the student's personal circumstances which is not covered in another way by these rules, a student may be granted an additional loan corresponding to support for up to 7 ECTS units, taking his family size into account. This shall apply, for example, if it becomes practically impossible for a student to pursue his studies due to illness, disability, the support of his children or spouse, or for other reasons and he has utilized his full right to a loan. Any benefits he receives under the current insurance legislation shall be taken into account.

A student may be granted a special loan under this Article to cover additional travel if he has to go home at short notice because of a serious illness or death in his immediate family. Detailed information shall be presented regarding the reasons for the journey, together with the appropriate medical certificate or death certificate. For the purpose of this rule, 'immediate family' shall be considered as covering, e.g., the student's spouse, children and parents and the student's siblings and their children. If an additional loan of this type is granted, it shall be disbursed together with the support loan (*cf.* Article 5.2.1).

4.7 Loans for Medical Insurance

Students who pay large sums for medical insurance may apply for loans to meet these expenses. Information from Icelandic insurance companies is taken into account when reasonable health insurance expenses are assessed. If loans are granted for medical insurance, they shall only be for that part of the expenses that is in excess of 5% of support expenses, taking family size and place of residence into account, though with a maximum of ISK 350,000 during the year of study. Additional loans may be granted for medical expenses abroad, part of which the student has had reimbursed by the Icelandic State Social Security Institute. When applications for this type of loan are processed, consideration shall be given to whether the student purchased normal health insurance. Loans may be granted to pay reasonable expenses in connection with pre- and post-natal care abroad if it is clear that neither the student's insurer nor the appropriate local authority in Iceland will cover any of the cost. Loans may also be granted during the study period to pay travel expenses if a pregnant student or student's spouse chooses to have her child in Iceland because of the excessive cost abroad. Consideration may not be given to medical expenses which the Icelandic State Social Security Institute has refused to pay.

4.8 Grants for Interest Expenses

When a student loan which is paid after each term, semester or academic year, is disbursed, a grant of ISK 290 to cover interest shall be paid for each ECTS credit completed. If it is found, on re-calculation of the student loan after the academic year, that a student has been allocated too high an interest grant, it shall be corrected by recording the excess grant amount paid as a loan during the year of study.

4.9 Loans for Travel Expenses

4.9.1. Travel Expenses of the Student, Spouse and Children

Loans for travel expenses shall be based on a certain sum; this varies according to the country of study and the locality where studies are pursued. If the student's spouse also applies for a loan during the year of study, the student shall **not** be entitled to an additional loan to cover travel by the spouse, and loans to cover children's travel shall then be based on half the amounts stated in Articles 4.9.2 and 4.9.3.

4.9.2 Loans for Travel to a Place of Study Abroad

Travel loans in connection with studies abroad shall be determined as follows in the case of applications for student loans during the academic year. For each individual, the travel loan for students and their spouses for travel to Denmark, Norway and Sweden shall be ISK 45,000 per person, and ISK 50,000 per individual for students and their spouses in other parts of Europe, ISK 65,000 in North America and ISK 105,000 per individual for students and their spouses in other places. Loans for children's travel shall be 10% of the amounts above if the child is under two years old, 75% in the case of children between the ages of two and eleven years old and 100% in the case of children aged twelve and over. It is not necessary to submit evidence of the journey. Recipients of grants from Nordplus and Erasmus are **not** entitled to travel loans from the Icelandic Student Loan Fund.

The sums above will be converted into the currency of the country of study based on the exchange rate as of 1 June 2016.

Travel loans are granted only once at each level of study.

4.9.3 Loans for Travel to a Place of Study in Iceland

Travel loans in connection with studies in Iceland shall be determined as follows in the case of applications for student loans during the academic year. For an individual and his or her spouse, ISK 20,000; loans for children's travelling shall be 10% of the amount above in the case of a child under two years old, 50% in the case of children between the age of two and eleven years old and 100% in the case of children aged twelve years and over. The precondition for students in Iceland qualifying for travel loans is that they must be domiciled at least 100 km from the metropolitan area or other location of the educational institution. It is not necessary that the student submit evidence of the journey.

Travel loans are granted only once at each level of study (see Article 2.3).

4.9.4 Disbursement Time of Travel Loans

Travel loans shall be disbursed together with support loans to those who meet the Fund's conditions regarding minimum academic achievement (*cf.* Article 2.2).

Section V. Applications and Disbursement of Loans

5.1 Applications for Student Loans

5.1.1 Application Forms

Student loan applications shall be made electronically via "My space", which can be accessed through island.is. Application forms can also be obtained at the office of the Fund.

5.1.2 Applications and Periods of Validity

Applications for student loans shall be submitted for each year for which a loan is sought. Deadlines are as follows:

Autumn 2016: Through 30 November 2016.

Spring 2017: Through 30 April 2017.

Summer 2017: Through 30 June 2017.

5.1.3 Accompanying Documents and Deadlines

Documents which students are required to submit in connection with their applications should be received by the Fund not later than two months after the application deadline. Otherwise it may be regarded that the student has withdrawn his application. The same applies to certificates of examination results; these shall be submitted no later than two months after the end of the examination period.

5.1.4 Loan Schedule

Based on information submitted by students regarding, amongst other things, their income and family status, they will then receive a completed loan schedule from the Fund. After examining the loan schedule, the student shall inform the Fund if the information on which it is based is incorrect.

If it comes to light that a loan schedule is based on misleading information, errors or incorrect premises in terms of the allocation rules for the year of study for which a loan is sought, the loan schedule shall be amended to bring it into line with those rules.

5.1.5 Agents

A student abroad must have an agent in Iceland who shall, among other things, have authority to sign bonds on his behalf.

Dealings with an agent are equivalent to dealings with the student, irrespective of whether they take the form of e-mail, conversations or correspondence by mail. The agent is therefore responsible for informing the student he or she represents of all requests to submit documents to the Fund, and of other announcements received from the Fund. The agent shall also inform the student of other dealings with the Fund that may be of significance regarding the processing of an application or the granting of a student loan.

5.1.6 Conditions to Be Met by Recipients of Loans

The conditions to be met by recipients of loans in order to qualify as creditworthy and eligible to take loans from the Fund is that they are not on in arrears to the Fund when they apply for new loans, that their estates are not undergoing bankruptcy proceedings and have not previously been accepted for bankruptcy proceedings and that the Fund has not previously had to write off loans made to the persons in question.

If a student is not regarded as creditworthy for the reasons stated above, he may apply for exemption from this Article if he produces guarantees which the Fund considers adequate, such as a security or a personal guarantee advanced by a third party.

5.2 Disbursement of Student Loans

5.2.1 Disbursement of Student Loans

The calculation of student loans and the publication of loan schedules for the academic year shall commence at the beginning of August 2016. At that time, loans for tuition fees (*cf.* Article 4.5) for the autumn semester shall be disbursed in advance to those who have previously completed studies that qualify for loans and requested such disbursement in advance in their applications.

Disbursement of support, book and travel loans in respect of the autumn semester and advance payment of tuition fees for the spring semester shall commence at the beginning of January 2017 to those who meet the Fund's conditions regarding minimum academic achievement during the semester (*cf.* Article 2.2). Subject to these same aforementioned conditions, disbursement of support loans in respect of the spring semester and advance payment of tuition fees for the summer semester shall commence at the beginning of May 2017. Disbursement of support loans in respect of the summer semester, to those who meet the foregoing conditions, shall commence at the beginning of August 2017.

The condition for this is that the student shall have submitted evidence of his academic achievement, income estimate or tax return and other relevant information. Loans shall be paid into an account in a commercial or saving bank in Iceland, which shall be in the name of the student.

Loans may be paid out at other times, provided that evidence is available to show that the student has met the Fund's requirements concerning productivity and academic achievement. However, loans for

academic year 2016-2017 shall be completed by 15 January 2018. After that date it is not possible to process loans, or submit complaints or queries concerning the way loans were disbursed during that academic year.

