

# **Allocation Rules 2021-2022**

**With explanations and examples**

**The Icelandic Student Loan Fund  
2021**



## Table of contents

<b>Chapter 1</b> .....	<b>5</b>
1.1 General .....	5
1.2 Supplementary documents and deadlines. ....	5
1.3 Applications for Student Loans. ....	5
1.4 Creditworthiness of students.....	6
1.5 Right to assistance for studies in Iceland.....	7
1.6 The right to assistance for studies in Iceland. ....	8
<b>Chapter 2– Eligible studies</b> .....	<b>10</b>
2.1 General. ....	10
2.2 Eligible studies in Iceland.....	10
2.3 Studies abroad that qualify for loans.....	11
2.4 Information on eligible studies. ....	12
<b>3. Academic progress</b> .....	<b>14</b>
3.1 General. ....	14
3.2 Credits qualifying for a loan. ....	14
3.3 Right to loans. ....	15
3.4 Exceptions from requirements of academic progress. ....	16
<b>Chapter 4 Student maintenance</b> .....	<b>21</b>
4.1 General. ....	21
4.2 Basic maintenance.....	21
4.3 Loans taking account of housing. ....	21
4.4 Grants and loans due to children.....	22
4.5 Loans for travel expenses.....	23
4.6 Local supplement. ....	24
<b>Chapter 5 – Loans for Tuition Fees</b> .....	<b>25</b>
<b>Chapter 6 - Other loans</b> .....	<b>27</b>
6.1 Loans to cover disruptions in the student's circumstances. ....	27
6.2 Loans for health insurance. ....	27
6.3 Loans to students living with low-income guardians.....	27
6.4 Loans for spouses. ....	28
<b>Chapter 7 Income</b> .....	<b>29</b>
7.1 Income and study grants. ....	29



7.2 Deductions from income.....	29
7.3 A student’s reporting requirement for income.....	30
<b>Chapter 8.–Payout of student loans and overpayment of loans .....</b>	<b>32</b>
8.1 Payout of student loans.....	32
8.2 Overpaid loans.....	33
<b>. Chapter 9 – Wrong information and corrections.....</b>	<b>35</b>
9.1 Deliberately misleading information.....	35
9.2 Corrections by the Fund.....	35
<b>. Chapter 10 – Guarantees.....</b>	<b>36</b>
10.1 Personal guarantee.....	36
<b>Chapter 11 – Bonds transferred to debt collection.....</b>	<b>39</b>
11.1 A bond transferred to debt collection.....	39
11.2 Repayments begin.....	39
11.3 Postponement of finalisation of a bond and a study break.....	40
<b>Chapter 12 – Study grant at end of studies .....</b>	<b>41</b>
<b>Chapter 13 – Terms of bonds .....</b>	<b>42</b>
13.1 Interest and other loan terms of H-loans.....	42
<b>Chapter 14 - Repayments.....</b>	<b>44</b>
14.1 Repayment period.....	44
14.2 Annual repayments.....	44
<b>Chapter 15 Postponement of repayment.....</b>	<b>48</b>
15.1 Postponement of repayment caused by severe financial difficulty .....	48
15.2 Application for postponement of down payment.....	49
15.3 The effect of postponement on repayments for loan groups .....	49
<b>Chapter 16. Collection of loans and default .....</b>	<b>51</b>
<b>Chapter 17 - Doubtful cases .....</b>	<b>52</b>
17.1 The role of the board of directors .....	52
17.2 Procedure .....	52
17.3 Reasons .....	52
17.4 Re-examination .....	52
17.5 Appeals Committee.....	53
<b>. Chapter 18 - Entry into Force.....</b>	<b>54</b>
<b>Appendix I .....</b>	<b>55</b>



Basic maintenance and a statement with basic maintenance for the school year .....	55
<b>Appendix II: .....</b>	<b>58</b>
The maximum time for preparatory studies in different languages .....	58
<b>Appendix III .....</b>	<b>60</b>
Loans granted by the fund .....	60
Definition of main terms .....	61
Examples of calculation of a student loan to a student in Iceland in a full course of study (60 ECTS-credits) in the school year 2021-2022 .....	63



# Chapter 1

## 1.1 General

Both students and payees are responsible for the fund's correct contact details about the person in question, e.g. email address, home address, and telephone number.

A student shall 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 their financial circumstances, changes in home and e-mail address, and study programme. The Fund must be informed if a student marries or enters into a registered cohabitational partnership. The student 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.

After completing studies, all communications with the borrowers will be through their email address unless otherwise specified by the borrower. **The borrower is responsible for ensuring that the Fund has the correct information about his email.**

## 1.2 Supplementary documents and deadlines.

Supporting documentation which the customers must provide for applications, whether it an application for a loan, exemption, postponement or anything else, shall be sent to the Fund no later than one month after the application in question expires. Otherwise, it may be considered that the customer has revoked his application, and then the Fund may disregard the application.

## 1.3 Applications for Student Loans.

### 1.3.1 Electronic applications.

An application for a loan is made electronically through the page "My Loan" accessible at [www.lin.is](http://www.lin.is) or [island.is](http://island.is).

### 1.3.2 Applications and validity period.

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

Autumn 2021	- to and including 15 September 2021
Winter and spring 2022	- to and including 15 January 2022
Summer 2022	- to and including 15 June 2022

### **1.3.3 Loan schedule.**

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

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

### **1.3.4 Representative.**

If a customer of the fund considers it necessary, he may request to have a representative on his behalf. The representative has the full power of attorney on his behalf and permission to receive information about the borrower.

The representative is responsible for supplying the Fund with the correct address, email, and phone of the representative.

Students with no electrically generated documents must have a representative on his behalf to sign electrically generated bonds.

### **1.3.5 Payment of membership fees.**

If the student desires, the Fund will see to the collection of membership fees for the Association of Icelandic Students Abroad (SÍNE). The membership fees are subtracted from a student loan.

## **1.4 Creditworthiness of students.**

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

The studies undertaken by the student must be eligible, see Chapter 2, and the borrower must fulfill the minimum requirements for academic progress. Chapter 3

A student cannot receive a loan from the Fund if he receives study aid from another state at the same time.

A student who receives a study grant according to the Act on student grants no. 79/2003 does not qualify for a student loan in the semester for which he receives the grants.

In order that a student can be considered eligible by the Fund, he must not be in default with the Fund when a loan is applied for.



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 indexation from the due date. This will also apply if it is determined that a student has made false statements of his income, according to the Fund's definition of income, when the relevant taxation year is over.

## 1.5 Right to assistance for studies in Iceland.

A student applying for a study loan to study in Iceland must, along with the conditions in section 1.4, fulfill one of the requirements in sections 1.5.1. – 1.5.6. The fund reserves the right to request that the applicant submits accepted confirmations of the situation on which he bases his application for a student loan.

The family members of a student in this Chapter means a spouse, descendants and/or the descendants of the spouse if the descendant is younger than 21 years and his relatives or his spouse in direct line who is supported by him.

### 1.5.1 The rights of Icelandic and Nordic students.

Citizens of Iceland and the Nordic countries have the right to receive study assistance to study in Iceland.

### 1.5.2 The rights of the citizens of EE and EEA who are self-employed / wage earners and their family members.

An EEA/EFTA national who is a wage earner/self-employed in Iceland and will continue working in Iceland during his studies or maintain his status as such, as well as his dependents, has the right to study in Iceland. Usually, the workload of the national is not below 40 hours per month while he or his dependents are studying, and he shall send a monthly copy of his wage slip into the document return in My Loan.

An EES or EFTA national who stops being self-employed or a wage-earner maintains his status as such under the following situations:

- a. while he is temporarily unfit for work due to illness or accident,
- b. he confirms that he is unemployed without any action on his part after having been in a paid job for more than one year and is also actively looking for work,
- c. he confirms that he is unemployed without any action on his part after the expiry of his employment contract, which lasts less than one year, or that he has any action on his part lost his job

and is also actively looking for work. In that case, he will maintain his status as a wage earner for at least six months,

- d. if he begins an internship,
- e. if it is a case of unemployment without any action on his part, he shall only maintain his status as a wage earner if the internship is connected with his former job.

### **1.5.3 EEA/EFTA nationals who have obtained the right of an unlimited period of stay and their dependents.**

An EEA/EFTA national who has obtained the right of an unlimited period of stay, see section 87 on the Act on Foreigners no. 80/2016 as well as his dependents have the right to receive study assistance to study in Iceland.

### **1.5.4 The rights of other foreign nationals.**

A foreign national who is married or in cohabitation with an Icelandic citizen and has had legal residence in Iceland for two years out of the last five before the studies begin has the right to a study loan to study in Iceland.

### **1.5.5 The rights of refugees.**

A foreign national who has obtained a residence permit in Iceland as a refugee based on international protection has the right to a study loan to study in Iceland. The refugee must deliver a confirmation from the Directorate of Immigration about his status.

### **1.5.6 The rights of foreign nationals with an unlimited right of stay in Iceland.**

A foreign national who has an unlimited right to stay in Iceland, see section 58 on the Act on Foreigners no. 80/2016, has a right to study assistance to study in Iceland.

