

## **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.

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 academic year, i.e. 75% of full studies (*cf.* Article 2.1), these to be completed in not more than 12 months.

Loans are not offered 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 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.

#### **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 for at least the last 12 months preceding the date of application, and shall have been resident in Iceland over the same period, or else 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 resident in Iceland and pursue courses of study in Iceland which qualify for loans have the right to loans on the same basis as Icelandic students, provided they do

not receive loans from their home countries under the agreement in place at any given time between the Nordic countries on these matters.

### **1.1.3 Rights of migrant workers from EEA Member States**

Students who are citizens of states in the European Economic Area who are resident in Iceland, and their families and others who are supported by them, are entitled to student loans if they meet the following conditions (*cf.* Article 4 of the Regulation No. 478/2011):

1. Applicants for student loans shall be wage earners/self-employed individuals, or have that status (*cf.* Article 4 of the Regulation No. 478/2011). It shall be possible to make the demand that there be a connection between their previous work and the course of studies they propose to pursue.
2. Applicants for student loans shall be members of the family of an EEA wage earner/self-employed individual who is employed, or has been employed, on the Icelandic labour market (*cf.* Article 4 of the Regulation No. 478/2011).

### **1.1.4 Rights of EEA citizens other than migrant workers**

Students who are citizens of states in the European Economic Area are entitled to student loans if they meet the following conditions (*cf.* Article 5 of the Regulation No. Regulation No. 478/2011):

1. Applicants for student loans must have been domiciled in Iceland for 5 continuous prior to the date of application, or
2. applicants shall have acquired a permanent right of residence in Iceland in less than five years under rules of EEA Law.

### **1.1.5 Rights of other foreign students**

Foreign nationals acquire the right to loans on the same basis as Icelandic students in the semester in which it is agreed to grant them Icelandic citizenship.

Foreign nationals, other than nationals of Member States of the European Economic Area (EEA), who are married to Icelandic citizens who meet the conditions of Article 1.1.1 and have been legally domiciled in Iceland for at least two years during the five years preceding the commencement of studies may apply for loans for studies pursued in Iceland or in the other Nordic countries.

This provision may be applied to other individual foreign nationals if Icelandic students have comparable rights in the home countries of those students.

## **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

### **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, special upper-secondary level courses approved by the Ministry of Education, Science and Culture, that have been approved by the relevant professional council and for which the student does not receive wages under a collective agreement over and above the level of basic support in Iceland (*cf.* Articles 3.1.1 and 3.2). These courses shall qualify for loans for the periods during which they are taught in educational institutions, with the exception of the first semester, or first two semesters (*cf.* the third paragraph of this Article) if it is possible to pursue them directly after completing the final junior (compulsory) school examination. If preparatory studies (foundation courses) are necessary at the upper secondary level, the preparatory studies shall not qualify for a loan either. The studies shall qualify for loans for a maximum of 75% of the entire study period, including the paid working period.

If special studies following directly after the final junior (compulsory) school examination are structured as a course of five semesters or less in an educational establishment, then they shall not qualify for a loan during the first semester, and otherwise (in the case of a course lasting 6-8 semesters) not for the first two semesters.

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 under this article.

Further information on special studies in Iceland that qualify for loans can be found in Appendix III.

### **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 4.8 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. 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 Private Studies in Music**

The condition for qualifying for a loan for private studies in music shall be that the applicant has taken a recognized university degree in music. The maximum period for which a loan may be granted for private study shall be two academic years, or 120 ECTS units (*cf.*, however, Article 2.3.1).

Applicants shall submit information on the names and positions of their teachers, the subjects of study, the structure of the study, concerts (with programme details) and confirmations from their teachers. The general requirement is that the teacher be employed as, or have experience of employment as, a music teacher at university (post-secondary) level.

### **1.3.4 Language Courses as Preparatory Courses**

Loans may be granted for language courses held by the foreign students' departments at universities if these constitute preparation for studies that qualify for loans in a country where languages other than English or the Nordic languages (excluding Finnish) are spoken. Preparatory language courses may be regarded as studies at the master's or doctorate level (*cf.* Article 2.3.1) if the student has completed undergraduate studies and intends to pursue master's or doctorate 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 under this Article depends on the language involved, ranging from 30 to 90 ECTS units. Further details are to be found in Appendix II.

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 another subject must be submitted before loans for preparatory language studies are fully processed.

### **1.3.5 Information about Courses Abroad that Qualify for Loans**

The Fund possesses information on educational institutions and courses of study 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 course.

## **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 academic 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.

The amount of latitude permitted in order to complete studies depends on the rules of the Fund regarding academic progress (see the second paragraph of this Article) and the permitted total number of credits (*cf.* Article 2.3.). The student shall be regarded as having fully utilised his latitude when he has received a loan, or a postponement of the closure of the bond, for the number of ECTS units permitted with full latitude.

### **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 [12]\* 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 academic year. 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 academic year (*cf.* Article 4.8).

## **2.2 Units (Credits) Qualifying for Loans**

In order to be entitled to a loan, a student must complete at least [18]\* ECTS units or the equivalent each semester, or the corresponding proportion per term in the case of educational institutions operating on a quarterly (four-term) basis. Units completed in one or more academic programmes shall confer the right to loans if the student pursues two undergraduate degrees or two master's degrees concurrently (*cf.* Article 2.3). This shall also apply 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 programme of studies that qualifies for a loan concurrently with his master's studies. This authorisation shall be subject to the condition that the student shall not previously have fully utilised his latitude to draw loans (*cf.* Article 2.3).

Loans may not be granted for two unrelated courses of study during the same semester. Thus, for example, it shall not be permitted to grant a loan for study in two different academic institutions if the courses of studies involved are not directed towards a joint conclusion of studies.

A student who completes [18]\*-30 ECTS units in a semester shall be entitled to a loan for the completed units (i.e., up to 30 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).

## **2.3 Length of Studies**

### **2.3.1 Basic (undergraduate) studies and master's studies**

Students are entitled to receive loans for 180 ECTS units of basic study. 'Basic study' here refers to special studies, undergraduate (first degree) university studies and private studies in Music.

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. This also applies to university studies following three years' study according to the structure of the educational institution, in courses that are organised to last longer than three years. 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, arts courses and academic counselling, may be considered as studies at master's level.