A condition for receiving a loan in advance for tuition fees under Article 4.5 is that a student shall have previously completed a unit of academic achievement that qualifies for a loan. At no time shall a larger proportion of tuition fees be disbursed in advance at the beginning of a semester than is equivalent to full-time studies (30 ECTS units) during that semester, or a comparable number of units for that trimester. However, this may be reviewed when the student's academic performance is known, and it comes to the settlement of the loan amount for that semester or trimester.

If the student fails to achieve the required minimum results following the relevant academic year, loans disbursed in advance shall be recoverable according to the rules on excess disbursement of loans.

5.2.2 Calculation of Loans Abroad

Student loans are normally calculated in the currency of the relevant country of study. Income and grants are converted into the currency of the country of study, based on the exchange rate on 1 June 2016. When a loan, or part thereof, is due for disbursement, the sum to be disbursed is converted into Icelandic krónur (ISK) at the exchange rate on the day of disbursement.

5.2.3 Confirmation of Income

Students shall submit a confirmation or amendment of their previous income estimates for 2016 before loans are paid out. If there is a substantial difference between the estimate and the actual income of the student and his spouse, the loan may be made repayable.

5.2.4 Bonds and Bank Accounts

The disbursement of a loan shall be subject to the condition that the student shall have issued a bond in his own name as a guarantee for the repayment of the loan. The loan shall be paid into the bank account of the recipient involved; this account shall be in his own name at a commercial or savings bank.

5.3 Guarantees Applying to Student Loans; Rights and Obligations of Guarantors

5.3.1 The Nature of Personal Guarantees

The Guarantors Act, No. 32/2009, and also the provisions set forth here, shall apply to guarantees that have been undertaken since the commencement of that act, in addition to the terms stated here.

Those who act as guarantors for a student loan undertake personal liability for the debt; such liability obliges the guarantor to pay the debt for which a guarantee has been undertaken as soon as it is revealed that the borrower has not fulfilled his obligation to repay the loan.

The Fund may collect the guarantee directly from the guarantor, and shall not be required to make special attempts beforehand to have the debt paid by the borrower. The Fund may not, however, have recourse to the guarantor until it has been demonstrated that the borrower has not repaid any part of the loan on the due date. This shall not apply, however, if the borrower is declared bankrupt, in which case the entire loan shall become due for repayment in accordance with the Bankruptcy (Etc.) Act, No. 21/1991.

The Fund may take enforcement measures (make an attachment) for the payment of a debt by a personal guarantor without a previous court judgement or settlement before a court.

Personal liability shall always be limited to a specific maximum sum, which shall change according to the consumer price index; in addition, personal liability shall cover the payment, with interest, interest

on arrears and all costs that may be incurred due to the late payment of the debt, including court costs and collection fees.

The stated sum guaranteed by a guarantor shall be based on the aforementioned index, and shall not normally exceed ISK 7 million. A personal guarantor may, however, undertake liability in excess of this amount in connection with a loan that is calculated as due to the student in the year of study when the guarantor's liability reaches ISK 7 million. The minimum amount of a personal guarantee shall be ISK 100,000.

5.3.2 Conditions to Be Met by Guarantors

Guarantors shall confirm, by their signature on the bond or guarantee declaration, that they have acquainted themselves with the terms of the bond and the outcome of an examination of the borrower's capacity to repay the loan and, if appropriate, a statement from the arrears register.

Guarantors shall have reached the age of 18 and shall be competent to manage their financial affairs. Guarantors shall not be older than 50 unless a student's parent is involved. A guarantee of a legal person instead of an individual shall be subject to the approval of the Fund's board, and the legal person must be a governmental agency or financial institution that is monitored by the Financial Supervisory Authority, Iceland. With the approval of the loan recipient, the Fund may also collect a fee for the guarantor upon disbursement of the loan. In other respects, the same rules apply to a legal person's guarantee as generally apply to individuals' suretyship.

A minimum of one guarantor shall undertake suretyship for a loan recipient. Guarantors shall normally be Icelandic citizens domiciled in Iceland. Individuals who are on the arrears register, or are in arrears to the Fund, or whose estates are undergoing bankruptcy proceedings, or have been accepted for bankruptcy proceedings, may not be approved as guarantors for student loans. A guarantor shall also undergo a credit rating that the Fund deems satisfactory.

If the status of a guarantor changes such that he is no longer regarded as meeting the above conditions, the borrower shall provide a new guarantor for his student loan before receiving further loans disbursed from the Fund. In such cases, the new guarantor shall guarantee all the loans that the borrower has received together with those that he may receive thereafter. The older guarantee shall not expire unless it is terminated and replaced by a new one with the approval of the Fund.

5.3.3 Legal Standing of Guarantors; Right of Recourse

Where there is more than one guarantor, they shall bear undivided (*in solidum*) liability towards the Fund.

Where the liability borne by each of the guarantors is separate, e.g. where loans have been combined for repayment, each guarantor shall be able to pay his guarantee amount, together with interest and costs in the event of a default on the repayment of the student loan.

While a loan has not been called due, a guarantor can keep the loan fully paid up. In this regard, the guarantor can request the Fund to apply the payment to reduce his or her guaranteed share of the total debt.

The provisions of the bond regarding exemptions from payment shall not apply to a guarantor whose guarantee is called in and who has undertaken the repayment of the loan.

In the event of the death of a guarantor, the borrower may provide a new guarantor who meets the conditions set forth above; otherwise, the guarantor's heirs shall take over the guarantee in accordance with the ordinary rules, provided that the heirs have undertaken liability for the debts of the estate at death.

A guarantor may give notice of termination of his guarantee. This shall be done in a written letter to the Fund. The effect of this shall be only that his liability shall not increase above the level already agreed. The guarantor will nevertheless continue to be liable for the loans that have already been granted. The termination shall take effect as soon as the Fund has informed the borrower of it.

5.3.4 Mortgages

If the student wishes to put up real estate as collateral to guarantee the repayment of a student loan, he must submit the following items: a statement of mortgage loans from the mortgage registry, a copy of the last payment slips for current mortgages and the market valuation (*fasteignamat*) and replacement valuation (*brunabótamat*) of the property.

When student loans from the Fund are guaranteed by mortgages, the rule shall be that the encumbering loans, including the loan from the Fund, shall not exceed 85% of the market value of the residential property, and that they shall be less than 85% of the assessed value for fire insurance. An appraisal by a chartered real estate agent may also be requested, in which case the criterion shall be that loans from the Fund shall not exceed 80% of the sale valuation.

5.4 Payment of Membership Fees

If the student so desires, the Fund will see to the collection of membership fees for the Association of Icelandic Students Abroad (SÍNE). The Fund will then deduct their membership fees from their student loans.

5.5 Changes in Assistance

5.5.1 Students' Obligation to Report Changes

Applicants shall be obliged to report all changes in their personal circumstances which could have a bearing on the provision of student loans, e.g. altered family circumstances, changes in financial position, changes of address and study programme, or illness which may lead to a lengthening of studies. Among other things, the Fund must be informed if a student marries or enters into a registered cohabitational partnership. Students shall also send the Fund all information that may be requested in connection with their loan applications or the postponement of the closure of bonds.

5.5.2 Correction of Calculations

If it is revealed that the Fund has granted assistance or calculated the amount of a loan based on false information, this shall be corrected in accordance with further provisions of this section. When this is done, consideration shall be given as to whether the student gave misleading or incorrect information intentionally, or whether negligence on his part or a mistake on the part of the Fund was involved. It shall normally be possible to negotiate the means by which repayment is made.

5.6 Intentionally Misleading Information

If a student intentionally gives the Fund incorrect or misleading information, all assistance to him shall be discontinued and any assistance which he may have received already on the basis of such information shall be reclaimable immediately with accrued indexation adjustment and the associated costs. This shall also apply if it is deemed regarding that the student made false statements of his income, according to the Fund's definition of income, when the relevant taxation year is over.

Conduct which infringes the law (e.g. forgery) may entail criminal liability.