## **1.6 The right to assistance for studies in Iceland.**

### **1.6.1 General.**

A student applying for a loan to study abroad must fulfill all of the following conditions:

1. general conditions according to section 1.4.
2. one of the conditions in sections 1.5.1–1.5.6 and
3. has lived in Iceland a minimum of two years out of the last five years before the study begins and has a strong connection with Icelandic society, in the opinion of the Fund.



An EEA or EFTA national and his dependents are exempt from the condition of living in Iceland for two out of the last five years due to studies within an EES or EFTA state.

## . Chapter 2– Eligible studies

### 2.1 General.

The Fund grants student loans for higher education 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 credits of study (ECTS stands for “European Credit Transfer and Accumulation System”) in each academic year or at least 30 ECTS credits each semester in cases where the course structure does not cover an entire academic year. Registration at an institution is the criterion for whether or not the student is pursuing a course of study which qualifies for a loan.

Loans may be granted to cover only tuition fees for courses that are not organised as 60 ECTS credits during the academic year see Paragraph 2 However, such courses must be organised as at least 44 ECTS credits of study in each year of study, see section 3.2. Student loans only awarded for tuition fees due to the organisation of the studies do not qualify for study assistance; see further in Chapter 12.

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

A student loan is not awarded for preparatory studies nor to post-doctorate studies or similar degrees.

Studies at the secondary school level leading to a matriculation examination are not eligible for loans from the fund.

If a student has fully used his leeway for loans in a specific course of study or academic level, see section 3.1, it is considered studies at the course of study/academic level and is not eligible.

### 2.2 Eligible studies in Iceland.

#### 2.2.1 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,



The University of Akureyri,  
The University at Bifröst  
The University at Hólar  
The University of Reykjavík  
The Agricultural University of Iceland  
Iceland University of the Arts.

### **2.2.2 Preparatory studies in Iceland.**

Preparatory courses for university studies amounting to up to 60 standardised upper secondary school units, organised by an approved university and confirmed by the Minister, are approved for a loan. It does not matter whether the studies take place within a university or an approved secondary school based on an agreement with an approved university.

Preparatory studies mean studies along with the work experience of the student that forms a bridge to the studies at the university organising the studies.

### **2.2.3 Vocational studies, internship and additional studies at upper secondary schools..**

Vocational studies and internship and additional studies with internships in secondary school are eligible for a loan. The requirement is that the course has received the verification of the Minister of Education, Science and Culture according to Act no. 92/2008 on Upper Secondary Schools as well as fulfilling the Upper Secondary Schools Act following conditions:

1. The course of study has been approved by the appropriate professional council, as applicable,
2. The end of the course is at least at the third level of competence and
3. comparable courses of study are not generally on offer at the university level in Iceland.

## **2.3 Studies abroad that qualify for loans.**

### **2.3.1 University courses.**

A loan is granted for studies at the university level abroad that have received the approval of the country's educational authorities and the studies are completed with an approved degree at the university level.

### **2.3.2 Preparatory studies abroad.**

Preparatory studies equivalent to 60 standardised secondary school course units are eligible for a loan if they fulfil the requirement that the educational authorities of the country verify the school offering the studies.

#### **2.3.3.3 Vocational studies and additional studies at upper secondary schools abroad.**

Vocational studies abroad are eligible for a loan if they are comparable to vocational or additional studies in Iceland. Eligibility for a loan depends on the studies and that the school has received approval from the country's educational authorities. The studies must also fulfil the same conditions as an eligible internship in Iceland as the case may be, see section 2.2.3, i.e. that the end of studies is at least at the same level of competence as the third level of competence in Iceland and that comparable studies are generally not available in Iceland.

### **2.3.4 Language courses as preparatory studies.**

Loans may be granted for language courses if these constitute necessary preparation for studies that qualify for loans in a country where a language other than English or a Nordic language ( except Finnish) is spoken. A loan for preparatory language studies is only awarded once. The maximum number of units for which loans are granted by this section depends on the language involved, ranging from 30 to 90 ECTS-credits.

If the borrower changes his country of studies at the end of the language studies, he will be denied assistance (study loans for maintenance, travel and school fees and child support) for the same length of time which he enjoyed assistance in those studies. If therefore, the language study is considered to shorten a new course it will shorten the time the student does not qualify for a student loan.

The eligibility of preparatory language studies must constitute organised studies that can be considered substantial either regard to its nature and organisation, as assessed by the Fund (at least 15 class hours of study per week).

Before a loan for preparatory studies in languages is granted a confirmation of the entry into eligible studies in the same language must be available.

## **2.4 Information on eligible studies.**

At the home page of the Icelandic Student Loan Fund there are instructions and information on schools and courses which have received loans. If a loan is applied for to a school or course to which the Fund has not granted a loan,



the board of the Fund has to evaluate the eligibility of the studies. In such cases, the student must provide detailed information on the educational institution and the course no later than three months before the study begins.

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

## 3. Academic progress

### 3.1 General.

Generally, a student is considered in full-time studies if he completes 60 ECTS-credits or the equivalent in an academic year in one programme of study. A new curriculum starts if a student changes schools, courses, or academic degrees.

In semester schools, (organised into autumn, spring, and as the case may be, summer semester) a maximum loan is granted for 30 ECTS-credits each semester and 20 ECTS-credits for the summer term, a maximum of 80 ECTS-credits for the school year. This equals 12 months of maintenance. The minimum academic progress to be eligible for a loan in individual semesters is 22 ECTS-credits in the autumn and spring semesters but 15 ECTS-credits in the summer semester. Studies during the summer semester shall be considered as part of the previous academic year. Special applications must be submitted for summer loans.

In trimester schools (organised in autumn, winter, spring and as the case may be, summer semester) a maximum loan of 20 ECTS-credits for each term is awarded. This equals 12 months of maintenance. The minimum academic progress to be eligible for a loan is 15 ECTS-credits per semester

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

### 3.2 Credits qualifying for a loan.

In order to be entitled to a loan for studies, a student must be registered for at least 22 ECTS-credits through the end of each semester and complete at least 22 ECTS-credits or their equivalent each semester, or 25 ECTS-credits in tertiary schools in a single programme of study. Loans may only be granted for studies in two or more programmes of study during the same semester if the student is completing an undergraduate university course and has received permission from the university to begin master's studies in the same subject. The same applies when a student is required by the educational institution to take additional courses in an undergraduate curriculum, qualifying for a loan along with a Master's curriculum. This authorisation shall be subject to the condition that the student has not already fully utilised his leeway to utilise loans in accordance with section 3.3.



A student who completes 22 - 30 ECTS-credits in a semester shall be entitled to a loan for the completed units i.e. up to 30 ECTS-credits. It is permitted to consider in particular if the organisation of the studies specifies fewer units than the minimum above, given that the study is organised as a minimum of 60 ECTS-credits or their equivalent.

Loans are granted only once in respect of each completed unit, except in studies where student number restrictions (numerus clausus) are in force (ef section 3.4.1).

If a student's right to loans at a specified curriculum level is below the minimum requirements for academic progress, the student may be granted a loan equalling his/her remaining unit rights, provided that the student completes at least 22 ECTS-credits per semester or 15 ECTS-credits in trimestral schools in one curriculum.

### **3.3 Right to loans.**

Students may receive loans for a total of up to 480 ECTS-credits, subject to the restrictions resulting from the division of their loan entitlements between levels of study. Further details of the division of loan entitlements between levels of study are given in sections 3.3.1 - 3.3.4. In addition, all study assistance by the Fund is subtracted from the unit rights of the student.

#### **3.3.1 Basic studies and master's degree.**

Students are entitled to loans for 300 ECTS-credits in basic and master's degree studies. A basic degree means preparatory study, internship, additional studies and basic university studies, see sections 2.2.1 – 2.2.3.

Additional employment-related university studies lasting up to one year, which do not end with a higher degree, may be considered studies at the master's degree level.

#### **3.3.2 Doctoral studies.**

Students are entitled to loans for 60 ECTS-credits of doctorate studies.

#### **3.3.3 Common latitude.**

In addition, each student is entitled for a loan for an additional 120 ECTS-credits, at the undergraduate, master's or doctorate level, at his own choice.

#### **3.3.4 Scope of validity of older rules.**

A student shall enjoy the right based on the length of his curriculum, under Section 3.3 and under the rules in force when he started the curriculum. A student's curriculum is deemed to start when the student achieves the minimal

results for the curriculum and has an application at the Fund during the same academic year. Students who are studying at the enactment of the Act on the Icelandic student Loan Fund no. 60/2020 have the right to take loans according to the older Act for seven years after the enactment of the Act on the Icelandic student loan fund no. This authorisation is cancelled if the student starts a new curriculum or takes a break from studies for longer than one year.