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

A student may be granted exemption from the above maximum and be granted a loan for up to a further 60 ECTS if he fulfils one of the following conditions:

- a) He has previously passed a final examination in a course of studies that qualifies for a loan, and has yet to complete 60 ECTS units, or fewer, leading to a final examination in another course of studies that qualifies for a loan. 'Final examination' here refers to an examination that confers a vocational or university degree, and not an examination in preparatory course, an introductory course or an examination in a basic (foundation) subject.
- b) He has previously, for at least three loan-years during the period of study, received exemption from the ordinary conditions regarding academic progress under Article 2.4.5 on account of disability or dyslexia. However, the overall latitude allowed for in order to complete a particular course of study may never be greater than 600 ECTS units.

### **2.3.2 Doctorate Studies**

A student in a doctorate study programme shall be entitled to a loan for 180 or 240 ECTS units, according to the structure of the studies; however, his loans from the Fund may never exceed 600 ECTS units.

### **2.3.3 The five-year and ten-year rules**

Students continuing in the same course of studies that they began prior to the academic year 2011-2012, and who have not taken more than one academic year's break from studies since 2010-2011, shall continue to enjoy the same entitlement to loans as is laid down in Articles 2.3.2 and 2.3.3 (the 5 and 10-year rules) as described in the Allocation Rules for 2010-2011.

## **2.4 Additional Latitude in Studies**

Students who do not fulfil the Fund's conditions regarding minimum academic performance (*cf.* Article 2.2) may apply for exemption due to circumstances listed in Articles 2.4.1 – 2.4.5. In those instances where approval is given for exemptions, entitlement to loans shall be based on the minimum number of units, i.e. [18]\* ECTS units per semester at educational institutions using a semester structure or [12]\* ECTS units at institutions based on a quarterly (four-term) structure.

### **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 academic year 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 and spring semesters), the student's academic achievement for the year shall be assessed. Students who have completed at least 44 ECTS units for the academic year as a whole shall be entitled to loans in proportion to their achievement during the individual semesters of the academic year.

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. 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.

A student may be entitled to a loan for the minimum number of units (*cf.* Article 2.4) in the following cases:

- a) The student is completing his studies and has fewer units remaining than the number specified in the conditions regarding minimum academic achievement (*cf.* Article 2.2) in order to complete them. If the student takes the remaining units, it shall be possible to base his loan entitlement on the minimum number of units (*cf.* Article 2.4), irrespective of his study programme or degree (*cf.* Article 2.2).
- b) The student has lived overseas as an exchange student (*e.g.* on ERASMUS or NORDPLUS schemes) and had his courses assessed as elective courses over and above the minimum number of units required to complete a final examination according to the structure of an educational institution approved by the board of the Fund.

### **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 academic year are available; loans granted previously in excess of the correct amount may then become repayable (*cf.* Article 5.7).

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

### **2.4.3 Illness**

The condition for qualifying for additional latitude under 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 basing his loan entitlement on the minimum number of units (*cf.* Article 2.4). If the student falls ill in the latter half of a semester, or during examinations, up to [18]\* 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 [18]\* 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 the student's spouse, children, the student's parents and those of his/her spouse, the grandparents of the student and his/her spouse, the siblings of the student and his/her spouse and the siblings' children.

A student who has received exemption due to illness but achieves less than [12]\* 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) 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 [12]\* 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 the student's being entitled to additional latitude under this Article is that he or she shall have previously attained satisfactory results in a course of studies qualifying for a loan or that he or she shall achieve satisfactory results in the semester following that in which the latitude is necessary.

If a student has a baby during the period of study, up to [13]\* 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 normally be increased for this reason. The student may take advantage of this latitude during the latter part of pregnancy and up until the child has reached the age of 12 months. Birth certificates/medical certificates shall be submitted in such cases.

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 [13]\* 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).

#### **2.4.5 Disability and Dyslexia**

If, due to a disability, a student is unable to attain minimum academic achievement (*cf.* Article 2.2), up to [9]\* 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 certified schedule of studies and a medical certificate. The provisions of this Article shall also apply if the student is substantially adversely affected by dyslexia or other specific learning difficulties and this inevitably slows his academic progress in the opinion of a specialist and the educational institution.



## **2.4.6 Numbers of units completed under special circumstances and at the end of studies**

Students who have less than the equivalent of [18]\* ECTS units of a semester still to complete during the last semester of studies will receive loans in direct proportion to the amount standing uncompleted. Students who are not able to complete [18]\* ECTS units during a semester due to the organisation of the institution where they are studying or due to the assessment of their previous studies may receive loans in direct proportion to the number of units they complete, providing that they complete all the units on offer and that they complete not less than 15 ECTS units.

## **2.5 Closure of Bonds**

### **2.5.1 General**

Bonds are closed when the student ceases to receive the loan, based on the end of the last loan period. 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. Repayment of the loan shall begin two years after the closure of the bond. If the student has begun repaying older student loans and resumes studies, no new period of grace is granted from the repayment of the earlier loans.

### **2.5.2 Deferment of Closure of Bonds**

The closure of the bond may be deferred if the student completes the academic attainments eligible for a loan in the academic year following that in which he last received a loan. In such cases, the student shall apply specially for the deferment by 30 November 2013 (inclusive of that date) and, as appropriate, the same rules regarding the closure of the bond shall apply as apply regarding loan applications and academic achievement (*cf.* Section II – Academic Achievement).

If the student takes a break of more than one academic year in his studies, he may not defer the 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, with a new bond being issued.

### **2.5.3 Completion of graduation requirements**

If the student is entitled to defer the closure of the bond (*cf.* Article 2.5.2), the date of closure shall be based on the end of the study period in which the student completes all the requirements for graduation. Deferment of the disbursement of student loans, e.g. because information is submitted late, shall not result in any deferment of the closure of the bond.

### **2.5.4 Latitude in Loan Entitlement Fully Utilised**

If the student is not entitled to further loans, having fully utilised the latitude available for drawing loans (*cf.* Articles 2.1 and 2.3), the closure of the bond shall be based on the end of the last loan period.

### **2.5.5 Uncertainty Regarding the Closure of Bonds**

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

**\* Interpretation of the Allocation Rules following the judgement by the Reykjavík District Court on 30 August [2013] in Case No. E2932/2013.**

## **Section III - Support and Income**

### **3.1 Basic Support**

#### **3.1.1 Basic Support in Iceland**

All assistance for support during periods of study in the academic year 2013-2014 shall be based on the level of basic support in Iceland, which is defined by the Fund. This amount is ISK 144,867 (for further details see Appendix I), or ISK 21,730 for each ECTS credit completed by the student.

#### **3.1.2 Basic Support Abroad**

The level of basic support abroad during periods of study in the academic year 2013-2014, which may vary according to the country and city in question, shall be a proportion of the level of basic support in Iceland. Support levels for students abroad are based on the country/city in which the educational institutions are located. (For further details see Appendix II).