5.7 Excess Disbursement of Loans

5.7.1 Excess Disbursement of Loans

If a student receives a loan without having met the Fund's conditions, or receives a loan payment in excess of the amount to which he is entitled, e.g., because his income has been underestimated, because he has failed to attain the required academic achievement or for other reasons, he shall be expected to

repay the loan in a separate payment, with price-indexation adjustment. The student shall have the choice of repaying the excess loan in cash or issuing a special repayment bond with one guarantor, the credit period of this bond normally not being longer than 15 months. In the case of excess loan disbursements in connection with tuition fees which have demonstrably been paid, when it is not possible to obtain a refund from the academic institution, the collection of the excess amount loaned may be postponed until the beginning of the next semester. If the student does not submit confirmation of his registration certificate at the same academic institution for the semester in question, a bond shall be prepared, the loan period normally not exceeding 15 months.

Further student loans shall be discontinued until the student has repaid the excess disbursed amount. Excess disbursement made to students abroad shall be converted into Icelandic krónur (ISK) at the rate of exchange applying on the date of disbursement.

5.7.2 Bonds

Bonds for the repayment of excess disbursements shall normally carry interest at the ordinary rates on non-indexed loans determined by the Central Bank of Iceland, interest being calculated on the amount which the student is to repay from the disbursement date of the excess loan amount.

5.7.3 Interest

The first interest date shall be stated in the bond.

5.7.4 Collection

Excess loan disbursement shall be collected after the date on which a report on the student's academic achievement, and other documents are supposed to have been received by the Fund. If the student fails to repay excess disbursements by the deadline set, the bond shall be closed (*cf.* Article 7.1) and the excess disbursement shall be collected as an extra instalment on his student loan.

5.8 Monitoring of Income

5.8.1 Students in Iceland

The Fund shall receive information from the Director of Internal Revenue on students' income according to their tax returns for the income year used as the basis for the last loan granted.

5.8.2 Students in the Nordic Countries

Students elsewhere in the Nordic countries shall present certificates stating their income during the past year; in Denmark "*årsopgørelse*"; in Norway "*skatteopgjør*" and in Sweden, "*slutlig skatt*".

5.8.3 Students in Other Countries

The Fund may request tax certificates from students in other countries.

5.9 Mistakes on the Part of the Fund

If the Fund makes a mistake in connection with the granting of a loan, it shall be rectified as soon as it is discovered. Students are urged to acquaint themselves thoroughly with the provisions of these rules which apply to their individual cases and thereby help to have such mistakes rectified as soon as possible. The student will be informed of such mistakes and then a decision will be taken in each individual case as to how repayment is to be made.

Section VI – Joint Nordic Rules

An applicant who is studying in the Nordic countries outside his home country may, if he meets certain conditions, qualify for a student loan from the country in which he is studying. The conditions for study assistance from the Icelandic Student Loan Fund (LÍN) shall be those set out in these rules, and also that the applicant is not entitled to receive study assistance (a loan or grant) from other Nordic loan funds (see below).

Further details may be obtained from the loan funds in each country.

DENMARK

Styrelsen for Videregående Uddannelse
og Uddannelsesstøtte (SU)
Bredgade 43
DK-1260 København K
Tel: 00-45-72317900
Website:<http://www.su.dk/>

NORWAY

Lånekasse - Statens lånekasse for utdanning (SLK)
P.boks 430, Alnabru 0614 Oslo
Tel: 00-47-227003000
Website:<http://www.lanekassen.no/>

FINLAND

FPA Folkpensionsanstaltens Studiestödscentral
PB 228
SF-40101 Jyväskylä 10
Tel: 00-358-0206340220
Website:<http://www.kela.fi>

SWEDEN

CSN Centrala studiestödsnämnden
Norra Tjärngatan 2S-851 82 Sundsvall
Tel.: 00-46-0771-276000
Website:<http://www.csn.se>

Section VII – Closure of Bonds

7.1 Closure of Bonds

Bonds are closed when the student ceases to receive the loan, based on the end of the last loan period. This applies equally to students who complete their studies and to those who abandon their studies without completing them. This is the point in time which is considered as the end of studies in the sense of the Icelandic Student Loan Fund Act, No. 21/1992 and the Regulation No. 478/2011 on the Icelandic Student Loan Fund.

When final arrangements for the closure of the bond begin, the loan recipient and, as appropriate, the guarantor, shall be sent details of the amount of the bond which is to be closed. The guarantor shall also be informed of the sum for which he is considered as providing surety.

When the bond has been closed, the loan recipient shall be sent itemised information on the loans granted under the bond, the date of closure and when interest will start being calculated on the bond. A period of 14 days is granted for making comments or raising objections. After this period, the bond may be filled in. Information sent by e-mail to the e-mail address which the student has provided to the Fund shall be considered as having been sent in a satisfactory manner.

Repayment shall commence two years after closure of the bond. If the student completes studies in the autumn or spring semester, the end of studies shall be taken as being 29 June, and the first date for repayment shall be 30 June two years later. If the end of studies falls in the summer term, which extends beyond 1 July, then the end of studies shall be taken as 31 August and the first date for repayment shall be 1 March two and a half years later. If the student has begun repaying earlier loans and resumes studies, **no further break from payment** shall be granted with respect to the repayment of the previous loans.

7.2 Deferment of Closure of Bonds

If the student announces that he has taken a break of not longer than one year from his studies, closure of the bond may be deferred if the student completes the academic attainments eligible for a loan in the first term following the break from studies. The student shall apply specially for the deferment not later than 30 November 2016. The condition for being able to defer closure of the bond shall be that the student completes the academic achievements that qualify for a loan during the period covered by the deferment. Closure of the bond may be deferred at most four times or for four years from the date on which the first assistance from the Fund was granted, providing the student continues to pursue studies that qualify for a loan without taking a student grant. An application for a new student loan during the first term after a year's break from studies shall be equivalent to an application for deferment of the closure of the bond.

If the student applies for the deferment of the closure of the bond covering studies that qualify for a loan which he pursued during the academic year 2015-2016, the documents requested in connection with that application shall be received by the Fund not later than by 15 December 2016. If, on the other hand, the student applies for deferment of the closure of the bond covering studies that qualify for a loan which he pursued in the autumn semester of 2016, the documents requested in connection with that application shall be received by the Fund not later than by 15 March 2017.

Deferment of the disbursement of a student loan, e.g., because of late submission of information, shall **not** result in a deferment of the closure of the bond.

If the student takes a break of more than one year in his studies, he may **not** defer closure of the bond, and the closing date shall be based on the end of the last loan period before the break in studies. When

the student resumes studies following such a break, this shall be regarded as a new period of studies (new degree programme), with a new bond being issued in the student's own name as surety for new loans (see Article 5.2.4). The student shall also pay instalments on the previous bond (see, however, Article 8.5 on exemptions from payment).

In cases of uncertainty, the board of the Fund shall decide when bonds are closed.

Section VIII – Loan Terms

8.1 Repayment of Student Loans

Repayment of student loans shall be based on the terms of each bond and the legislation in force at the time when the loans were taken. In other respects, the Allocation Rules approved at any given time shall apply.

Supporting documents relating to applications shall be received by the Fund not later than two months after the deadline for submitting applications. In cases where the payer has received a revised calculation from the tax authorities, such recalculation may be taken into account even though materials are received after the deadline stated above, providing that the application for recalculation is received before the deadline for application for each year of application (see Article 8.4).

Recipients of loans who live abroad must send the Fund details of their addresses and/or have agents in Iceland to handle their affairs. Communications with an agent are equivalent to communications with a loan recipient, whether in the form of e-mail, conversations or correspondence by mail. An agent is therefore responsible for informing the student he or she represents of all requests to submit documents, and of other announcements from the Fund. The agent shall also inform the student of other communications with the Fund of possible significance.