### **3.4 Exceptions from requirements of academic progress.**

Students not fulfilling the Fund's conditions on minimum academic performance per semester or trimester, see section 3.2, may apply for exemption due to circumstances listed in sections 3.4.1 -3.4.7. Exemptions from this may be applied for by email to the Fund, [menntasjodur@menntasjodur.is](mailto:menntasjodur@menntasjodur.is). Í þeim tilfellum sem undanþágur eru samþykktar á grundvelli greina 3.4.1 – 3.4.6 miðast lánsréttur við lágmarks einingafjölda, þ.e. 22 ECTS-credits per semester at semester schools and 15 ECTS-credits per term in trimester schools. The units received by the student for increased leeway in his studies are subtracted from the student's unit rights, including completed units of the student, see section 3.3.

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

#### **3.4.1 General.**

When the school year has been completed (autumn or spring semester in semester schools or autumn, winter or spring term in trimester schools) the total academic progress of the school year is assessed. In instances where a student does not achieve minimal achievement in each semester or trimester, the overall academic achievement for the school year may be taken into account and loans granted for individual semesters/trimesters, in accordance with accrued units if all of the following conditions are met:

1. The student applied for loans for all semesters or trimesters of the school year.
2. The combined academic achievement for the school year is at least 44 ECTS-credits in semestral schools or 45-ECTS-credits in trimestral schools.
3. The student was registered for a curriculum of at least 22 ECTS-credits each semester in semester schools or 15 ECTS-credits each semester in trimester schools until the end of the term.



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

A new curriculum begins if a student changes schools, subject or degree.

A student who completes more than 30 ECTS-credits in a semester shall be entitled to utilise the extra units in another semester in the same year of study providing that he fulfils the minimum requirements regarding academic progress during that semester, see section 3.2.

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.

In studies with a numerus clausus, a loan may be awarded to a student who has completed satisfactory progress in the first semester but has not been able to continue the studies due to the numerus clausus rule, without having to repeat the semester.

If a student has received a loan for an exchange course abroad ( e.g. Erasmus or Nordplus) and the credits in the exchange course are not utilised in full towards a final examination, then during the final semester of studies an exemption may be granted from section 3.1 and a loan may be approved for the additional credits over and above the maximum number of credits for the course according to the structure of the academic institution. This exemption allows granting a loan for 22 ECTS-credits per semester in semestral schools and 15 ECTS-credits per term in trimestral schools if the student completes at least the minimal number of units.

### **3.4.2 Assessment of diligence.**

A loan may be made on submission of a statement of the student's diligence in cases where the student takes examinations only once a year or at longer intervals. In such cases, loans are then made in accordance with academic results if academic progress is assessed in the statement. Loans may be granted for 30 ECTS credits if it is stated clearly in the assessment that the student has been engaged in full-time studies. Loans shall be reviewed when the results for the year of study are available. If it is then found that academic progress during the year of study was not satisfactory, the study support must be refunded.

### **3.4.3 Illness.**

When the 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 semester schools and 4 ECTS-credits in schools on a quarterly basis may be added to the credits he has completed, so that his loan entitlement is based on the minimum number of units, see section 3.4. If the student falls ill in the latter half of a semester or during examinations, up to 22 ECTS-credits in semester schools and 15 ECTS-credits in schools every quarter may be added so that the right to a loan is assessed based on the minimum amount of units, see section 3.4.

Suppose the student has to discontinue his studies due to illness. In that case, a proportional loan may be awarded for the time when the student was engaged in his studies and confirmed by the school authorities, up to a maximum of 22 ECTS-credits in semester schools and 25 ECTS-credits in trimester schools. Furthermore, if the student has paid tuition fees for the period and does not get them refunded (confirmed by the school in question), he will not have to repay the loan for school fees.

This exception may also apply if serious illness affecting the student's spouse, child or parent has had to go to hospital or comparable care, thus substantially disrupting the student's personal circumstances.

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

A student who has received exemption due to illness but achieves fewer than 16 ECTS credits in semester schools and 10 ECTS-credit in trimester schools shall not be entitled to have any illness taken into consideration again until he has made up the aforementioned 16 ECTS-credits in semester schools and 10 ECTS-credits in trimester schools.

#### **3.4.4 Having a baby.**

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

If a student has a baby during the period of study, up to 16 ECTS-credits in semester schools and 10 ECTS-credits in trimester schools may be added to



the number of units completed when the loan is calculated. However, the mother may be entitled to additional latitude of up to 3 months prior to the birth of the child due to illness during pregnancy. Birth certificates/medical certificates shall be submitted in such cases. A student may utilise this leeway until the child reaches the age of 12 months.

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

### **3.4.5 Disability.**

If due to a disability, a student is unable to attain minimum academic achievement, see section 3.2, up to 13 ECTS-credits in semester schools and 8 ECTS-credits in trimester schools may be added to the units he has completed, his loan entitlement then being based on the minimum number of units, see section 2.4.

The condition for exemption according to this section is that according to an evaluation by a doctor on the medical disability of the person is at least 50%. A special application must be submitted to the board of the Fund for the concession above. A medical certificate must accompany the application.

### **3.4.6 Dyslexia and other specific learning difficulties.**

If due to dyslexia or other specific learning difficulties a student is not able to complete the minimum academic requirement, see section 2.2, up to 13 ECTS-credits in a semester and 8 ECTS-credits in trimester schools may be added to the units completed, their loan entitlement then being based on the minimum number of units see section 3.4.

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



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

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

A student who does not have the chance to complete the minimum academic achievement (22 ECTS-credits in semester schools and 15 ECTS í in trimester schools) due to the organisation of the school or because of evaluation of former studies may have the right to a loan in according to the units he completes if the following conditions are fulfilled:

1. A student is offered to complete 15 – 21 ECTS-per term in a semester school or 10 – 14 ECTS-in a trimester school and
2. the student completes all the units of the term which are offered to him

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



## **. Chapter 4 Student maintenance**

### **4.1 General.**

Student maintenance is divided into basic maintenance, see section 4.2, and other maintenance based on the student's condition, see sections 4.3 – 4.6. Dependent children aged younger than 18 years who are supported by the student are taken into account. Loans for health insurance and travel are additional to loans for student maintenance. Consequently, income may cause a reduction of these loans under the provisions of Chapter 7.

The loans are generally based on the circumstances, family size and residence as they are entered into the National Register 1 September each year. If conditions change during the school year after 1 September this will however be taken into consideration in the determination of loans according to sections 4.3 – 4.6 and this may cause an increase or decrease as the case may be.

### **4.2 Basic maintenance.**

Basic maintenance during periods of study during the academic year shall be based on the student being in full-time studies (60 ECTS credits during the academic year) and is:

ISK 13,515 for each ECTS-credit or ISK 90,101 for a student living with his parents

ISK 17,428 for each ECTS-credit or ISK 116,187 per month for a student living in rental or own housing.

### **4.3 Loans taking account of housing.**

Students may also qualify for additional loans to cover housing costs if they live in rented accommodation or their accommodation. If a different loan is requested, the student must prove regular payments of rent duly paid on a registered rental agreement or confirmed rental agreement of a student apartment. If a student is living in his own accommodation he must confirm his ownership by a certificate from the National Register. In order to qualify for an additional loan for housing costs, the rent must generally be not less than ISK 40,000 per month.

Students who live neither in rented accommodation nor their accommodation are not entitled to an additional loan.



The amount of the additional loan to cover accommodation costs shall take account of the student's family circumstances, i.e. his or her marital status and the number of children in the home.

<b>The family status of a student</b>	<b>Loan for housing ISK/ECTS</b>
Single	11,978
Partnership, no child	8,464
Partnership, 1 child	9,901
Partnership, 2 or more children	10,700
Single, 1 child	19,802
Single, 2 or more children	21,401

## 4.4 Grants and loans due to children.

A borrower who receives a student loan has the right to a grant for the maintenance of a child below 18 years, amounting to a single child support per month if he fulfils the following conditions:

1. Minimum academic progress, see section 3.2 or exceptions from this, see sections 3.4.1-3.4.7 and
2. has the custody of the child or the borrower is due to pay child support with the child.

The amount of the grant for each child supported by the student who completes minimum academic progress, see section 3.4, is ISK 165,600 per semester.

A student will not receive additional grants with a child or children unless he has custody over the child or pays child support with the child. An additional grant for the maintenance of a child and a grant for child support payments cannot be made to the same student for the same child. More than double child support is never paid with one child. The Fund reserves the right to investigate and request documents from the relevant institutions about the child's custody.

It should be noted that a learner must have the right to a loan at the level of study he/she is undertaking to qualify for a school fee loan.

If the borrower does not fulfil the requirements of this section, the awarded child support grant will be converted into a student loan.



## **4.5 Loans for travel expenses.**

### **4.5.1 Travel expenses of student, spouse and children**

Loans for travel expenses of a student and his family are of different amounts according to the country and area of study and are listed in sections 4.5.2 and 4.5.3. If a spouse also applies for a student loan in the school year, the loans for travel expenses will be divided equally between the students.

### **4.5.2 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 member the travel loan to a student, spouse and children older than two years in Denmark, Norway and Sweden is ISK 45,000 ISK but ISK 50,000 for students and spouses elsewhere in Europe, ISK Recipients of grants from Nordplus and Erasmus are not entitled to travel loans from the Icelandic Student Loan Fund. Due to the travel of children below two years of age, Loans are set at 10% of the above amount. The student does not have to submit documents due to travel. Nordplus-, Erasmus- and other exchange students who receive similar grants in their studies do not qualify for a travel loan from the Icelandic Student Loan Fund.