#### **3.1.3 Exchange Student Support**

Exchange students may apply to have their 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 2013.

#### **3.1.4 Support for Students in Distance-Learning Programmes**

Support for students in distance-learning programmes shall be based on support costs in the countries where they are resident. Students shall be required to demonstrate by means of certified documents that they are registered in a structured distance-learning programme in accordance with the syllabus of an academic institution, and to submit proof of residence abroad, where appropriate.

### **3.2 Student Support**

In addition to locality, the factors in Articles 4.2 - 4.5 have an effect on the rate of student support. The rate of student support increases with respect to dependent children aged 18 or younger. Loans under Articles 4.4 and 4.6 - 4.12 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 2013, 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 2013-2014. 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 2013.

Thirty-five per cent of the student's income in 2012 over ISK 750,000 shall be deducted from the student loan. In cases where loans are granted for spouses, 35% of the joint income of the couple or individuals in a registered civil union in 2013 over ISK 1,125,000 shall be deducted. 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 multiplied by five 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. The Fund reserves the right to demand materials in support of this if this is considered necessary. In cases where a spouse's loan is granted, 35% of the joint income of the married couple/registered partnership in excess of ISK 5,625,000 for the year 2013 shall be deducted.

The level of income allowed to a student without entailing a reduction of the student loan may also be multiplied by five if the student is pursuing a course of studies which the Fund has recognised as qualifying only for a loan to cover tuition fees, i.e. it is not regarded as qualifying for a loan for support or for the purchase of books, materials or equipment (*cf.* Article 1.1). This applies to courses of studies that are organised in such a way as to be pursued concurrently with employment.

### **3.3.3 Income Estimate – Tax Returns**

Before a loan is granted for study during the autumn semester, the student shall declare his estimated income during the year 2013.

Before a loan is granted for study during the spring semester, confirmed tax-return information regarding the student's income during 2013 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 three months. 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 as Income?**

### **3.4.1 Income during 2013**

All income forming the tax base for the year 2013 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 4.8).

### **3.4.3 Special Student Grants**

Grants made by NORDPLUS and ERASMUS have no effect on loans, provided that the student does not apply for additional loans to cover expenses he may incur in connection with his studies abroad. Recipients of grants from NORDPLUS and ERASMUS are not entitled to travel grants from the Icelandic Student Loan Fund.

### **3.4.4 Deductions from Income**

The following is deducted from income: university (college, etc.) fees for which the student does not receive a loan because he has used up his entitlement under Article 4.8 and fixed repayments of student loans which fall due and are paid during the loan period.

### **3.4.5 Disbursement of Private Pension Savings in 2013**

Applicants who received disbursements of their private pension savings during 2013 may request to have them excluded when their student loans for the academic year 2013-2014 are calculated. Applications for adjustment for the academic year must be submitted by 1 May 2014.

## **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 4.12, resulting in a 50% increase or reduction of that item, as appropriate.

### **4.2 Loans to Single Students**

#### **4.2.1 Students Living in Rented Accommodation or Their Own Accommodation**

The amount of support for an unmarried student shall be the level of basic support, but income shall be deducted (*cf.* Article 3.3.). Unmarried students and childless married or cohabiting couples shall provide proof of normal rent payments by submitting copies of payment slips to the tax authorities, or demonstrate that they own a flat or house by submitting a copy of confirmation from the Land Registry of Iceland or a certificate of registration of ownership.

#### **4.2.2 Loans to Students Living neither in Rented Accommodation nor Their Own Accommodation**

The rate of support for students who live neither in rented accommodation nor their own accommodation shall be 60% of the basic support level, with income being deducted (*cf.* Article 3.3).

#### **4.2.3 Students Living with Low-Income Parents/Single Parents**

Rates of support for students living with low-income parents may be raised to 100% if the income of each parent is under the reference threshold. The reference threshold for this purpose shall be the basic rate of support for a single parent. The rate for the support of a single parent shall take account of the number of the parent's dependent children under the age of 21 years, including the student.

### **4.3 Loans to Single Parents**

The rate of support shall be the basic support level, raised by ISK 8,881 for the first child for each ECTS credit completed when studies are pursued in Iceland, and by the comparable proportion of the basic support level when studies are pursued abroad (*cf.* Article 3.1.). The increase for the second child is ISK 8,437 (95%); for the third ISK 7,105 (80%); for the fourth ISK 6,661 (75%) and for the fifth child or each further child ISK 6,216 (70%) for each ECTS credit.

Loans are granted for support during the period of study, with income deducted (*cf.* Article 3.3).

Students are only granted loans as single parents if they have custody of the child and the child is domiciled with them or demonstrably lives with them during the study period, e.g. in cases of joint custody. In cases of joint custody, where the child is not domiciled with the student, students shall submit an access agreement, confirmed by a district commissioner, confirming their right of access if they wish to apply for additional loans to cover child support. If both parents are loan recipients, additional support loans for the child shall be divided between them according to the access agreement.

### **4.4 Loans to Married or Cohabiting Students**

The rate of support for married students or those in a registered cohabiting union shall be the basic rate, raised with respect to the first child of the student or spouse if the child is legally domiciled with the student or demonstrably lives with him during the period of study. For the first child, the support allowance shall be raised by ISK 4,916 for each ECTS credit completed if studies are pursued in Iceland, and by a corresponding proportion of the basic support rate in the case of studies pursued abroad (*cf.* Article 3.1). For the second child, the increase shall be ISK 4,671 (95%), for the third ISK 3,934 (80%); for the fourth ISK 3,686 (75%) and for the fifth child and further children ISK 3,441

(70%) for each ECTS credit. Loans shall be granted for support during the study period, with income deducted (*cf.* Article 3.3). Loans for spouses are made only in certain exceptional cases (*cf.* Section 4.5).

If both members of the couple are pursuing courses of study that qualify for loans, then the amount loaned to each of them shall be determined separately.

#### **4.5 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 by 50% of the basic support level with respect to his or her spouse:

- a) Due to the spouse's illness or disability according to a medical certificate.
- 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 in the academic year 2013-2014 shall retain their entitlement to apply for loans for their spouses.

If a loan is granted with respect to a spouse, the spouse's income shall be deducted from the loan (*cf.* Articles 3.1.1 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 academic year.

#### **4.6 Loans to Cover Child Maintenance Payments**

Students may apply specially for additional loans to cover child maintenance (support) payments that they demonstrably pay in respect of children aged 18 years and younger. When loans are granted to cover child maintenance payments, the Fund pays them directly to the Local Authorities' Claims Department (Innheimtustofnun sveitarfélaga). Loans are granted to cover child support payments during the study period, amounting to ISK 3,250 for each ECTS credit completed, or the equivalent in other currencies, based on exchange rates as of 1 June 2013.