8.2 Interest and Indexation on G-Loans

8.2.1 Loan Terms

Loans under the Act No. 21/1992 are index-linked and carry interest of up to 3% from the date of closure of the bond. If a loan is disbursed to the student after the date of closure of the bond, interest on that payment shall be calculated from the day following the date of disbursement. Indexation adjustment is based on changes in the consumer price index. Loan recipients shall pay a borrowing fee of 1.2% each time a loan is taken, and also the collection cost on each due date.

8.2.2 Indexation

Loans from the Fund shall be indexed with the consumer price index, based on the index on the first day of the month following disbursement. Following the decision to close the bond, the amount owed shall be updated and the basic index of the bond shall be based on the consumer price index on the date of closure.

8.3 Repayment Period

8.3.1 No Instalments During the First Two Years

Repayment shall commence when two years have elapsed after the closure of the bond (*cf.* Article 7.1). This shall **not** apply, however, in cases where the loan recipient has begun repaying a loan but repayments have been deferred temporarily because the student has resumed studies. In such cases, repayment of older loans shall continue immediately in the next calendar year after the end of studies.

8.3.2 Early Repayment of Student Loans and Instalments Paid on Them

Loan recipients may pay instalments on their loans or pay them off before the dates stipulated in a bond, at no additional cost.

A loan recipient paying off a student-loan bond that is not yet due shall be entitled to an early repayment discount of 7.5% of the fully paid-up balance of the paid-up bond before repayment. This authorisation shall be dependent on the repayment of the balance of the loan being made in a single payment. Individuals shall **not** be entitled to an early repayment discount when repaying their student loans unless the repayment of the student-loan bond has begun (see Section VII).

Early repayment discounts shall be rebated to the party who pays off the student loan (this may be a person other than the debtor).

Application for the early repayment discount must be made within three months of when the repayment occurred. After that period passes, no repayment discount will be granted.

Despite the provisions in Section X Entry into Force, that these rules shall apply to academic year 2016-2017, this provision will enter into force immediately upon the publication of these Allocation Rules in the *Law and Ministerial Gazette*.

8.4 Annual Repayments

Annual repayments fall into two parts. One is a fixed payment which is collected on 1 March, though the first due date may fall on another day. The other is a supplementary payment which is collected on 1 September and depends on the loan recipient's income during the previous year. The fixed annual payment shall be calculated as is set out in Article 8 of the Icelandic Student Loan Fund Act, No. 21/1992, and updated according to the consumer price index on 1 January each year. The supplementary payment is based on 3.75% of the recipient's income base in the year prior to the repayment year; 'income base' here refers to the recipient's income base for municipal tax purposes with the addition of his investment earnings (*cf.* item *c* of Article 7 of the Act No. 90/2003). If the loan recipient is married or cohabiting in a registered partnership, the reference figure shall be 50% of his/her investment income and that of the spouse/partner, irrespective of whether this income is defined as private under a marriage settlement or is regarded as joint property. The figure so found shall be multiplied by the coefficient representing the change in the consumer price index between 1 July in the year in which the income is acquired and 1 July in the year of repayment. As is stated above, the previously mentioned fixed annual payment shall be deducted from the supplementary payment.

If the recipient's income base is estimated, then that estimate shall be employed. Loan recipients who are not liable for tax on all their income and assets in Iceland during the repayment period shall be given the option of sending the Fund officially confirmed information on their income, and the annual supplementary payment will be determined accordingly. On payment dates, overseas income is converted into Icelandic krónur at the Central Bank of Iceland's average exchange rate of the relevant currency for the income year on which it is based when the due date is determined. If the recipients do not do so, or if their information is regarded as improbable, and it is not possible to establish whether their income bases as stated are, in fact, accurate, then the board of the Fund shall estimate income bases for the calculation of the annual supplementary payment.

Loan recipients shall have the right to have their annual supplementary repayments recalculated if they are based on estimated income. They shall apply for recalculation not later than 60 days after the due date of the payment; however, **an application shall not have the effect of deferring the due date**. The recalculation will then be made when the Fund has received the best available information regarding recipient's income. When officially confirmed information regarding their income is available, it shall be submitted to the Fund and the revised calculation shall be reviewed accordingly. If the income base has been overestimated, the loan recipient shall have the amount he has paid in excess reimbursed with ordinary interest rates applying to non-indexed bank loans.

In cases of serious arrears on the repayment of student loans, or where the loan recipient has understated his income, the whole loan sum may be called in. Increases in the supplementary payment due to re-assessment of tax become due for payment immediately, with arrears interest as determined by the Central Bank of Iceland at any given time from the due date of the payment.

If the recipient of a loan is declared bankrupt, all claims against him or her shall be due for immediate repayment (*cf.* the Bankruptcy (Etc.) Act, No. 21/1991).

8.5 Exemptions

8.5.1 Exemption in View of Substantial Financial Difficulty

The board of the Fund may grant exemption from the annual repayment, in full or in part, if the pursuit of studies that qualify for a loan, illness, unemployment and/or unfitness for work due to illness, disability, pregnancy, the care of children, the care of a spouse or other comparable circumstances cause the recipient substantial financial difficulty. The general assumption is that exemptions will not be granted if the loan recipient's annual income in the previous year is greater than ISK 3,590,000, and that of a married couple / couple in a registered partnership is greater than ISK 7,180,000. If an applicant has no tax domicile in Iceland, and his or her income is in a foreign currency, the buy rate of exchange on the date of the payment shall be used.

'Studies that qualify for a loan' in the paragraph above refers to a situation in which the loan recipient's studies meet the conditions of Section I of the Allocation Rules regarding qualification for loans and that the student meets the conditions of Section II regarding academic progress.

A person who is entitled to receive disability benefit under the definition of the State Social Security Institute shall be regarded as unfit for work due to disability.

Generally, the circumstances causing the difficulty shall have applied for at least four months prior to the due date of the payment.

8.5.2 Exemptions Due to Sudden and Substantial Changes

The board of the Fund may also grant an exemption from the annual repayment, entirely or in part, in the event of sudden and substantial changes in the personal circumstances of the loan recipient so his income base for municipal tax purposes, calculated in terms of his previous year's income, no longer fairly represents his financial position during a year in which repayment is to be made. Exemptions may be granted in cases of sudden and serious illness, accidents or other comparable circumstances leading to a substantial reduction of disposable income and the ability to earn income.

8.5.3 Application for Exemption

Recipients who seek exemptions from the repayment of their student loans shall apply for them on special application forms and submit with them the information required on the form. Exemption must be applied for regarding each due date separately.

Applications for exemption from the repayment of a student loan shall be received by the Fund not later than 60 days after the due date of the repayment. If an application for exemption is received after this time, exemption may not be granted (*cf.* the seventh paragraph of Article 8 of the Act on the Fund).

If exemption is granted, it shall apply only to the due date for which exemption was sought in the application. Exemption granted from the repayment of an S- and/or V-loan shall have **no effect** on the number of repayment years, i.e., the repayment period shall be lengthened by the time granted in the exemption.

The Fund reserves the right to request that the Fund's consulting physician at any given time obtain information from the physician in question regarding medical certificates submitted and make statements on their contents. If such information is not forthcoming, the Fund may take the view that no satisfactory application has been submitted.

8.6 Repayment of Loans in More than One Category.

Recipients who owe loans that are older than G-loans shall first repay the older loans. In the calendar year following that in which these repayments are completed, they shall begin repaying their G-loans.

Loan recipients who own R-loans and also V- or S-loans shall first repay their R-loans. If they are paying instalments on both V- and S-loans, their payments of their V-loans shall be deducted from those of their S-loans.

8.7 Arrears

If a loan recipient does not pay an instalment due at the correct time and has not made an agreement with the Fund regarding payment, the Fund will send the matter to a lawyer for collection. If a claim against the loan recipient is already being collected by a lawyer, the new claim will also go straight into the collection process. When the collection of an instalment is in the hands of a lawyer, the loan recipient is expected to negotiate the settlement of the claim directly with the lawyer, without the mediation of the Fund. If the recipient still does not pay the instalment, the Fund shall have the right to make the entire debt payable and to claim it with the maximum rate of arrears interest permitted by law.