Loans for travel expenses are granted once per school year.

### **4.5.3 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 loans because of an individual, spouse, or children more than 2 years of age ISK 25,000. Still, loans for children are set at 10% of the above amount if the child is younger than two years of age. The condition 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. The student does not have to submit documents due to travel.

Loans for travel expenses are granted once per school year.

## 4.6 Local supplement.

Additional maintenance support may be granted in countries with a considerable difference in maintenance in Iceland and the respective country.

Only those students who study in locally-based courses in the following countries/cities qualify for a local supplement.

<b>Country/city</b>	<b>Month (ISK)</b>	<b>ECTS (ISK)</b>
Australia	3,806	571
The United States A	128,344	19,252
The United States B	29,462	4,419
Copenhagen	7,276	1,091
England	4,637	696
London	15,072	2,261
Paris	11,487	1,723
Ireland	34,047	5,107
Israel	40,228	6,034
Italy	64,488	9,673
Japan	8,693	1,304
Costa Rica	49,888	7,483
Monaco	35,902	5,385
Northern Ireland	3,961	594
the UAE	146,741	22,011
Síle	22,158	3,324
Switzerland	87,864	13,180
Thailand	15,350	2,303



## . Chapter 5 – Loans for Tuition Fees

Loans for tuition fees, less non-taxable grants covering tuition fees, are made for basic studies (basic studies here refers to preparatory studies, internship and primary university studies), master's studies and doctoral studies, see section 3.3. The total amount that may be received for tuition fees at all school levels is ISK 3,900,000 for studies in Iceland but for studies abroad the amount is ISK 6,300,000.

If the studies are organised similar to medical studies, i.e. a continuous course of study longer than 5 years, an additional maximum loan of ISK 1,900,000 may be added.

For those pursuing basic studies, the rule is that in no case is a loan for tuition fees granted each year of study higher than 1/3 of the total amount that is lent for tuition fees in the country of study. The annual maximum loan for tuitionees in basic studies in Iceland is therefore ISK 1,300,000 en but ISK 2,100,000 in basic studies abroad.

The amount of tuition fees in studies abroad shall be converted to ISK based on the rate of exchange on 1 June 2021.

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

Loans are only granted for annual tuition fees exceeding ISK 75,000 which the student has paid with proof of payment. 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 an itemisation of tuition fees and, where appropriate, to subtract from the tuition-fee loan all the expense items listed above before paying out the tuition-fee loan.

Tuition-fee loans may only be granted for studies in a single academic course for each semester or term of the year of study. Furthermore, it is not 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.

A student must return proof of his study achievement that is eligible for a loan according to section 3.2 in order to qualify for a tuition-fee loan during the study period.

A loan may be paid out for tuition fees at the beginning of the term/semester. However, a higher ratio of school fees paid in advance at the beginning of the



semester shall never be higher than the equivalent of a full course of studies (30 ECTS-credits) in that semester.

The same rules apply to loan eligibility between levels of study and how the loan units are deducted from the unit rights, see section 3.3, even though a student only accepts a loan for tuition fees.

The student's income may have an influence on the amount of tuition fee loans, see section 7.2. It should be noted that a student must have the right to a loan at the level of study they are undertaking to qualify for a school fee loan.

If a borrower has previously received a school-fee loan in a foreign currency according to the older rules, the height of the ratio he had once used of the school fee loan limit and this ratio is used again when the leeway for further school fee loans has been found.



## **. Chapter 6 - Other loans**

### **6.1 Loans to cover disruptions in the student's circumstances.**

In the event of an unforeseeable disruption of the student's 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-credits, taking his family size into account.

A student may be granted a special loan under this section to cover additional travel if he must go home at short notice because of a severe illness or death in his immediate family. Detailed information shall be submitted regarding the reasons for the journey, together with the appropriate medical certificate or death certificate. The immediate family shall be the student's spouse, children and parents, and the student's siblings and their children. If an additional travel loan is granted, it will be paid out with the maintenance loan, see section 4.5.1.

### **6.2 Loans for health insurance.**

Students who pay large sums for medical insurance may apply for loans to meet these expenses. The full maintenance for health insurance is ISK 350,000 per school year. The reference rate of exchange used by the Fund is on 1 June 2021. 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. However, consideration may not be given to medical expenses which the Icelandic State Social Security Institute has refused to pay.

### **6.3 Loans to students living with low-income guardians.**

Students living with low-income parents/single parents may be granted additional loans to cover housing costs as if they were living in rented accommodation or their accommodation if the parent's income (s) and, as appropriate, the parent's cohabiting partner is below the reference threshold. The reference limit in this connection is equal to ISK 4,905,000 for a single parent or ISK 9,810,000 for a married couple or partners, see section 4.3.

## 6.4 Loans for spouses.

Circumstances that may increase cost-of-living support for a student who is married/in a registered cohabitation partnership are as follows:

1. Due to the spouse's illness or disability according to a medical certificate demonstrating that the spouse is completely unfit for work.
2. If the student and spouse have a chronically ill or have a disabled child in their care, and the spouse does not work in paid employment outside the home 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 is submitted.
3. 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.

If a loan is granted because of a spouse, an additional 50% is added to the maintenance of the student. The income of the spouse is subtracted from the loan, see section 7.1.

The spouse's income shall be deducted from the loan.

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



## . Chapter 7 Income

### 7.1 Income and study grants.

All the income of a student (or spouse if a loan for a spouse is applied for) which constitutes a tax base in 2021 is considered income in the calculation of a loan and may have an effect on the assistance given in the school year. If a student has an income in a foreign currency, his income will be converted into ISK at the exchange rate on 1 June 2021.

Taxable study- and research grants and teaching fees, e.g. „teaching assistantship“ and „utbildningsbidrag“, are calculated as income.

Grants awarded on behalf of Nordplus and Erasmus and other similar exchange student programs will not be deducted from the study loan.

### 7.2 Deductions from income.

#### 7.2.1 Income threshold.

The income threshold of a student is ISK 1,410,000 in 2021. If the income of a student is higher than the income threshold, 45% of the surplus income will be deducted from the study loan. If a loan is granted to a spouse, the total income threshold of the student and the spouse will increase by ISK 2,115,000, and 45% of the total surplus income of the student and spouse will be deducted from the study loan in 2021.

The earnings threshold of a student may be multiplied by five if he has not used study loans from the Fund in the last 6 months.

Deductions due to income are usually spread equally on 60 ECTS-credits.

#### 7.2.2 Other deductions

In addition to the income threshold the following instances may cause further deductions to the income of a student:

1. Tuition fees for which the students do not receive a loan because they have exhausted their entitlement, see chapter 5 and
- 2 fixed repayments of student loans which fall due and are paid during the loan period.

#### 7.2.3 Special payment from personal funds paid out in 2021

Applicants for student loans who receive personal funds paid out in 2021 may request that this will be exempt from the calculation of a student loan during



the school year 2021 – 2022. An application for adjustment for the school year must be applied for before 1 May 2022.

### **7.2.4 Income from work in a backup team**

Students may request that the income from work in the backup teams of the health- and welfare services and the backup team of the police will be deducted in calculating a student loan in the school year 2021-2022.

To establish whether the income from work in a backup team will be deducted from the total income of the year when the loan is calculated, the student must demonstrate that he had worked in a backup unit and provide salary slips or other documents to confirm this. A separate application must be made for this and it is valid during the school year 2021-2022 for the income in 2021.

## **7.3 A student's reporting requirement for income.**

### **7.3.1 Income schedule.**

When a student applies for study assistance from the Fund, he is required to estimate his income (or the spouse if an application is made for the spouse) in 2021. This income information is used in calculating the amount of the loan and expected payouts for the student.

### **7.3.2 Final income schedule.**

Before the settlement in the autumn term of 2021 and the monthly payouts of spring term 2021 begin, all applicants must make a new income schedule for income received in 2021. The Fund may amend an unsatisfactory income schedule with reference to information about the individual's income in the PAYE list of the Commissioner of the Inland Revenue.

### **7.3.3 Tax statement.**

The Fund may request confirmed information of a student's income (tax statement) before the final settlement for the income in 2021 before the final settlement of the school year takes place after spring term 2022.

#### **7.3.3. Icelandic tax statement.**

The Fund will obtain tax statement information from the Commissioner of Internal Revenue for all applicants in the school year 2021- 2022 are generally taxable in Iceland for 2021. If it is revealed later that there is a difference in income between the submitted and confirmed tax statement (municipal tax list), the income schedule of the person will be recalculated based on new income information.



### **7.3.3.2 tax statements from other Nordic countries.**

Students in other Nordic countries must submit confirmed information about income for the year 2021 in the country of residence (study country). In Denmark „årsopgørelse“, in Norway „skatteopgjør“ and in Sweden „slutlig skatt“. This is independent of whether the student is also taxable in Iceland or not.

### **7.3.3.3 tax statements from other countries.**

Students from other countries who are generally not taxable in Iceland for 2021 must submit confirmed income information for 2021 from the country of residence.