#### **4.7 Loans for the Purchase of Books, Equipment and Materials**

Students are entitled to additional loans to cover the purchase of books. These loans shall be ISK 800 for each ECTS credit completed if studies are pursued in Iceland, and a comparable proportion of the basic rate of support in the case of studies pursued abroad (*cf.* Article 3.1).

#### **4.8 Loans for Tuition Fees**

Loans for tuition fees abroad, less non-taxable grants covering tuition fees, are granted for basic study ('basic study' here refers to special studies, undergraduate (first degree) university studies and private studies in Music), master's studies and doctorate studies (*cf.* Article 2.3). The total aggregate amount that may be obtained in the form of loans for tuition fees in all courses is ISK 3,500,000 for studies in Iceland, and a certain proportion of this sum for studies abroad (*cf.* Appendix II, in which the total amounts granted for tuition fees are given for each country of study).

For those pursuing basic studies, the rule is that in no instance is a loan for tuition fees made in a single academic year 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 II 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 60,000 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/term of the academic year. 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 academic year following completion of [18]\* ECTS units, two semesters following completion of [36]\* ECTS units and for the summer semester following completion of 60 ECTS units. If the academic year is divided into three periods, loans for tuition fees shall be granted for one quarter following completion of [12]\* ECTS units, two quarters following completion of [24]\* ECTS units, for three quarters following completion of [36]\* ECTS units and for studies during the summer term 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 [18]\* ECTS units and for the third semester on completion of [36]\* ECTS units. If the academic year is divided into four periods, payment in advance shall be permitted in the same way for the second quarter following completion of [12]\* ECTS credits, for the third quarter following completion of [24]\* ECTS units and for studies during the summer term following completion of [36]\* ECTS units.

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

#### **4.9 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. Full information regarding the reasons for the journey, together with the appropriate medical certificate or death certificate, shall be presented. For the purpose of this rule, immediate family is defined as consisting of the student's spouse, the student's children parents and grandparents and those of his or her spouse and the student's siblings and those of his or her spouse, 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).

#### **4.10 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 academic year. 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.

#### **4.11 Grants for Interest Expenses**

When a student loan which is paid after each term, semester or academic year, is disbursed, a grant of ISK 400 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 academic year.

#### **4.12 Loans for Travel Expenses**

##### **4.12.1. 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 academic year, 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 4.12.2 and 4.12.3.

##### **4.12.2 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 35,000 per person, and ISK 40,500 per individual for students and their spouses in other parts of Europe, ISK 52,000 in North America and ISK 92,000 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 twelve years old and 100% in the case of children over twelve years old. It is not necessary to submit evidence of the journey. Recipients of grants from NORDPLUS and ERASMUS are not entitled for 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 2013.

##### **4.12.3 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 18,000; 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 twelve years old and 100% in the case of children over twelve years old. 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 to submit evidence of the journey.

#### **4.12.4 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).

**\*Interpretation of the Allocation Rules following the judgement by the Reykjavík District Court on 30 August [2013] in Case No. E2932/2013.**

## **Section V. Applications and Disbursement of Loans**

### **5.1 Applications for Student Loans**

#### **5.1.1 Application Forms**

Applications for student loans shall be made on special electronic forms that can be accessed on the Internet ([www.lin.is](http://www.lin.is)). These forms are also available from the Fund's office.

#### **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 2013: By 30 November 2013 (including that date).

Spring 2014: By 30 April 2014 (including that date).

Summer 2014: By 30 June 2014 (including that date).

#### **5.1.3 Accompanying Documents and Deadlines**

Students shall be informed in good time about the documents they are required to submit so that they will have sufficient time to send them to the Fund. Documents accompanying applications must be received by the Fund not later than two months after they are requested. 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; otherwise it may be regarded that the student has withdrawn his application for a loan for the relevant period.

#### **5.1.4 Assistance**

The Fund's employees, and the students' organisations that nominate representatives to the board of the Fund, shall provide assistance and guidance on matters concerning the Fund's operations.

#### **5.1.5 Processing of Applications and Other Communications**

The board's decisions on communications received by the Fund shall be reported in writing unless this is obviously unnecessary. Decisions shall be binding when they have reached the parties concerned. The student or other persons involved shall have the right to know the reasoning behind a decision (*cf.* Article 8.3), to have a matter re-examined (*cf.* Article 8.4) or to request a ruling from the appeals committee (*cf.* Article 8.5). In other respects, procedure shall be subject to the Administrative Procedure Act, No. 37/1993.

#### **5.1.6 Loan Schedule**

Based on information submitted by the student regarding, amongst other things, his income and family status, he may receive a completed loan schedule from the Fund. This schedule makes possible temporary credit arrangements with commercial banks (*cf.* Article 5.2.4). After examining the loan schedule, the student shall inform the Fund if the information on which it is based is incorrect.

#### **5.1.7 Agents**

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



### **5.1.8 Conditions to Be Met by Recipients of Loans**

Conditions to be met by recipients of loans in order to qualify as creditworthy and eligible to take loans from the Fund shall include not being on the arrears register or in arrears to the Fund when they apply for new loans and that their estates are not undergoing bankruptcy proceedings.

If a student is not regarded as creditworthy for the reasons stated above, he may apply for exemption from this Article provided he is able to demonstrate the contrary or if he produces other guarantees that 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 2013-2014 commence at the beginning of August 2014. At that time, loans for tuition fees (*cf.* Article 4.8) 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 2014 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, book and travel loans in respect of the spring semester and advance payment of tuition fees for the summer semester shall commence at the beginning of May 2014. Disbursement of support, book and travel loans in respect of the summer semester, to those who meet the foregoing conditions, shall commence at the beginning of August 2014.

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 providing evidence is available to show that the student has met the Fund's requirements concerning productivity and academic achievement. However, the granting of loans for the academic year 2013-2014 shall be complete by 15 January 2015. After that date it shall not be possible to process loans, or submit complaints or queries concerning the way loans were disbursed, for that academic year.

A condition for a student's receiving payment of tuition fees under Article 4.8 in advance is that he shall have previously completed a unit of academic achievement that qualifies for a loan.

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 2013. 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 2013 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 Credit at Commercial Banks and Savings Banks**

The board of the Fund has made an agreement with the commercial and savings banks by which they will give students temporary credit within an academic year, if this is desired, provided that the normal conditions set by the financial institution after receiving the student's loan schedule have been met and the student's loan schedule has been submitted.

#### **5.2.5 Bonds and Bank Accounts**

The disbursement of a loan is 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**

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 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.