Section IX – Doubtful Cases

9.1 The Role of the Board

One of the roles of the board is to make rulings on doubtful or unclear cases concerning individual loan recipients and other cases, its decisions being recorded in the form of minutes. Rulings by the board may be referred to the appeals committee (*cf.* Article 9.5).

Decisions by the board regarding applications, appeals (etc.) received by the Fund shall be backed with reasons and announced in writing unless this is evidently unnecessary. Decisions shall be binding when they are received by the persons concerned. Students or other parties involved may have cases re-examined (*cf.* Article 9.4) or may request a ruling from the Appeals Committee (*cf.* Article 9.5). Other aspects of procedure shall be in accordance with the Administrative Procedure Act, No. 37/1993.

9.2 Procedure

Before the board rules on an unclear matter, special subcommittees appointed from the board members, the “repayment committee” or a “an unclear matter committee”, as appropriate, shall prepare and make proposals on the conclusion to be recorded by the board of the Fund. The committee shall examine how comparable cases, or cases considered to be closest to the one under discussion, have been dealt with.

9.3 Reasons

In stating reasons, reference shall be made to the legal principles on which the Fund’s decisions are based, legislation, regulations, allocation rules or minutes recorded by the board, as appropriate. To the extent that a decision is based on an estimate or evaluation, the principal considerations behind the estimate or evaluation shall be stated when reasons for the decision are given.

8.4 Re-Examination

After the board of the Fund has taken a decision and it has been announced, the party to the case shall have the right to have it re-examined if the decision was based on insufficient or incorrect information on the facts of the case.

Requests for re-examinations shall normally be submitted within 3 months of the announcement to the party regarding the board’s conclusion.

9.5 Appeals Committee

The Minister of Education shall appoint an appeals committee consisting of three persons. The committee shall determine whether rulings made by the board are in accordance with the provisions of laws and regulations. The committee may uphold, amend or set aside decisions by the board of the Fund. The committee shall state reasons for its decisions, which shall be final at the executive level.

Appeals shall be submitted to the Appeals Committee within 3 months of the announcement to the party regarding the board's conclusion.

Section X – Entry into Force

These rules were approved by the board of the Icelandic Student Loan Fund on 23 March 2016. The rules shall take effect immediately after being confirmed by the Minister and published in the Government Gazette (*Stjórnartíðindi*) in accordance with Article 16 of the Icelandic Student Loan Fund Act, No. 21/1992.

These rules apply to academic year 2016-2017.

These rules are approved subject to sufficient funding being obtained under the national budget for the year 2017. If sufficient funding is not obtained, these rules shall confer no entitlements and shall be revised in accordance with the final amounts allocated under the budget.

Appendix I

Basic support rates and explanations of the calculation of the basic support level for the academic year.

Fund's Basic Support Rates.

Calculation of this basic support figure draws on the Ministry of Welfare's basic support reference figure, updated according to the rise in the consumer price index for 2015 published by Statistics Iceland. The housing cost increases are based on the same pricing assumptions, but it also takes into account the rent for the universities' student housing for individuals, couples and families.

Housing/accommodation costs take the student's family circumstances into account; thus, additional costs relating to residence by students in their own accommodation or rented accommodation is divided into six categories, as follows.

- i. Single student.
- ii Student who is married or cohabiting in a registered partnership (no child in the home).
- iii Student who is married or cohabiting in a registered partnership, with one child.
- iv Student who is married or cohabiting in a registered partnership, with two or more children.
- v Single parent with one child.
- vi Single parent with two or more children.

In the categories for cohabiting or married students, it is assumed that both partners in the union will share housing costs equally. Thus, the support figure is based on the actual support needs of various groups of students, based on the type of household and family size.

Support base used by LÍN	Per year (ISK)	Per month (ISK)	Loaned by LÍN	
			Per month (ISK)	Per ECTS (ISK)
Basic support (food, travel, books, etc.):				
Student living w. parents	1,035,876	86,323	79,417	11,913
Student	1,335,756	111,313	102,408	15,361
Housing:				
i. Single student in rented or own housing	918,000	76,500	70,380	10,557
ii Student—married or in regis. cohab., no child in the home	648,720	54,060 /108,120	49,735	7,460
iii Student—married or in regis. cohab., with one child	758,880	63,240 /126,480	58,181	8,724
iv Student—married or in regis. cohab., with 2 or more children	820,080	68,340 /136,680	62,873	9,431
v Single parent with 1 child	1,517,460	126,480	116,362	17,454
vi Single parent with 2 or more children	1,640,160	136,680	125,746	18,862

The above figures are for an individual, i.e., without dependent children, where appropriate.

Disposable income

As in the previous year, students can have annual income of ISK 930,000 (income threshold) without any reduction of their loans. However, it is also assumed that this income level will pay 8% of the student's support requirements during the study period (was 10% in the last academic year and 19% in the Allocation Rules 2014-2015).

The following table shows estimated disposable income based on the above premises.

Student's disposable income	Per year (ISK)	Per month (ISK)
Student living with parents	1,644,753	137,063
Single student*	2,485,092	207,091
Student—married or in regis. cohab., with no child in the home*	2,299,287	191,607
Student—married or in regis. cohab., with one child*	2,375,301	197,942
Student—married or in regis. cohab., with two or more children*	2,417,529	201,461
Single parent with one child*	2,898,390	241,578
Single parent with two or more children*	2,983,386	248,616

(*) Applies to students renting or having their own housing

The above figures are those for an individual, i.e. without dependent children, where appropriate.

Support loans granted by LÍN

Support loans granted by LÍN for academic year 2016-2017 will be as follows:

Support loans from LÍN	For the year	Per month (ISK)	Per ECTS (ISK)
Student living with parents	714,753	79,417	11,913
Single student *	1,555,092	172,788	25,918
Student—married or in regis. cohab. partnership, no child in the home*	1,369,287	152,143	22,821
Student is married or in regis. cohab. partnership, with one child*	1,445,301	160,589	24,088
Student is married or in regis. cohab. partnership, with 2 or more children*	1,487,529	165,281	24,792
Single parent with one child*	1,968,930	218,770	32,816
Single parent with two or more children*	2,053,386	228,154	34,223

(*) Applies to students living in rented accommodation or their own accommodation.

The above figures are those for an individual, i.e. without dependent children, where appropriate.

Appendix II

Support Abroad for Academic Year 2016-2017

Approved support levels abroad. The following table takes account of an individual's cost for rented housing. For others, the allowance for housing costs takes into account family circumstances in accordance with the following table:

<u>Home/family type</u>	<u>Proportion</u>	<u>Home/family type</u>	<u>Proportion</u>
Single student	100%	Married/cohab. couple, 2 or more children	89%
Married/cohab. couple	71%	Single parent, 1 child	165%
Married/cohab. couple, 1 child	83%	Single parent, 2 or more children	179%

Appendix II

Loans for support abroad 2016-2017

Country	Curr.	Food etc.	Accom.	Total	Food etc.Accom.		Total	Child supp.
					/ECTS	/ECTS		
Denmark	DKK	3,858	2,979	6,837	579	447	1,026	234
Århus	DKK	3,832	3,054	6,886	575	458	1,033	234
Copenhagen	DKK	5,005	4,693	9,698	751	704	1,455	234
Odense	DKK	4,166	2,699	6,865	625	405	1,030	234
Finland	EUR	512	398	910	77	60	137	32
Norway	NOK	6,795	4,034	10,829	1,019	605	1,624	291
Sweden	SEK	4,975	3,861	8,836	746	579	1,325	293
Austria	EUR	717	501	1,218	108	75	183	32
Belgium	EUR	564	601	1,165	85	90	175	32
Bosnia	EUR	628	210	838	94	32	126	32
Bulgaria	EUR	258	126	384	39	19	58	32
Estonia	EUR	484	343	827	73	51	124	32
England	GBP	591	508	1,099	89	76	165	22
London	GBP	673	609	1,282	101	91	192	22
Northern Ireland	GBP	717	521	1,238	108	78	186	22
Scotland	GBP	463	456	919	69	68	137	22
Wales	GBP	367	457	824	55	69	124	22
France	EUR	484	436	920	73	65	138	32
Paris	EUR	631	683	1,314	95	103	198	32
Greece	EUR	463	530	993	69	80	149	32
Netherlands	EUR	511	548	1,059	77	82	159	32
Amsterdam	EUR	603	508	1,111	90	76	166	32
Irish Republic	EUR	797	676	1,473	120	101	221	32
Italy	EUR	590	448	1,038	89	67	156	32
Milan	EUR	599	760	1,359	90	114	204	32
Rome	EUR	900	770	1,670	135	116	251	32
Kosovo	EUR	655	392	1,047	98	59	157	32
Croatia	EUR	484	319	803	73	48	121	32
Cyprus	EUR	542	305	847	81	46	127	32
Latvia	EUR	650	329	979	98	49	147	32
Lithuania	EUR	649	167	816	97	25	122	32
Luxembourg	EUR	562	521	1,083	84	78	162	32