# Chapter 8.–Payout of student loans and overpayment of loans

## 8.1 Payout of student loans.

### 8.1.1 Payout of student loans.

The calculation of student loans and the issue of income schedules for the school year 2021-2022 begins in July/August 2021.

The payment of monthly maintenance loans to students who request concurrent payment begins at the following times:

Semester schools	
Autumn term	1 October 2021
Spring term	1 February 2022
Summer term	1 June 2022
Trimester schools	
Autumn term	1 November 2021
Winter term	1 February 2022
Spring term	1 May 2022
Summer term	1 August 2022

The condition for monthly payouts beginning in the later terms of the school year is that the previous school semesters have been settled regarding the information on study achievement, see section 3.2 and/or repayment due to overpayment, see section 8.2.1.

The borrowers will sign a bond electronically for each payout of a loan.

The payment of tuition fee loans to students requesting an advance payment will begin at these times:

Autumn term	beginning of August 2021
Winter term	beginning in January 2022
Spring term	beginning in January 2022
Summer term	beginning in the middle of May 2022

At no time shall a larger proportion of tuition fees be paid out in advance at the beginning of a semester than is equivalent to full-time studies (30 ECTS-credits) during that semester in semester schools, or a comparable number of units in trimester schools (20 ECTS-credits). This may be reviewed when the student's academic performance is known, and it comes to settlement of the loan for that semester or trimester.

The payment of maintenance and school fee loans to students wishing to be paid after each semester begins at the following times:



Autumn term	starting in January 2022
Winter term	starting in March 2022
Spring term	starting in May 2022
Summer term	starting as of August 2022

The condition is that the student has submitted documents on his academic progress, income schedule and tax statement and other relevant information.

The final day of disbursement for the school year 2021-2022 is as of 15 January 2023. After this time, no loans can be disbursed nor comments made on the disbursement of loans for that school year. If a student required study achievements after the school year, the loans paid out in advance are reclaimable according to the rules for overpaid loans, see chapter 8.2.

### **8.1.2 Bonds and bank account.**

The payout of a loan is subject to the condition that the borrower has issued a bond in his own name as security for the loan. The loan will be paid into the account for the student in question at a bank or savings bank in Iceland and which shall be in the student's name.

## **8.2 Overpaid loans.**

### **8.2.1 Overpaid loans.**

If a student receives a loan without having fulfilled the conditions of the Fund or receives a higher loan than he has a right to, for example due to an underestimated income, insufficient academic achievement in his studies or other reasons, he must repay the loan with indexation as of the date of the payout.

If a student has applied for a study loan for the next semester following the semester in which the excess payment was made, the Fund may set off a debt due to the excess payment against an unprocessed student loan which the student is expecting

If it is not possible to set off an overpaid loan, see paragraph 2 of this section 2, the student has a choice of paying the overpayment in cash or agree to a special repayment bond.

Further study assistance shall be suspended until an overpaid loan has been settled.

### **8.2.2 Bonds.**

Bonds for the repayment of overpayments shall usually carry interest at the ordinary rates on non-indexed loans determined by the Central Bank of Iceland, interest is calculated on the amount which the student is to repay



from the disbursement date of the excess loan amount. The first interest date is specified in the bond and shall be based on the day on which the Fund prepares the bond. The loan period shall typically not exceed 15 months.

### **8.2.3 Collection.**

Overpayment shall be collected after the date on which a report on the student's academic achievement, and other documents have been received by the Fund. If the student fails to repay an overpaid loan within the specified deadline, his study loan bond shall be transferred to debt collection, see section 11.1 and the overpaid loan shall be collected as a separate down payment of his student loan debt.



## **. Chapter 9 – Wrong information and corrections**

### **9.1 Deliberately misleading information.**

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

### **9.2 Corrections by the Fund.**

If the Fund makes a mistake in connection with the granting of a loan, it shall be corrected as soon as it is discovered. Therefore, students are urged to read carefully the provisions of these allocation rules which apply to their cases and thereby help to have such mistakes rectified as soon as possible. Námsmanni skal tilkynnt um slík mistök, þau leiðrétt eins fljótt og auðið er og námsmaður endurgreiðir ofgreidd lán ef við á.

## . Chapter 10 – Guarantees

### 10.1 Personal guarantee.

A guarantee for a student loan is required if the borrower is not considered reliable. A borrower is not considered reliable if he is on a default list, his estate is in bankruptcy proceedings or if the Fund has had to write off their loans.

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 is not required to make special attempts to have the debt first paid by the borrower. However, the Fund cannot turn directly to the guarantor until it has been thoroughly checked that the borrower has not paid a down payment of the loan on the due date. This does not apply if the borrower has been declared bankrupt but then the loan becomes payable in full in accordance with the Act on Declaration of Bankruptcy etc. no 21/1991,

A personal guarantee shall always be limited to a specific maximum sum, which shall change according to the consumer price index; and also the personal guarantee shall cover the payment and interest, default interest and all costs that may lead from the late payment of the debt, including legal costs and collection fees.

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

#### 10.1.1 Conditions to Be Met by Guarantors.

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

Guarantors shall have reached the age of 18 and shall be competent to manage their financial affairs. Guarantors shall not be older than 50 unless a student's parent is involved. A guarantee of a legal person instead of an individual shall be subject to the approval of the Fund' s board, and the legal



person must be a governmental agency or financial institution that is monitored by the Financial Supervisory Authority, Iceland. With the approval of the loan recipient, the Fund may also collect a fee for the guarantor when the loan is paid out. In other respects, the same rules for a legal person's guarantee as are generally applied to individuals' personal guarantee.

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

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

### **10.1.2 Legal standing of guarantors and claims for a refund.**

Where there is more than one guarantor, they shall bear undivided (in solidum) liability towards the Fund. Where the liability borne by each of the guarantors is separate, e.g. where loans have been combined for repayment, each guarantor shall be able to pay his guarantee amount, together with interest and costs in the event of a default on the repayment of the student loan.

While a loan has not been called due, a guarantor can keep the loan fully paid up. The guarantor can request the Fund to apply the payment to the reduction of his guaranteed share of the total debt.

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

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

A guarantor may give notice of the termination of his guarantee. His request for this shall be sent to "My loan". The only effect of this is that his obligations will not increase beyond what has already been agreed upon. 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.



### 10.1.3 Idexation.

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.

In mortgaging student loans from the Fund, the rule is that mortgaged loans, in addition to a loan from the Fund, shall not exceed 85% of the real estate evaluation of the residential property, and that they shall be less than 85% of the assessed value for fire insurance. An appraisal by a chartered real estate agent may also be requested, in which case the rule shall be that loans from the Fund shall not exceed 80% of the sale valuation. It is not permitted to mortgage foreign real estate to secure a student loan.



## Chapter 11 – Bonds transferred to debt collection.

### 11.1 A bond transferred to debt collection.

Bonds are transferred to debt collection when a student stops accepting loans from the Fund and the reference point is the end of the last assistance period. This applies both to students who do not complete satisfactory academic achievement, without completing their studies and students who continue their studies without taking student loans. The time limit for this within the meaning of the Act on The Icelandic Student Loan Fund no. 60/2020

When bonds are being prepared for to debt collection, the borrower is sent itemised information about the down payments of bonds and he is given 14 days to make comments. Also the guarantor in question shall be sent information on the amount of a bond for which he guarantees.

A bond is issued at each payout of the Icelandic Student Loan Fund during the study period. At each payout the older bond will be joined to the new one so that on each new bond is shown the total debt amount of a student as it is as of date of issue of the bond, including accrued indexation. At the issue of a new bond for the accrued total amount, the older bond becomes invalid. The repayment of the student loan is made on the basis of the last bond issued by the student. At the settlement of the bond, an evaluation on whether the student has a right to a reduction of a part of the student loan at the close of studies, see Chapter 12 of the allocation rules.

### 11.2 Repayments begin.

Repayment of loans taken in accordance with the Act on the Icelandic Student Loan Fund no. 60/2020 (H-loans) begin one year after the end of studies.

Repayment of loans taken in accordance with the Act no. 21/1992 (H-G loans) begin two years after the end of studies.

The day of end of studies shall be the last day of the term in which the student received assistance from the Icelandic Student Loan Fund. The days that shall be considered days of end of studies are:

Autumn term	31 January
Winter term	30 April
Spring term	30 June
Summer term	Sept 30

## 11.3 Postponement of finalisation of a bond and a study break.

Students may take a break from taking loans and the loan will not be transferred processed for collection. The length of a continuous break which may be taken without the loans being prepared for collection is one year.

However, the preparation of a bond may be postponed for a maximum of 4 years from when the first assistance was given by the Fund if the student continues to study in an eligible course for a student loan without taking a loan. The deadline for an application for the postponement of the preparation for collection of a bond is in the first term after a break of one year. An application for a new student loan in the first term after a break of one year is considered equal to an application for the postponement of the preparation of a bond for collection. The deadline for an application for the postponement of a bond being prepared for collection is based on when in the school year the first term after a break of one year takes place.