The Fund may take enforcement measures (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 academic year 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.

Guarantors shall have reached the age of 18 and shall be competent to manage their financial affairs; no maximum age limit applies. A guarantee given by a legal entity instead of an individual shall be subject to the approval of the board, and the legal entity must be a state agency or financial institution that is monitored by the Financial Supervisory Authority. In such cases, the minimum guarantee period shall be 10 years following the first repayment due date or 15 years after the guarantee is given. The Fund shall then be able, with the approval of the loan recipient, to collect a fee for the guarantor party when the loan is disbursed. In other respects, guarantees given by legal entities shall be subject to the same rules as generally apply to personal guarantees given by individuals.

A minimum of one guarantor shall undertake personal liability for the recipient of a loan. Guarantors shall normally be Icelandic citizens domiciled in Iceland. Individuals who are on the arrears register, or are in arrears to the Fund, or who are undergoing bankruptcy proceedings, may not be approved as guarantors for student loans.

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; they also bear equal liability between themselves, taking into account the specific maximum applying to each of them. Consequently, the guarantor who pays the debt may have a right of recourse both towards the borrower and the other guarantors.

In the event of the non-payment of a student loan, each guarantor shall be able to pay his guarantee amount, together with interest and costs.

A guarantor may exercise the rights that the borrower has according to the bond and keep the loan paid up to date. In doing this, he may request that the Fund use the payment to reduce that part of the total debt that he has guaranteed.

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 65% of the market value of the residential property and that they shall be less than 65% of the replacement value. It shall also be possible to request a sale evaluation by a chartered property agent, in which case the criterion shall be that loans from the Fund shall not exceed 60% of the sale valuation.

## **5.4 Payment of Membership Fees**

If the student so desires, the Fund will see to the payment 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 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 payment in excess of the correct amount, 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 special manner. The student shall have the choice of repaying the excessive 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 10 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 excessive 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 2.5.1) and the excess disbursement shall be collected as an extra instalment on his student loan.

## **5.8 Monitoring of Income for the Final Loan**

### **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 skattsedel*".

### **5.8.3 Students in Other Countries**

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

### **5.8.4 Repayment**

If it is revealed that income according to a statement from the tax authorities is higher than was stated by the student, he shall be obliged to repay the amount loaned to him in excess of the correct amount, together with indexation adjustment.

## **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 – Common Nordic Rules on Loans in the Nordic Countries**

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 condition for study assistance from the Icelandic Student Loan Fund (LÍN) shall be that the applicant does not 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)  
Bredgadej 30  
DK-1260 København K  
Tel: 00-45-72317900  
Fax: 00-45-72317801  
Website:<http://www.su.dk/>

### **NORWAY**

Statens lånekasse for utdanning (SLK)  
P.boks 195, Østre Aker vei 20  
N-0510 Oslo 5  
Tel: 00-47-22726700  
Fax: 00-47-22642636  
Website:<http://www.lanekassen.no>

### **FINLAND**

Folkpensionsanstaltens Studiestödscentral  
P.O. Box 228  
SF-40 101 Jyväskylä 10

### **SWEDEN**

Centrala studiestödsnämnden (CSN)  
Norra Tjärngatan 2-6  
S-851 82 Sundsvall

Tel: 00-358-20-4346710  
Fax: 00-358-20-4346710  
Website:<http://www.kela.fi>

Tel.: 00-46-60-186290  
Fax: 00-46-60-186006  
Website:<http://www.csn.se>

## **Section VII – Loan Terms**

### **7.1 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.

### **7.2 Interest and Indexation on G-Loans**

#### **7.2.1 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.

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.

#### **7.2.2 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.

#### **7.2.3 Closure of Bonds**

When the bond has been closed (*cf.* Article 2.5), the borrower shall be sent a letter containing itemised information on the payments of the bond, the date of closure and when interest will begin to be calculated on the bond. He is given a period of two weeks in which to make comments. At the end of that period, the bond may be filled in.

#### **7.2.4 Fully-Utilised Latitude**

When a student has fully utilised his permitted latitude (*cf.* Article 2.5.4), his studies shall be regarded as completed.

#### **7.2.5 Completion of the Bond**

When a bond is completed, a notice is sent to all the guarantors informing them of the amount of the bond and the amount for which each is regarded as liable.

#### **7.2.6 Interruption of Studies, etc.**

If the recipient of a loan does not apply for a loan in a new academic year before the stated deadline, yet has not completed his studies, he shall be informed that his bond will be closed within two weeks. Closure of the bond shall be based on the end of the last assistance period. He shall also be sent a statement of the payments made to him which are to be entered at their current value in the bond. In such cases, no deferment is allowed for the completion of the bond. If the student announces that he has interrupted his studies for a period of not more than one year, the completion of the bond shall be deferred in accordance with the rules on the definition of the closure of the bond.

### **7.3 Repayment Period**

#### **7.3.1 No Instalments During the First Two Years**

Repayment shall commence when two years have elapsed after the closure of the bond (*cf.* Article 2.5). This shall not apply, however, in cases where the loan recipient has begun repaying a loan but repayments have been deferred, e.g. due to exemption from repayment (*cf.* Article 7.5) or because student loans have been frozen (*cf.* Article 7.6). If the closure of the bond takes place in the first half of the year, i.e., in the period from 1 January to 30 June, the due date of the first fixed payment shall be 30 June two years later. If the completion of studies takes place in the latter half of the year, i.e., on 1

July or later, then the due date of the first fixed payment shall be 1 March in the third year following the closure. The second payment each year shall always be due on 1 September.

### **7.3.2 Interest**

Interest shall always be calculated as from the closure of the bond. If a student receives a loan that is disbursed after the closure of the bond, interest shall be calculated on that payment as from the day after the disbursement.

### **7.3.3 Payment of Outstanding Balance**

Loan recipients may pay off their student loans before the dates specified in the bond.

A loan recipient who has paid off the outstanding balance of his student loan may apply for a reimbursement equivalent to the costs that this has saved the Fund. The conditions for this are that the loan recipient shall have paid off the loan at least five years before the scheduled final date, and that the application for reimbursement is received by the Fund within a year of the final settlement of the loan.

When assessing the repayment period and the size of repayments in the future (without early repayment), the recipient's estimated future earnings shall be taken into account, these being calculated at a present value with the interest which the Fund pays on loans it has taken. However, the recipient's future earnings may not be estimated at such a low level that the repayment period (without early repayment) would be longer than 15 years.

Before the lowering of the cost is assessed, the loan recipient shall provide the board of the Fund with all the information it considers necessary in order to estimate his future earnings.