Malta	EUR	627	319	946	94	48	142	32
Mexico	USD	448	870	1,318	67	131	198	34
Monaco	EUR	358	1,113	1,471	54	167	221	32
Portugal	EUR	360	313	673	54	47	101	32
Poland	EUR	580	221	801	87	33	120	32
Russia	EUR	614	265	879	92	40	132	32
Serbia	EUR	548	257	805	82	39	121	32
Slovakia	EUR	416	354	770	62	53	115	32
Slovenia	EUR	447	327	774	67	49	116	32
Spain	EUR	545	418	963	82	63	145	32
Switzerland	CHF	1,215	771	1,986	182	116	298	34
Czech Republic	EUR	453	392	845	68	59	127	32
Turkey	EUR	346	489	835	52	73	125	32
Hungary	EUR	774	403	1,147	112	60	172	32
Germany	EUR	512	348	860	77	52	129	32
Munich	EUR	520	435	955	78	65	143	32
USA A	USD	1,198	1,046	2,244	180	157	337	34
USA B	USD	802	758	1,560	120	114	234	34
Canada A	CAD	672	1,002	1,674	101	150	251	45
Canada B	CAD	414	898	1,312	62	135	197	45
Brazil	USD	323	626	949	48	94	142	34
Ecuador	USD	259	820	1,079	39	123	162	34
Peru	USD	503	703	1,206	75	106	181	34
Chile	USD	904	436	1,340	136	65	201	34
Philippines	USD	386	438	824	58	66	124	34
Iran	USD	435	437	872	65	66	131	34
Israel	EUR	574	670	1,244	86	101	187	32
Japan	JPY	95,487	58,848	154,335	14,323	8,827	23,150	4,141
Tokyo	JPY	98,013	63,264	161,277	14,702	9,490	24,192	4,141
China	USD	453	580	1,033	68	87	155	34
Malaysia	USD	733	324	1,057	110	49	159	34
UAE	USD	1,018	1,429	2,447	153	214	367	34
Singapore	USD	592	612	1,204	89	92	181	34
South Korea	USD	745	595	1,340	112	89	201	34
Thailand	EUR	612	519	1,131	92	78	170	32
Australia	AUD	1,132	917	2,049	170	138	308	47
New Zealand	AUD	694	752	1,446	104	113	217	47

Appendix III

Maximum tuition fees and length of language courses

Country	Currency	Maximum loaned for tuition fees	Maximum length of language course
Denmark	DKK	295,000	
Finland	EUR	40,000	1 study year
Norway	NOK	301,000	
Sweden	SEK	359,000	
Austria	EUR	40,000	0.5 study year
Belgium	EUR	40,000	0.5 study year
Bosnia	EUR	40,000	1 study year
Bulgaria	EUR	40,000	1 study year
Estonia	EUR	40,000	1 study year
England	GBP	27,400	
Northern Ireland	GBP	27,400	
Scotland	GBP	27,400	
Wales	GBP	27,400	
France	EUR	40,000	0.5 study year
Greece	EUR	40,000	1 study year
Netherlands	EUR	40,000	1 study year
Irish Republic	EUR	40,000	
Italy	EUR	40,000	0.5 study year
Kosovo	EUR	40,000	1 study year
Croatia	EUR	40,000	1 study year
Cyprus	EUR	40,000	1 study year
Latvia	EUR	40,000	1 study year
Lithuania	EUR	40,000	0.5 study year
Luxembourg	EUR	40,000	0.5 study year
Malta	EUR	40,000	
Mexico	USD	44,100	0.5 study year
Monaco	EUR	40,000	0.5 study year
Portugal	EUR	40,000	0.5 study year
Poland	EUR	40,000	1 study year
Russia	EUR	40,000	1 study year
Serbia	EUR	40,000	1 study year
Slovakia	EUR	40,000	1 study year
Slovenia	EUR	40,000	1 study year
Spain	EUR	40,000	0.5 study year
Switzerland	CHF	57,700	0.5 study year
Czech Republic	EUR	40,000	1 study year
Turkey	EUR	40,000	1 study year
Hungary	EUR	40,000	1 study year
Germany	EUR	40,000	0.5 study year
USA A	USD	44,100	
USA B	USD	44,100	
Canada A	CAD	57,800	

Canada B	CAD	57,800	
Brazil	USD	44,100	0.5 study year
Ecuador	USD	44,100	0.5 study year
Peru	USD	44,100	0.5 study year
Chile	USD	44,100	0.5 study year
Philippines	USD	44,100	0.5 study year
Iran	USD	44,100	1.5 study years
Israel	EUR	40,000	1.5 study years
Japan	JPY	4,560,000	1.5 study years
China	USD	44,100	1.5 study years
Malaysia	USD	44,100	1.5 study years
UAE	USD	44,100	1.5 study years
Singapore	USD	44,100	1.5 study years
South Korea	USD	44,100	1.5 study years
Thailand	EUR	40,000	1.5 study years
Australia	AUD	62,100	
New Zealand	AUD	62,100	

Appendix IV

Loans that the Fund has made

<i>Category</i>	<i>Granted</i>	<i>Interest</i>	<i>Interval from end of studies to beginning of repayment</i>	<i>Repayment period</i>	<i>Payment dates</i>
M	1952-61	3.50%	3 yr	10 yr	1 May and 1 Nov.
N	1952-61	3.50%	3 yr	10 yr	1 Feb. and 1 Nov.
M	1961-67	3.50%	3 yr	15 yr	1 May and 1 Nov.
N	1961-67	3.50%	3 yr	15 yr	1 Feb. and 1 Nov.
L	1967-75	5%	5 yr	15 yr	1 June
K	1975	13%	1 yr	4 yr	1 Apr. and 1 Nov.
X*	1976-82	Index linked	3 yr	20 yr	1 July and 1 Nov.
T**	1982-92	Index linked	3 yr	40 yr	1 Mar. and 1 Sept.
R	1992-2005	up to 3% +index linked	2 yr	indef.	1 Mar. and 1 Sept.
G	2005-	up to 3% +index linked	2 yr	indef.	1 Mar. and 1 Sept.