Those students who last submitted a study achievement eligible for a loan in the summer term or spring term 2020 can apply for a postponement of the preparation of a bond collection up to 15 November 2021. Following an application, the students must demonstrate an eligible study achievement in the school year 2020-2021 or confirm that they are registered in an eligible course of studies in the autumn term of 2021.

Those students who last submitted a study achievement eligible for a loan in the summer term or spring term 2020 can apply for a postponement of the preparation of a bond for collection up to 15 February 2022. Following an application, the students must demonstrate an eligible study achievement in the spring term 2021, autumn term 2021 or confirm that they are registered in an eligible course of studies in the spring term of 2022.

Documents shall be submitted immediately at the end of the term for which a break is applied.

If a student takes a longer break from his studies than is permitted according to this section, the bond shall be processed for collection. When a student begins his studies after such a break from studies, this shall be regarded as a new course of studies (new study programme), and the student must take a new loan. The student shall also pay the down payments of an older bond, see however, Chapter 15 of the allocation rules about the postponement of paying down payments during studies.



## Chapter 12 – Study grant at end of studies

If a student completes a degree within the time of study assumed by the organisation of the school, he is eligible for a study grant amounting to a 30% reduction of the principal of the student loan debt including indexation on the day when the bond is processed for collection.

A study grant is only awarded for studies organised as full-time studies, a minimum of two terms, i.e. which amounts to a minimum of 60 ECTS-credits or their equivalent.

Students have leeway in delaying their studies without affecting their eligibility for a study grant. The leeway for the delay is as follows:

1. One year beyond the specified time for vocational studies, internship, and preparatory studies.
2. One year beyond the specified time for the bachelor's and master's degrees.
3. Six months beyond the specified time for diploma studies.
4. Two years beyond the specified time for the doctoral degree.

Exceptions from the academic progress of studies according to sections 3.4.1 – 3.4.6 do not count as delay in studies.

Before a grant is awarded to a student, confirmed information must be available on the beginning of studies and when they were completed by a copy of the final examination. The student is responsible for submitting such information to the Fund. Generally, the confirmation of the student's end of studies must have been submitted to the Fund within 6 months from when the studies were completed.

## Chapter 13 – Terms of bonds

Repayment of student loans shall be based on the terms of each bond and the legislation in force when the loans were taken. In other respects, the Fund's adopted allocation rules shall apply,

Supporting documentation shall be received by the Fund no later than one month after the application period expires. Otherwise, it may be considered that the payee has revoked his application, and then the Fund may disregard the application. If the payee has had his tax statement changed by the tax authorities, this may be taken into account even though the documentation is received after the above postponement, on the condition that an application for this is received before the application time of each year of application, see Chapter 15.

### 13.1 Interest and other loan terms of H-loans.

#### 13.1.1 Interest rate.

Interest on H-loans is variable and is based on the interest terms available to the Treasury, with the addition of a fixed 0.8% interest premium. In spite of the above the interest is capped at 4% of indexed loans and 9% of non-indexed loans.

#### 13.1.2 Loan terms and interest during the studies.

Loans taken in accordance with the Act on the Icelandic Student Loan Fund no. 60/2020 are indexed but bear no interest until the last day of studies. Indexation is calculated as of the first day of the next month. If a student receives a payout of the loan after the date of his end of studies, interest will be calculated on that payout as of the day following the payout. The indexation is based on changes in the consumer price index.

#### 13.1.3 Loan terms after the date of the end of studies.

When a date of the end of studies has been determined, the student loan debt is calculated, and the basic index of the bond is based on the consumer price index at the date of the end of studies. The day following the day of the end of studies is the first interest date of a bond. The main principle of the repayment terms of a bond is that the bond is indexed, and the repayment time depends on the loan amount, which is subject to the condition that the loan will have been repaid before the borrower reaches the age of 66. When a bond is transferred to debt collection, the borrower may choose whether the bond shall be indexed or non-indexed. Also, the borrower may also choose whether the repayment arrangement of the bond is subject to the amount of the loan or dependent on income, see further in Chapter 14. If a borrower has not informed the fund whether he chooses the above terms on his bonds



before a bond is prepared for debt collection, the basic principle is that the bond is an annuity loan and indexed, see table in section 14.2.2 regarding the number of repayment years.

## Chapter 14 - Repayments

### 14.1 Repayment period.

A borrower may pay down payments on his loans or pay them in full before the dates stipulated in a bond, at no additional cost.

A person who completes paying the loan or pays down payments of an unpaid student loan bond according to the older Act on the Icelandic Student Loan Fund (loan classes V, S,, R and G) has a right of a reduction in the additional down payment of 5-15% of the non-overdue remainder of the bond before payment. Discounts are only allowed on payments that are beyond legally specified annual repayments. In order to qualify for the right of a settlement discount of a loan, the next regular down payment allowance the loan must not be due in less than 30 days. The ratio of discount is based on the arrears of the student loans of the payee and is 5% if the borrower's debt is ISK 1 million or less and will be up to 15% if the arrears are ISK 4.8 million or more. A request for an extra down payment/paying in full shall be sent through the home page of the payee to "My loan." A discount due to additional down payment or paying in full is not available for H-loans.

Persons do not have the right to an extra down payment/settlement discount for paying up a bond in full unless the repayment of/her one or more student loans has begun

An application for a discount for an extra down payment/paying in full shall be sent to "My Loan" and will be deducted from the total debt of the loan when payment is made. In cases when another person than the debtor of a student loan pays the loan in full or pays an down payment of the loan, the discount must be applied for within three months of payment and send a request for this to [menntasjodur@menntasjodur.is](mailto:menntasjodur@menntasjodur.is) where the discount will be repaid to the person who paid a down payment of the loan.

### 14.2 Annual repayments.

#### 14.2.1 Repayment of student loans.

The repayments of student loans are on the 1<sup>st</sup> day each month and are divided into annuity loans where the repayment time is based on the amount of the loan, and ncome-based loans where the repayment of the loan is based on the income of the borrower but is nevertheless a certain fixed minimum amount, see further section 14.2.3.

Only those students with an end of studies prior to or in the same year when they become 40 years old may select income-based down payments



### 14.2.2 Repayment arrangement dependent on the amount of the loan taken.

The loans shall be repaid as annuity loans with monthly down payments on the 1<sup>st</sup> day of each month. The length of study time is based on the total amount of the bond and the age of the borrower since the borrower must pay the loan in full before the age of 66. The repayments are as follows:

Study loan debt	Repayment time (years)	Annual repayments*	
		Lowest	Highest
0 - 399,999	2	0	200,000
400,000 - 799,999	4	100,000	200,000
800,000 - 1,599,999	6	133,333	266,667
1,600,000 - 2,399,999	8	200,000	300,000
2,400,000 - 3,199,999	10	240,000	320,000
3,200,000 - 3,999,999	12	266,667	333,333
4,000,000 - 4,799,999	14	285,714	342,857
4,800,000 - 5,599,999	16	300,000	350,000
5,600,000 - 6,399,999	18	311,111	355,556
6,400,000 - 7,199,999	20	320,000	360,000
7,200,000 - 7,999,999	22	327,273	363,636
8,000,000 - 8,799,999	24	333,333	366,667
8,800,000 - and higher	25	352,000	and higher

Amounts less interest and indexation.

### 14.2.3 Income-based repayment of a student loan.

The borrower can only select an income-based repayment if the end of studies is prior or in the year when he becomes 40 years of age.

Income-based repayment is collected monthly, and each down payment is made up of two factors. One is a fixed down payment, not depending on income and the other is an income-based down payment.

The amount of the fixed down payment is based on the consumer price index and will change in line with monthly changes in the index. The amount of a fixed down payment is ISK 10,000 based on the consumer price index of 470.5.

The monthly income-based down payment is 0.3125% of the income base of the borrower. In the first eight months of the repayment year, the income base of the borrower two years before the repayment year is taken into consideration, but in the last four months of the repayment years the income

base of the borrower in the year before the repayment year is considered. An income-based down payment shall be paid on a monthly basis on the first day of each month. The amount of the fixed down payment is deducted from the amount of an income-based amount.

An income base means the taxable base of the borrower with financial income, see subparagraph c of article 7 f the Act on Income Tax no. 90/2003

If the tax base of a borrower is estimated, this estimate shall be used. If, during the repayment period, a borrower is not due to pay taxes in Iceland of all his income and assets, they shall be given the option to submit certified information on their income to the fund, and the monthly down payments shall be based on this information. In establishing a maturity date, the foreign income will be recalculated in ISK for each currency, and the mean exchange rate of the Central Bank of Iceland for the income year shall be used as a base for the calculation. If the student does not do so or his information is considered unreliable and it is not possible to establish his income base according to it the H-loan of the borrower will be converted so that the repayment schedule will depend on the amount of the loan, see section 14.2.2 with a warning beforehand about the conversion. Borrowers of V-, S-, R- og G-loans who do not submit satisfactory income information, see above, will have their income base estimated at the calculation of an income-based down payment.