## **7.4 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 during 2013 is ISK 119,148 based on the consumer price index of 402.0 points. This amount shall be revised each year 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, 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 payment shall be deducted from the supplementary payment.

If the recipient's income base for municipal tax purposes is estimated by the tax authorities, then that estimate shall be employed. Loan recipients who are not liable for tax on all their income and assets in Iceland shall be given the option of sending the Fund officially confirmed information on their income, and the supplementary payment will be determined accordingly. Overseas income shall be 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 they 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. 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.

## **7.5 Exemptions.**

### **7.5.1 Exemption in View of Substantial Financial Difficulty**

The board of the Fund may grant exemption from the repayment of student loans if the pursuit of studies that qualify for a loan, illness, unemployment, unfitness for work due to illness, pregnancy, the care of children, the care of a spouse or other comparable circumstances cause the recipient substantial financial difficulty.

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

### **7.5.2 Exemptions Due to Sudden and Substantial Changes**

The board of the Fund may also grant an exemption from the annual repayment, either by reducing or waiving payments as appropriate, 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.

### **7.5.3 Application for Exemption**

Recipients who seek exemptions from the repayment of their student loans, either in the form of reductions or the waiving of repayments, 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.

## **7.6 Freezing of Student Loans**

Loan recipients may apply to have their student loans frozen if they have already had other loans frozen (e.g. mortgage loans), have begun a special debt adjustment programme at their banks or have been told by the Debtors' Ombudsman that they need to have their student loans frozen. 'Freezing of student loans' applies to the traditional repayment instalments of the loans, i.e. annual instalments as defined in Article 7.4; it does not apply to excess loan disbursements, additional due dates and ordinary bonds that

have been issued to cover amounts in arrears. The board of the Fund shall determine whether loans taken on market terms to cover tuition fees may be frozen.

It is not possible to freeze student loans if the borrower is in arrears to the Fund with sums from the period before 2009. The freezing of student loans shall be based on the length of time taken by the remedial measure on which freezing is based, but may only be for a maximum of three years.

### 7.7 Loans Granted by the Fund

The following loans have been granted by the Fund:

| Category | Granted   | Interest             | Interval between completion of studies and first repayment | Repaym. Period | Due dates       |
|----------|-----------|----------------------|--|----------------|-----------------|
| M        | 1952-61   | 3.5%                 | 3 years  | 10 years       | 1 May and 1 Nov |
| N        | 1952-61   | 3.5%                 | 3 years  | 10 years       | 1 Feb and 1 Jun |
| M        | 1961-67   | 3.5%                 | 3 years  | 15 years       | 1 May and 1 Nov |
| N        | 1961-67   | 3.5%                 | 3 years  | 15 years       | 1 Feb and 1 Jun |
| L        | 1967-75   | 5%                   | 5 years  | 15 years       | 1 Jun           |
| K        | 1975      | 13%                  | 1 year   | 4 years        | 1 Apr and 1 Nov |
| X •      | 1976-82   | index-linked         | 3 years  | 20 years       | 1 Jul and 1 Nov |
| T ••     | 1982-92   | index-linked         | 3 years  | 40 years       | 1 Mar and 1 Sep |
| R        | 1992-2005 | up to 3% +ind.-link. | 2 years  | indefinite     | 1 Mar and 1 Sep |
| G        | 2005-     | up to 3% +ind.-link. | 2 years  | indefinite     | 1 Mar and 1 Sep |

- known as V-loans after merger
- known as S-loans when repayment begins

### 7.8 Payment According to More Than One System.

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.

### 7.9 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 VIII – Doubtful Cases

### 8.1 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 8.5).

## 8.2 Procedure

Before the board makes a ruling on a doubtful or unclear case, a special subcommittee appointed from among the members of the board, a 'repayment committee' or 'doubtful cases 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. The decisions recorded by the board in doubtful or unclear cases shall be of a general nature, and shall be preserved specially so as to be accessible by all those who have reason to consult or deal with the Fund.

## 8.3 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.

## 8.5 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.

# Appendix I

## Basic support rates and explanations of the calculation of the basic support level for the academic year 2013-2014.

### Basic Support Rates Used by the Fund.

The basic support rate used by the Fund in the academic year 2012-2013 assumes that annual expenditure by an individual living in rented accommodation in Iceland is ISK 2,138,956, and that this may be itemised as follows.

### Principal expense items (*cf.* cpi index)

### Basic support level used by the fund (ISK)

|   |                  |
|---|------------------|
| Food and beverages                        | 519,474          |
| Clothing and shoes                        | 107,774          |
| Housing, heat and electricity             | 1,000,919        |
| Furniture, domestic appliances, etc.      | 15,707           |
| Health care                               | 93,837           |
| Travelling and transport                  | 77,895           |
| Post and telecom                          | 111,669          |
| Education, leisure activities and culture | 174,588          |
| Miscellaneous goods and services          | 48,096           |
| <b>Total</b>                              | <b>2,138,956</b> |

Calculation of this basic support figure draws on the Ministry of Welfare's basic support reference figure and a rent expense component which reflects both this support reference figure and the rent charged in the university student residences. The basic support figure has been updated on the basis of that for the previous academic year in accordance with the increase in the consumer price index during 2012 as published by Statistics Iceland.

### **Basic Support Rate Used by the Fund**

In accordance with the decision of the board of the Fund (*cf.* Article 3.1.1 in these Allocation Rules), the basic support level is to reflect the monthly loan requirement of a student in rented housing over the study period. In Iceland, this is taken as being a nine-month period; abroad, the length may vary from country to country and even from one university to another. An account is given below of how the part played by the Icelandic Student Loan Fund in student support is calculated, based on the basic support requirement stated above.

The estimate used in 2013-2014 for students' other disposable income is ISK 881,000. For the academic year 2012-2013 it was estimated at ISK 818,716; for the academic year 2013-2014 this has been raised in accordance with the rise in the wage index during the period. In the Fund's Allocation Rules it is assumed that students can have annual income of ISK 750,000 without this reducing their loans, and that 35% of income above ISK 750,000 will be deducted from their calculated loans. This is equivalent to making a deduction of 35% of the difference between ISK 881,000 and ISK 750,000, i.e. ISK 45,850. Thus, disposable income is estimated at ISK 835,150.

As a period of 9 months is taken as the basis for the calculation of support in Iceland, the basic support level per month is defined as 1/9 of the difference between the basic support requirement and disposable income as described above, i.e. 1/9 of ISK 1,303,806 (ISK 2,138,956 – 835,150 = ISK 1,303,806). Thus, the basic monthly support rate used by the Fund is ISK 144,867 during the academic year 2013-2014.