*called V-loans following merger

**called S-loans when repayment begins.

Definitions of important terms

Loan payments:	There are two loan payments per year—a fixed payment in the first part of the year and an income-linked payment in September. A payment is calculated as a percentage of the annual income in the year preceding payment. This percentage is 4.75% of R-loans and 3.75% of S- and G-loans. The income-linked payment is found by calculating the relevant percentage of the previous year's income and then deducting the fixed payment. The difference is the income-linked payment. If the payer has income below a certain threshold, no income-linked payment will be calculated.
Attendance certificate:	Students enrolled in all-year courses can send attendance certificates from a school after the fall term. The certificate must state the school's assessment of academic achievement in all-year courses. Following completion of a course, a certificate must then come, stating that the course was completed, along with the total number of units.
ECTS credit:	ECTS (European Credit Transfer and Accumulation System) is a coordinated scale of assessment of studies in the European Union member states and other states participating in the Bologna process. 60 ECTS credits is the equivalent of a full year's studies..
Quarter/semester:	If the academic year is divided into three periods (an autumn, winter and spring semester) then a student who completes these three quarters of the year (i.e. three semesters) is considered as having been in full-time studies. The summer semester is the fourth quarter of the year.
Full studies:	Students are deemed to have completed full (full-time) studies if they complete 60 ECTS credits during an academic year or 30 ECTS credits in a semester.
Basic support:	The amount representing the loan requirement of a student who lives in rented accommodation during the study period, as defined by the board of the Fund.
Loan schedule:	When students have applied for loans and submitted the materials requested by the Fund, a calculation of their loan entitlements is made, taking into account their earnings and family circumstances. This schedule is then put on the net under "My page", and enables the student to receive temporary credit from his or her commercial bank. If it comes to light that a loan schedule is based on errors or incorrect premises in terms of the allocation rules for the year of studies for which a loan is sought, the Fund reserves the right to amend the loan schedule to bring it into line with those rules.
Closure of bonds:	Bonds are closed at the end of the period during which the student receives a loan, i.e. at the end of the last assistance period. Interest is calculated on the loan from the date of closure of the bond, and the normal arrangement is that repayments are to begin two years later.
Spouse:	A person who is married to, or cohabiting with the student in a registered partnership.
Semester:	If the academic year is divided into two periods, which are normally of equal length (an autumn and a spring semester), then completion of these two semesters is regarded as completion of full studies. The summer semester is then a third semester.
Degree programme:	A course of studies which ends with a specific degree by examination. If the student changes to another academic institution, subject of studies or degree programme, this constitutes the commencement of a new study programme.
Academic year:	This is generally 12 months, beginning in the autumn and ending in the summer. If a student engages in studies in the summer semester, that semester belongs to the previous academic year. "Academic year" in these rules refers to the academic year 2016-2017.

- Length of studies:** Students' loan entitlements are expressed in terms of ECTS credits. If, for example, a student has completed 60 ECTS credits during an academic year, and received a loan corresponding to these credits, they are then deducted from the total number of credits of his loan entitlement.
- Excess disbursement:** If a student receives a higher loan than he or she is entitled to, e.g., because income was underestimated, or because of receiving an advance payment of tuition fees, but he or she failed to attain the academic achievement for which the loan was received during the term, the student is obliged to repay the loan separately.
- Private studies:** Studies related to a profession or trade which are not taught as part of a university (third-level) programme. Studies at upper-secondary school level leading to matriculation are not regarded as private studies.
- Personal guarantee:** When personal guarantees have been advanced, the guarantor is obliged to pay the debt on the due date even if the creditor has not attempted to have it paid by the main debtor.
- School year:** This is normally 9 months, beginning in the autumn and ending in the spring. "School year" in these rules refers to the school year 2016-2017.
- Leeway:** The minimum acceptable academic achievement and total loan period applying to a particular course of study, including the number of ECTS credits for which a loan can be made.
- Agent:** Students studying abroad need agents, to whom they have granted a power of attorney, to take care of their affairs in respect of the Fund. The agent must have an address in Iceland. Students can grant powers of attorney on their applications, by writing the the agent's name and National ID no. If an agent is to be changed, the student shall do this through "My area" or by completing the form "Changes to an Application". No one except the student can notify the Fund of a new agent.
- Extra credits/units:** If a student's academic achievement amounts to more than 30 ECTS credits in either semester of the academic year, he or she shall be entitled to use the extra credits (units) either in the other semester of the same school year or later in the same study programme, providing that he attains the minimum required achievement (22 ECTS) during the semester.
- Currency of calculation:** Student loans are calculated in the currency of the country in which the student is studying. In certain cases, another currency may be used for purposes of calculation.

Main changes in allocation rules for this school year:

- As of academic year 2016-2017, no loans will be granted for private studies in music, as was done under the last allocation rules. Then, students enrolled in private studies got to complete them on the basis of older rules. (Art. 1.3.3).
- The maximum number of units for which loans will be obtainable will be 480 ECTS units instead of 540 ECTS units. This means that a student starting an undergraduate curriculum (180 ECTS), a Master's programme (120 ECTS) and doctoral studies (60 ECTS) can obtain loans covering 8 school years by utilising joint leeway (120 ECTS) and thus completing an undergraduate curriculum in the traditional manner, a Master's curriculum and doctoral studies, using loans from Fund. Students can also take two Master's degrees or get two Bachelor's degrees by utilising joint leeway (assuming that they obtain 60 ECTS units accredited from previous studies).
- Students' authorisation to utilise leeway because of childbirth has expanded to 12 months after a child's birth instead of two terms, as previously (Art. 2.4.4).
- Basic support for foreign students was updated in accordance with the Analytica analysis of support in other countries since 2015. Basic support increased across the board in the last allocation, where there was a need for lowering of up to 10%. Since it was necessary to lower basic support further, it will decrease by 20% at most in the period 2016-2017, and any remaining decreases will be made in academic year 2017-2018 (Section III).
- Plans call for the proportion of the Fund's support loans to increase from 90% to 92%, and that the income threshold will stay where it is at ISK 930,000.
- The repayment discount will be determined during drafting of each set of allocation rules, and for the allocation rules in the period 2016-2017, this discount was set at 7.5% (Art. 8.3.2).

Support Amounts for 2016-2017

The table below shows the amounts loaned per ECTS credit, based on family size and household type (the same amount applies to rented or own housing).

Country	Currency:	Student	Student	Student	Student	Student	Student	Single	Single
		in parental home	Rent	married/cohab.	married/cohab.	married/cohab.	married/cohab.	parent	parent
No. of children:		0	0	0	1	2	3	1	2
Austria	EUR		183	161	202	239	271	264	306
Australia	AUD		308	268	332	387	434	445	511
USA A	USD		337	291	344	388	422	473	529
USA B	USD		234	201	249	289	323	342	392
Belgium	EUR		175	149	192	229	261	266	310
Bosnia	EUR		126	117	153	186	218	179	215
Brazil	USD		142	115	160	200	234	237	284
Bulgaria	EUR		58	52	87	120	152	102	137
Denmark	DKK		1,026	896	1,184	1,445	1,679	1,551	1,847
Århus	DKK		1,033	900	1,189	1,451	1,685	1,565	1,863
Copenhagen	DKK		1,455	1,251	1,569	1,846	2,080	2,147	2,479
Odense	DKK		1,030	913	1,195	1,453	1,687	1,527	1,818
Estonia	EUR		124	109	147	182	214	189	228
Ecuador	USD		162	126	175	216	250	276	327
England	GBP		165	143	174	201	223	236	269
London	GBP		192	166	199	226	248	273	308
Philippines	USD		124	105	147	185	219	201	244
Finland	EUR		137	120	159	194	226	208	248
France	EUR		138	119	159	195	227	212	253
Paris	EUR		198	168	212	251	283	297	343
Greece	EUR		149	126	167	204	236	233	276
Netherlands	EUR		159	135	177	214	246	244	288
Amsterdam	EUR		166	144	185	222	254	247	290
Iran	USD		131	112	154	192	226	208	251
Irish Republic	EUR		221	192	236	274	306	319	365
Iceland	ISK	11,913	25,918	22,821	28,510	33,642	38,067	37,240	43,073
Israel	EUR		187	158	202	240	272	285	331
Italy	EUR		156	137	177	213	245	232	273
Milan	EUR		204	171	217	255	287	310	358
Rome	EUR		251	217	263	302	334	358	407
Japan	JPY		23,150	20,590	25,790	30,461	34,602	33,029	38,405
Tokyo	JPY		24,192	21,440	26,720	31,430	35,571	34,502	39,971
Canada A	CAD		251	208	271	325	370	394	460
Canada B	CAD		197	158	219	272	317	330	394
China	USD		155	130	174	213	247	246	292
Kosovo	EUR		157	140	179	215	247	227	268
Croatia	EUR		121	107	145	180	212	184	223
Cyprus	EUR		127	114	151	186	218	189	227
Latvia	EUR		147	133	171	206	238	211	250
Lithuania	EUR		122	115	150	183	215	170	206
Luxembourg	EUR		162	139	181	217	249	245	288
Malaysia	USD		159	145	185	222	256	225	266