A borrower has the right to have the monthly down payments recalculated if they have been based on estimated income. He shall then apply for recalculation not later than 15 days after the due date of the payment; however, an application does not postpone collection on the due date. The recalculation will be made when the Fund has received the best available information regarding the payer's income. When confirmed information on the income is available, it shall be submitted to the Fund and the recalculation reviewed accordingly. If the income base was overestimated, the borrower shall be repaid for the overpaid amount

In cases of severe arrears for the repayment of student loans or where the loan recipient has understated his income, the whole loan sum may be called in. The increase in the additional payment due to re-taxation is claimable immediately along with interest according to the decision of the Central Bank of Iceland at each time from the due date of the payment.

#### **14.2.4 Repayment of more than one H-loan**

A borrower who owes more than one student loan shall pay down payments on all of them together.

If a student owes more than one annuity loan the repayment time and annual down payment are based on the total amount of the loans, see table in section



14.2.2. If the borrower owes more than one H-loan with income-based down payments, the payments shall be paid relatively into each separate loan according to their status when their loans are transferred to collection.

If a borrower owes more than one H-loan and one or more of the loans, but not all of them they shall be repaid with income-based down payments, see section 14.2.3, the borrower may convert loans paid with income-based annuity loans. Then the borrower will pay down payments of the total loan amount according to the instructions in paragraph 1 and 2 of this provision. If a borrower chooses not to convert loans with income-based down payments, the borrower shall pay simultaneously the down payment of the income-based loan and the annuity loan, respectively. Then the borrower receives two payment invoices on the legally determined due dates and will pay simultaneously one down payment which is income based and another which is based on annuity payments.

### **14.2.5 Repayment of more than one loan group**

A borrower who owes older student loans than H-loans (loan groups V, S, R and G) shall pay down payments on the H-loan concurrently with other older loans.

A borrower chooses income-based repayments of our student loan, see section 14.2.3 and is at the same time repaying a student loan according to the older Act may request to pay first off the H-loan.

Repayments of older loans are under the laws that are valid for them. A borrower who owes loans that are older than G-loans shall first repay the older loans. If a borrower owes an R-loan and a V- or S-loan, he shall first pay off the R-loan. If a borrower pays off both a V- and S-loan, the down payments of the V-loan are subtracted from the down payments of the S-loan.

If a borrower has taken two or more R-loans, he shall repay the oldest loan first. The same applies to loan recipients who have taken two or more G-loans. Collection is deemed to have begun of all loans within the loan class but the payments of newer loans are postponed until the oldest loans are paid in full.



## Chapter 15 Postponement of repayment

### 15.1 Postponement of repayment caused by severe financial difficulty

The board of the Fund may grant a postponement of repayments if the borrower becomes seriously ill or has an accident which impairs his ability to earn an income or if an eligible loan, unemployment, incapacity for work due to illness and/or disability, pregnancy or care of children, care of a spouse or other comparable reasons cause the borrower considerable financial difficulty. As regards H-loans, only events that take place during the repayment period of student loans or within the study period can be a basis of postponement of repayments.

Eligible study means that the study of the applicant fulfils the conditions of Chapter 2 of the allocation rules on the eligibility of studies and that the student fulfils the conditions of chapter 3 about academic achievement.

A person unemployable due to disability is deemed entitled to receive disability benefits under the State Social Security Institute's definition. Care of children and/or spouse means that the care will affect the possibilities of the applicant to earn an income. Unemployment means that the applicant is registered on the unemployment register and/or is actively looking for work.

Generally it is considered that the reasons causing the difficulties have lasted at least four months prior to the due date of the down payment.

Generally, exemptions will not be granted if the loan of the recipient is greater than ISK 4,905,000, and that of a married couple / couple in registered partnership is greater than ISK 9,810,000 in the previous year. If an applicant has no tax domicile in Iceland and his income is in a foreign currency, the purchase rate of exchange on the date of the payment shall be used.

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



## 15.2 Application for postponement of down payment.

### 15.2.1 Application for postponement of H-loans

The borrower may request to have his down payments of the loan postponed for 6 months or 12 months.

An application for postponement delays the collection on the due dates for which the postponement is applied.

A borrower requesting a postponement of monthly repayments of a student loan shall apply for it through "My Loan" and submit the required information with the application.

An application for the postponement of repayment shall be submitted to the Fund no later than 30 days after the due date of the down payment for which the postponement is applied.

### 15.2.2 Application for postponement of down payments on V-, S-, R- and G-loans.

A borrower may request a postponement of down payments of the fixed or income-based down payment of the loan. An application for an exemption must be made for each individual down payment.

An application for postponement does not delay the collection of the due dates for which the postponement is applied.

A borrower requesting an exemption from repaying his student loan shall apply for it through "My Loan" and submit the required information with the application.

An application for the postponement of repayments shall be submitted to the Fund no later than 60 days after the due date of the down payment for which the postponement is applied.

## 15.3 The effect of postponement on repayments for loan groups

### 15.3.1 Annuity loans (H-loans).

If a borrower owes an annuity loan and has his repayment postponed, the down payments which were postponed will be added to the end of the income



schedule and cause the loan period to become longer. If it is not possible to extend the loan period due to the age of the borrower, the payment burden of a student loan shall be raised.

### **15.3.2 Annuity loans (H-loans).**

If a borrower owes an income-based loan and has his repayment postponed, the down payments which were postponed will be added to the end of the income schedule and cause the loan period to become longer. Thus, the payee only pays down payments amounting to the fixed amount of the payment for the period to which the postponement applies. If a postponement is granted, the amount of the down payment will be returned to the arrears of the loan and thus making the repayment period longer.

### **15.3.3 Loans according to older laws (V-, S-, R-, and G-loans).**

If a borrower owes a loan that was taken before the enactment of the Law on the Icelandic Student Loan Fund no. 60/2020, the provisions in their bonds and the laws that are valid for the appropriate loans, as the case may be. An application for an exemption must be made for each individual due date. If a postponement is granted, the amount of the down payment will be returned to the arrears of the loan and thus making the repayment period longer.



## Chapter 16. Collection of loans and default

If a borrower does not pay a down payment due at the correct time and has not made an agreement with the Fund regarding payment, the Fund will send the matter to lawyers 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 a down payment 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 down payment, 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.

If the principal of a loan awarded according to Act no. 60/2020 is called in, the Fund is also permitted to call in other loans in the same loan category.

## Chapter 17 - Doubtful cases

### 17.1 The role of the board of directors

One of the roles of the Board is to make rulings on doubtful or unclear cases concerning individual loan recipients and other cases. Appeals shall be submitted to the Appeals Committee see section 17.5.

Decisions by the Board regarding applications, appeals ( etc.) received by the Fund shall be backed with reasons and announced in writing unless this is clearly unnecessary. The decision is binding after the parties have received the issue. Students or other parties involved may have cases re-examined see 17.4 or may request a ruling from the Appeals Committee, see section 17.5. Otherwise, the process of the case shall be according to the Administrative Procedures Act no. 37/1993.

### 17.2 Procedure

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

### 17.3 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 primary considerations behind the estimate or evaluation shall be stated when reasons for the decision are given.

### 17.4 Re-examination

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

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



## 17.5 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 under the provisions of laws and regulations. The committee may uphold, amend or set aside decisions by the board of the Fund.

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



## **. Chapter 18 - Entry into Force**

Proposals of these rules were agreed by the Fund on 3 March 2021. The rules are determined by the Minister and they become valid when they have been advertised in the Government Gazette in accordance with section 36 of the Law on the Icelandic Student Loan Fund no. 60/2020.

These rules apply to the academic year 2021-2022.



## Appendix I

### Basic maintenance and a statement with basic maintenance for the school year

#### Basic maintenance of the Icelandic Student Loan fund

Basic maintenance is calculated on the basis of basic references of maintenance of the Ministry of Welfare. The cost of housing is based on rent at the university accommodation for single, pair and family housing.

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

1. Single student.
2. Student who is married or cohabiting in a registered partnership.
3. Student who is married or cohabiting in a registered partnership with one child.
4. Student who is married or cohabiting in a registered partnership with two children.
5. Single, 1 child.
6. Single, 2 or more children.

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



## Basic maintenance of the Icelandic Student Loan Fund

	Maintenance in the school year (ISK)	Maintenance per month (ISK)			Maintenance per ECTS (ISK)	
		Base	Accommodation	Total	Base	Accommodation
0. With parents	810,909	90,101	0	90,101	13,515	0
1. Single	1,764,342	116,187	79,851	196,038	17,428	11,978
2. Partnership, no child	1,553,544	116,187	56,429	172,616	17,428	8,464
3. Partnership, 1 child	1,639,755	116,187	66,008	182,195	17,428	9,901
4. Partnership 2 or more children	1,687,707	116,187	71,336	187,523	17,428	10,700
5. Single, 1 child	2,233,827	116,187	132,016	248,203	17,428	19,802
6. Single, 2 or more children	2,329,731	116,187	142,672	258,859	17,428	21,401

The above figures refer to a single person, that is without child maintenance, as the case may be. A 9 -month school year is assumed.



## Disposable income

Students may have ISK 1,410,000 in annual income (earnings threshold) without having the income reduced.