This represents a 3.0% increase in the basic support rate since the academic year 2012-2013.

## **Appendix II for the Academic Year 2013-2014**

Support Abroad, Maximum Loans for Tuition Fees and Maximum Times Allowed for Language Courses as Preparation for Study.

| Country        | Currency | Support<br>2013-14 | Support per ECTS<br>credit qualifying for loan | Max. tuition fees | Max. prep. lang. course |
|----------------|----------|--------------------|--|-------------------|-------------------------|
| Argentina      | USD      | 1,224              | 184  | 44,100            | 0.5 acad. year          |
| Austria        | EUR      | 1,844              | 277  | 40,000            | 0.5 acad. year          |
| Australia      | AUD      | 2,120              | 318  | 62,100            |                         |
| Belgium        | EUR      | 1,286              | 193  | 40,000            | 0.5 acad. year          |
| Bosnia         | EUR      | 1,189              | 178  | 40,000            | 1 acad. year            |
| Brazil         | USD      | 1,457              | 218  | 44,100            | 0.5 acad. year          |
| Bulgaria       | EUR      | 1,256              | 188  | 40,000            | 1 acad. year            |
| Chile          | USD      | 1,158              | 174  | 44,100            | 0.5 acad. year          |
| Canada         | CAD      | 1,875              | 281  | 57,800            |                         |
| China          | USD      | 1,542              | 231  | 44,100            | 1.5 acad. years         |
| Costa Rica     | USD      | 1,316              | 198  | 44,100            | 0.5 acad. year          |
| Croatia        | EUR      | 1,189              | 178  | 40,100            | 1 acad. year            |
| Cuba           | USD      | 1,741              | 261  | 44,100            | 0.5 acad. year          |
| Cyprus         | EUR      | 1,085              | 163  | 40,000            | 0.5 acad. year          |
| Czech Republic | EUR      | 1,250              | 188  | 40,000            | 1 acad. year            |

|                      |     |         |        |           |                 |
|----------------------|-----|---------|--------|-----------|-----------------|
| Denmark              | DKK | 10,199  | 1,530  | 295,000   |                 |
| Ecuador              | USD | 1,343   | 202    | 44,100    | 0.5 acad. year  |
| Egypt                | EUR | 1,169   | 175    | 40,000    | 1.5 acad. years |
| England              | GBP | 1,247   | 187    | 27,400    |                 |
| <i>London</i>        | GBP | 1,386   | 208    | 27,400    |                 |
| Estonia              | EUR | 1,261   | 189    | 40,000    | 1 acad. year    |
| Finland              | EUR | 1,228   | 184    | 40,000    | 1 acad. year    |
| France               | EUR | 1,308   | 196    | 40,000    | 0.5 acad. year  |
| <i>Paris</i>         | EUR | 1,438   | 215    | 40,000    | 0.5 acad. year  |
| Germany              | EUR | 1,300   | 195    | 40,000    | 0.5 acad. year  |
| <i>Munich</i>        | EUR | 1,428   | 214    | 40,000    | 0.5 acad. year  |
| Greece               | EUR | 1,495   | 224    | 40,000    | 1 acad. year    |
| Hong Kong            | USD | 1,542   | 231    | 44,100    | 1.5 acad. year  |
| Hungary              | EUR | 1,522   | 228    | 40,000    | 1 acad. year    |
| India                | USD | 1,290   | 193    | 44,100    | 1.5 acad year   |
| Irish Republic       | EUR | 1,480   | 222    | 40,000    |                 |
| Israel               | EUR | 1,186   | 177    | 40,000    | 1.5 acad. years |
| Italy                | EUR | 1,566   | 234    | 40,000    | 0.5 acad. year  |
| Japan                | JPY | 217,262 | 32,589 | 4,560,000 | 1.5 acad. year  |
| Latvia               | EUR | 1,226   | 184    | 40,000    | 1 acad. year    |
| Lithuania            | EUR | 1,226   | 184    | 40,000    | 1 acad. year    |
| Luxembourg           | EUR | 1,318   | 197    | 40,000    | 0.5 acad. year  |
| Malaysia             | USD | 1,603   | 241    | 44,100°   | 1.5 acad year   |
| Malta                | EUR | 1,336   | 201    | 40,000    |                 |
| Mexico               | USD | 2,013   | 302    | 44,100    | 0.5 acad. year  |
| Netherlands          | EUR | 1,344   | 202    | 40,000    | 1 acad. year    |
| Northern Ireland     | GBP | 1,247   | 187    | 27,400    |                 |
| Norway               | NOK | 10,380  | 1,557  | 301,000   |                 |
| New Zealand          | AUD | 2,081   | 313    | 62,100    |                 |
| Peru                 | USD | 1,378   | 207    | 44,100    | 0.5 acad. year  |
| Portugal             | EUR | 1,027   | 154    | 40,000    | 0.5 acad. year  |
| Poland               | EUR | 1,226   | 184    | 40,000    | 1 acad. year    |
| Romania              | EUR | 1,280   | 193    | 40,000    | 1 acad. year    |
| Russia               | EUR | 1,332   | 200    | 40,000    | 1 acad. year    |
| Scotland             | GBP | 1,247   | 187    | 27,400    |                 |
| Slovakia             | EUR | 1,189   | 178    | 40,000    | 1 acad. year    |
| Slovenia             | EUR | 1,189   | 178    | 40,000    | 1 acad. year    |
| Spain                | EUR | 1,365   | 205    | 40,000    | 0.5 acad. year  |
| South Africa         | EUR | 1,121   | 168    | 40,000    |                 |
| South Korea          | USD | 1,944   | 291    | 44,100    | 1.5 acad. year  |
| Switzerland          | CHF | 2,950   | 443    | 57,700    | 0.5 acad. year  |
| Sweden               | SEK | 11,088  | 1,663  | 359,000   |                 |
| Turkey               | EUR | 1,277   | 191    | 40,000    | 1 acad. year    |
| Thailand             | EUR | 1,027   | 154    | 40,000    | 1.5 acad. years |
| United Arab Emirates | USD | 1,494   | 224    | 44,100    | 1.5 acad. years |
| USA A                | USD | 2,259   | 339    | 44,100    |                 |
| USA B                | USD | 2,000   | 300    | 44,100    |                 |
| Wales                | GBP | 1,247   | 187    | 27,400    |                 |

# Appendix III

Special studies in Iceland (*cf.* Article 1.2.2).