Malta	EUR		142	128	166	201	233	205	244
Mexico	USD		198	160	210	252	286	317	369
Monaco	EUR		221	173	225	267	299	362	417
Northern Ireland	GBP		186	163	195	221	243	259	292
Norway	NOK		1,624	1,440	1,812	2,139	2,430	2,308	2,684
New Zealand	AUD		217	184	245	299	346	337	400
Peru	USD		181	150	197	237	271	284	333
Portugal	EUR		101	87	125	160	192	164	202
Poland	EUR		120	110	146	180	212	173	210
Russia	EUR		132	120	157	192	224	190	228
United Arab Emirates	USD		367	305	365	411	445	540	604
Serbia	EUR		121	110	146	181	213	178	216
Singapore	USD		181	154	199	239	273	275	322
Chile	USD		201	182	224	262	296	277	320
Scotland	GBP		137	117	147	174	196	203	235
Slovakia	EUR		115	100	138	173	205	181	221
Slovenia	EUR		116	102	140	175	207	180	219
Spain	EUR		145	127	166	202	234	218	259
South Korea	USD		201	175	220	259	293	293	339
Switzerland	CHF		298	264	312	353	387	407	458
Sweden	SEK		1,325	1,157	1,520	1,847	2,140	1,994	2,368
Czech Republic	EUR		127	110	149	185	217	197	238
Turkey	EUR		125	104	145	181	213	204	247
Thailand	EUR		170	147	189	225	257	253	296
Hungary	EUR		172	155	194	229	261	243	283
Wales	GBP		124	104	134	160	182	191	223
Germany	EUR		129	114	152	187	219	195	234
Munich	EUR		143	124	164	200	232	217	258

Examples of the calculation of student loans to a student in Iceland pursuing full-time studies (60 ECTS credits) in the academic year 2016-2017.

Example A1:

Single student living in parental home.

Earnings	+	930,000
Earnings threshold	-	930,000
Difference	=	0
45% reduction	-	0
Basic support	+	714,780
Accommodation	+	0
Loan for children	+	0
Total support (60 ECTS)	=	714,780
Reduction due to earnings	-	0
Total loan	=	714,780

Example B1:

Single student living in parental home, commencing studies after working (i.e. after a long break).

Earnings	+	1,900,000
Earnings threshold	-	2,790,000
Difference	=	-890,000
45% reduction	-	0
Basic support	+	714,780
Accommodation	+	0
Loan for children	+	0
Total support (60 ECTS)	=	714,780
Reduction due to earnings	-	0
Total loan	=	714,780

Example A2:

Single student living in rented or self-owned accommodation.

Earnings	+	930,000
Earnings threshold	-	930,000
Difference	=	0
45% reduction	-	0
Basic support	+	921,660
Accommodation	+	633,420
Loan for children	+	0
Total support (60 ECTS)	=	1,555,080
Reduction due to earnings	-	0
Total loan	=	1,555,080

Example B2:

Single student living in rented or self-owned accommodation commencing studies after working (i.e. a long break).

Earnings	+	2,300,000
Earnings threshold	-	2,790,000
Difference	=	-490,000
45% reduction	-	0
Basic support	+	921,660
Accommodation	+	633,420
Loan for children	+	0
Total support (60 ECTS)	=	1,555,080
Reduction due to earnings	-	0
Total loan	=	1,555,080

Example A3:

Married or cohabiting student, without children, in rented or self-owned accommodation.

Earnings	+	1,300,000
Earnings threshold	-	930,000
Difference	=	370,000
45% reduction	-	166,500
Basic support	+	921,660
Accommodation	+	447,600
Loan for children	+	0
Total support (60 ECTS)	=	1,369,260
Reduction due to earnings	-	166,500
Total loan	=	1,202,760

Example B3:

Married or cohabiting student, without children, in rented or self-owned accommodation commencing studies after working (i.e. a long break).

Earnings	+	3,500,000
Earnings threshold	-	2,790,000
Difference	=	710,000
45% reduction	-	319,500
Basic support	+	921,660
Accommodation	+	447,600
Loan for children	+	0
Total support (60 ECTS)	=	1,369,260
Reduction due to earnings	-	319,500
Total loan	=	1,049,760

Example A4:

Married or cohabiting student with 1 child, in rented or self-owned accommodation.

Earnings	+	1,200,000
Earnings threshold	-	930,000
Difference	=	270,000
45% reduction	-	121,500
Basic support	+	921,660
Accommodation	+	523,620
Loan for children	+	265,500
Total support (60 ECTS)	=	1,719,780
Reduction due to earnings	-	121,500
Total loan	=	1,589,280

Example B4:

Married or cohabiting student with 1 child, in rented or self-owned accommodation, commencing studies after working (i.e. a long break).

Earnings	+	4,000,000
Earnings threshold	-	2,790,000
Difference	=	1,210,000
45% reduction	-	544,500
Basic support	+	921,660
Accommodation	+	523,620
Loan for children	+	265,500
Total support (60 ECTS)	=	1,719,780
Reduction due to earnings	-	544,500
Total loan	=	1,166,280

Example A5:

Single student, cohabiting, with 1 child, living in rented or self-owned accommodation.

Earnings	+	1,700,000
Earnings threshold	-	930,000
Difference	=	770,000
45% reduction	-	346,500
Basic support	+	921,660
Accommodation	+	565,860
Loan for children	+	531,000
Total support (60 ECTS)	=	2,018,520
Reduction due to earnings	-	346,500
Total loan	=	1,672,020

Example B5:

Single parent, cohabiting, with 1 child, living in rented or self-owned accommodation commencing studies after working (i.e. a long break)

Earnings	+	5,000,000
Earnings threshold	-	2,790,000
Difference	=	2,210,000
45% reduction	-	994,500
Basic support	+	921,660
Accommodation	+	565,860
Loan for children	+	531,000
Total support (60 ECTS)	=	2,018,520
Reduction due to earnings	-	994,500
Total loan	=	1,024,020

Example A6:

Single parent, 1 child, living in rented or self-owned accommodation.

Earnings	+	1,400,000
Earnings threshold	-	930,000
Difference	=	470,000
45% reduction	-	211,500
Basic support	+	921,660
Accommodation	+	1,047,240
Loan for children	+	265,500
Total support (60 ECTS)	=	2,234,400
Reduction due to earnings	-	211,500
Total loan	=	2,022,900

Example B6:

Single parent, 1 child, living in rented or self-owned accommodation commencing studies after working (i.e. a long break),

Earnings	+	2,600,000
Earnings threshold	-	2,790,000
Difference	=	-190,000
45% reduction	-	0
Basic support	+	921,660
Accommodation	+	1,047,240
Loan for children	+	265,500
Total support (60 ECTS)	=	2,234,400
Reduction due to earnings	-	0
Total loan	=	2,234,400

Example A7:

Single parent, 2 children, living in rented or self-owned accommodation.

Earnings	+	1,100,000
Earnings threshold	-	930,000
Difference	=	170,000
45% reduction	-	76,500
Basic support	+	921,660
Accommodation	+	1,131,720
Loan for children	+	531,000
Total support (60 ECTS)	=	2,584,380
Reduction due to earnings	-	76,500
Total loan	=	2,507,880

Example B7:

Single parent, 2 children, living in rented or self-owned accommodation commencing studies after working (i.e. a long break).

Earnings	+	3,200,000
Earnings threshold	-	2,790,000
Difference	=	410,000
45% reduction	-	184,500
Basic support	+	921,660
Accommodation	+	1,131,720
Loan for children	+	531,000
Total support (60 ECTS)	=	2,584,380
Reduction due to earnings	-	184,500
Total loan	=	2,399,880