|  | Status/number of non-qualifying semesters     | No. of qualifying semesters |
|--|---|-----------------------------|
| <b>Comprehensive, industrial and vocational colleges</b> |   |                             |
| <b>Industrial trades</b>                                 |   |                             |
| Automobile trades, basic studies                         | Non-qualifying                                | 0                           |
| Automobile trades,                                       | None  | 6                           |
| Civil Engineering /Construction, basic studies           | Non-qualifying                                | 0                           |
| Carpentry and furniture-making                           | None  | 6                           |
| Painting   | None  | 6                           |
| Plastering   | None  | 6                           |
| Tailoring/dressmaking                                    | 1 <sup>st</sup> and 2 <sup>nd</sup> semesters | 2                           |
| Clothing trade studies                                   | None  | 6                           |
| Food and catering, basic studies                         | Non-qualifying                                | 0                           |
| Food and catering trades                                 | None  | 5-6                         |
| Metalworking trades, basic studies                       | 1 <sup>st</sup> and 2 <sup>nd</sup> semesters | 2                           |
| Metalworking trades                                      | None  | 4                           |
| Electrical trades, basic studies                         | 1 <sup>st</sup> and 2 <sup>nd</sup> semesters | 2                           |
| Electrical trades  | None  | 4                           |
| Gold- and silversmithing                                 | 1 <sup>st</sup> semester                      | 6                           |
| Hairdressing   | 1 <sup>st</sup> semester                      | 6                           |
| Master craftsman's studies                               | None  | 1-4                         |
| Plumbing   | 1 <sup>st</sup> semester                      | 6                           |
| Telephone lineman  | 1 <sup>st</sup> semester                      | 6                           |
| Cosmetology  | Preliminary                                   | 6                           |
| Media and Information Studies                            | 1 <sup>st</sup> semester                      | 5                           |
| <b>Other vocational courses</b>                          |   |                             |
| Commercial Pilot's training (JAR)                        | None  | 2                           |
| Tourism  | Practical training                            | 2                           |
| Social support worker                                    | 1 <sup>st</sup> semester                      | 3                           |
| Massage  | 1 <sup>st</sup> semester                      | 4                           |
| Air traffic controller training                          | None  | 1                           |
| Aircraft mechanic  | None  | 5                           |
| Sound technician   | None  | 3                           |
| Healthcare sector receptionist                           | 1 <sup>st</sup> semester                      | 3                           |
| Travel guiding   | None  | 2                           |
| Pharmacy technician                                      | Prolegomena                                   | 6                           |
| Medical secretary  | Practical training                            | 3                           |
| Multimedia studies                                       | None  | 4                           |
| Food technician  | 1 <sup>st</sup> semester                      | 5                           |
| Practical nursing  | 1 <sup>st</sup> and 2 <sup>nd</sup> semesters | 5                           |
| Dental technician  | 1 <sup>st</sup> semester                      | 4                           |
| Technical drawing (Draftsman)                            | 1 <sup>st</sup> and 2 <sup>nd</sup> semesters | 4                           |
| Vessel captain   | 1 <sup>st</sup> and 2 <sup>nd</sup> semesters | 6                           |
| Marine engineer  | 1 <sup>st</sup> and 2 <sup>nd</sup> semesters | 8                           |
| <b>Beauty Academy</b>                                    |   |                             |
| Beautician's training (Cosmetology)                      | None  | 3                           |

|   |                          |     |
|---|--------------------------|-----|
| <b>Bifröst University</b>                     |                          |     |
| Conversion course division                    | None                     | 2   |
| <b>Reykjavík University</b>                   |                          |     |
| Conversion course division                    | 1 <sup>st</sup> semester | 3   |
| <b>Isavia</b>                                 |                          |     |
| Air traffic controller training               | None                     | 3   |
| <b>Keilir</b>                                 |                          |     |
| Professional pilot (JAR)                      | None                     | 3   |
| Personal fitness trainer                      | None                     | 2   |
| Air traffic control                           | None                     | 1   |
| Aircraft mechanic's training                  | None                     | 4   |
| Háskólabrú                                    | None                     | 3   |
| Adventure guiding (Ævintýraleiðsögn)          | None                     | 2   |
| <b>Icelandic Cinematic School</b>             |                          |     |
| Film making                                   | None                     | 4   |
| <b>Photographic College</b>                   |                          |     |
| Photography                                   | None                     | 5   |
| <b>Icelandic College of Agriculture</b>       |                          |     |
| Flower arrangement                            | None                     | 6   |
| Agronomy                                      | None                     | 4   |
| Market gardening                              | None                     | 6   |
| Forestry and nature conservation              | None                     | 6   |
| Horticulture                                  | None                     | 6   |
| <b>National Police College</b>                |                          |     |
| Police training                               | Practical training       | 2   |
| <b>Akureyri College of Art</b>                |                          |     |
| Art   | None                     | 6   |
| Graphic design                                | None                     | 6   |
| <b>Reykjavík College of Art</b>               |                          |     |
| Three-dimensional art (sculpture, modelling)  | None                     | 4   |
| Drawing                                       | None                     | 4   |
| Textiles                                      | None                     | 4   |
| <b>Beauticians' College (Snyrtiakademían)</b> |                          |     |
| Cosmetology (Beautician's training)           | None                     | 5   |
| Chiropody                                     | None                     | 3   |
| <b>Music schools</b>                          |                          |     |
| Postgraduate studies, instrum. and singing    | None                     | 2-4 |
| Teachers' departments                         | None                     | 2   |

## Definition of some important terms

|                      |   |
|----------------------|---|
| <b>ECTS credit:</b>  | 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 an academic year's full studies..     |
| <b>Quarter/term:</b> | If the academic year is divided into three periods (an autumn, winter and spring term) then a student who completes these three quarters of the year (i.e. three terms) is considered as having been in full-time studies. The summer term is the fourth quarter of the year. |

- Full studies:** Students who complete 60 ECTS credits during an academic year are considered as having completed full (full-time) studies.
- 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.
- 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.
- 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.
- Study 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.
- 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 amount than that to which he is entitled, e.g. because his income was underestimated or because he received an advance payment of tuition fees and failed to reach the academic achievement for which he received a loan during the semester or term, he shall be obliged to make a specific repayment of the loan amount.
- 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.
- Academic year:** This is normally 9 months, beginning in the autumn and ending in the spring. If a student pursues studies during the summer term or semester, this period is counted as forming part of the preceding academic year.
- Latitude:** 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.
- Preparatory studies:** Studies in preparation for university (third-level) studies.
- Extra credits/units:** If a student's academic achievement amounts to more than 30 ECTS credits in either semester of the academic year, he shall be entitled to use the extra credits (units) either in the latter semester of the same academic year or later in the same study programme, providing that he attains the minimum required achievement (18 ECTS) during that 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.