The following table shows a maintenance loan per school year (9 months) according to the family situation, including a loan due to children, as applicable. A loan is granted for ISK 36,800 for a child. The disposable income for the same student groups are shown based on the premise that the student earns ISK 1.410.000 in the year in addition to a student loan.

	Maintenance (ISK) per school year *	Disposable income (ISK) **	
		Per year (12 months)	Per month
With parents	810,909	2,220,909	185,076
Single	1,764,342	3,174,342	264,529
Partnership, no child	1,553,544	2,963,544	246,962
Partnership, 1 child	1,970,955	3,380,955	281,746
Partnership 2 or more children	2,350,107	3,760,107	313,342
Single, 1 child	2,565,027	3,975,027	331,252
Single, 2 or more children	2,992,131	4,402,131	366,844

(\*) A 9 term school year is assumed

(\*\*) Calculation of disposable income of student according to family status is based on full maintenance in the school year and an income of ISK 1,410,000.

## Appendix II:

### The maximum time for preparatory studies in different languages

Country	Maximum time of language study	Country	Maximum time of language study
Austria	0.5 school years	Malaysia	1.5 school years
Belgium	0.5 school years	Mexico	0.5 school years
Bosnia	1 school year	Monaco	0.5 school years
Brazil	0.5 school years	Peru	0.5 school years
Bulgaria	1 school year	Portugal	0.5 school years
Estonia	1 school year	Poland	1 school year
Ecuador	0.5 school years	Romania	1 school year
The Philippines	0.5 school years	Russian Federation	1 school year
Finland	1 school year	UAE	1.5 school years
Frakkland	0.5 school years	Serbia	1 school year
Greece	1 school year	Singapore	0.5 school years
The Netherlands	1 school year	Síle	0.5 school years
Iran	1.5 school years	Slovakia	1 school year
Israel	0.5 school years	Slovenia	1 school year
Italy	0.5 school years	Spain	0.5 school years
Japan	0.5 school years	South Korea	0.5 school years
China	1.5 school years	Switzerland	0.5 school years
Kosovo	1 school year	Taiwan	0.5 school years
Croatia	1 school year	Czech republic	1 school year
Cyprus	1 school year	Turkey	1 school year
Latvia	1 school year	Thailand	1.5 school years
Lithuania	0.5 school years	Hungary	1 school year
Luxembourg	0.5 school years	Germany	0.5 school years





## Appendix III

### Loans granted by the fund

Name	Granted	Vextir	Endurgreiðsla hefst m.v. námslok	Endurgreiðslutími	Due dates
M	1952-1961	3.50%.	3 years	10 years	1 May and 1 November
N	1952-1961	3.50%.	3 years	10 years	1 February and 1 November
M	1961-1967	3.50%.	3 years	15 years	1 May and 1 November
N	1961-1967	3.50%.	3 years	15 years	1 February and 1 November
L	1967-1975	5%.	5 years	15 years	1 June
K	1975	13%.	1 year	4 years	1 April and 1 November
X*	1976-1982	Indexed	3 years	20 years	1 July and 1 November
T**	1982-1992	Indexed	3 years	40 years	1 March and 1. September
R	1992-2005	Up to 3% + indexed	2 years	Undetermined	1 March and 1. September
G	2005	Up to 3% + indexed	2 years	Undetermined	1 March and 1. September
H	2020	Up to 4% + indexed or 9% non-indexed	1 year	Changeable	Due date on the 1st day of each month

(\*) Are named V-loans after the merger

(\*\*) They are named S-loans when down payments begin.



## Definition of main terms





## Examples of calculation of a student loan to a student in Iceland in a full course of study (60 ECTS-credits) in the school year 2021-2022

### Example A1:

Single living with parents

Income	+	1,150,000
Earnings threshold	-	1,410,000
Balance	=	-260.000
<b>45% reduction</b>	-	<b>0</b>
Basic maintenance	+	810.900
Accommodation	+	0
Child maintenance	+	0
<b>Total maintenance (60 ECTS)</b>	=	<b>810.900</b>
Reduction due to earnings	-	0
<b>Total maintenance</b>	=	<b>810.900</b>

### Example A2:

Single in rented or self-owned accommodation.

Income	+	1,750,000
Earnings threshold	-	1,410,000
Balance	=	340,000
<b>45% reduction</b>	-	<b>153,000</b>
Basic maintenance	+	1,045,680
Accommodation	+	718,680
Child maintenance	+	0
<b>Total maintenance (60 ECTS)</b>	=	<b>1,764,360</b>
Reduction due to earnings	-	153.000
<b>Total maintenance</b>	=	<b>1,611,360</b>

### Example B1:

Single living with parents who comes from work i.e. a long break.

Income	+	2,100,000
Earnings threshold	-	7,050,000
Balance	=	-4,950,000
<b>45% reduction</b>	-	<b>0</b>
Basic maintenance	+	810.900
Accommodation	+	0
Child maintenance	+	0
<b>Total maintenance (60 ECTS)</b>	=	<b>810.900</b>
Reduction due to earnings	-	0
<b>Total maintenance</b>	=	<b>810.900</b>

### Example B2:

Single in rented or self-owned accommodation who comes from work, i.e. a long break.

Income	+	3,000,000
Earnings threshold	-	7,050,000
Balance	=	-4,050,000
<b>45% reduction</b>	-	<b>0</b>
Basic maintenance	+	1,045,680
Accommodation	+	718,680
Child maintenance	+	0
<b>Total maintenance (60 ECTS)</b>	=	<b>1,764,360</b>
Reduction due to earnings	-	0
<b>Total maintenance</b>	=	<b>1,764,360</b>

### Example A3:

Single in cohabitation, no child and in rental/accommodation.

<b>Income</b>	+	<b>1,600,000</b>
Earnings threshold	-	1,410,000
Balance	=	190.000
<b>45% reduction</b>	-	<b>85,500</b>
Basic maintenance	+	1,045,680
Accommodation	+	507,840
Child maintenance	+	0
<b>Total maintenance (60 ECTS)</b>	=	<b>1,553,520</b>
Reduction due to earnings	-	85,500
<b>Total maintenance</b>	=	<b>1,468,020</b>

### Example A4:

Single in cohabitation, 1 child and in rental/own accommodation.

<b>Income</b>	+	<b>1,400,000</b>
Earnings threshold	-	1,410,000
Balance	=	-10,000
<b>45% reduction</b>	-	<b>0</b>
Basic maintenance	+	1,045,680
Accommodation	+	594,060
Child maintenance	+	331,200

### Example B3:

Single in cohabitation, no child, in rental or own accommodation and comes from work, i.e. a long break.

<b>Income</b>	+	<b>3,200,000</b>
Earnings threshold	-	7,050,000
Balance	=	-3,850,000
<b>45% reduction</b>	-	<b>0</b>
Basic maintenance	+	1,045,680
Accommodation	+	507,840
Child maintenance	+	0
<b>Total maintenance (60 ECTS)</b>	=	<b>1,553,520</b>
Reduction due to earnings	-	0
<b>Total maintenance</b>	=	<b>1,553,520</b>

### Example B4:

Single in cohabitation, 1 child and in rental or own accommodation and comes from work, i.e. a long break.

<b>Income</b>	+	<b>4,400,000</b>
Earnings threshold	-	7,050,000
Balance	=	-2,650,000
<b>45% reduction</b>	-	<b>0</b>
Basic maintenance	+	1,045,680
Accommodation	+	594,060
Child maintenance	+	331,200



<b>Total maintenance (60 ECTS)</b>	<b>=</b>	<b>1,970,940</b>
Reduction due to earnings	-	0
<b>Total maintenance</b>	<b>=</b>	<b>1,970,940</b>

<b>Total maintenance (60 ECTS)</b>	<b>=</b>	<b>1,970,940</b>
Reduction due to earnings	-	0
<b>Total maintenance</b>	<b>=</b>	<b>1,970,940</b>

### Example A5:

Single in cohabitation, 2 children and in rental/own accommodation.

<b>Income</b>	<b>+</b>	<b>1,900,000</b>
Earnings threshold	-	1,410,000
Balance	=	490,000
<b>45% reduction</b>	<b>-</b>	<b>220,500</b>
Basic maintenance	+	1,045,680
Accommodation	+	642,000
Child maintenance	+	662,400
<b>Total maintenance (60 ECTS)</b>	<b>=</b>	<b>2,350,080</b>
Reduction due to earnings	-	220,500
<b>Total maintenance</b>	<b>=</b>	<b>2,129,580</b>

### Example A6:

Single parent, 1 child, living in rental/own accommodation.

<b>Income</b>	<b>+</b>	<b>1,300,000</b>
Earnings threshold	-	1,410,000
Balance	=	-110,000
<b>45% reduction</b>	<b>-</b>	<b>0</b>
Basic maintenance	+	1,045,680
Accommodation	+	1,188,120

### Example B5:

Single in cohabitation, 2 children and in rental or own accommodation and comes from work, i.e. a long break.

<b>Income</b>	<b>+</b>	<b>7,500,000</b>
Earnings threshold	-	7,050,000
Balance	=	450,000
<b>45% reduction</b>	<b>-</b>	<b>202,500</b>
Basic maintenance	+	1,045,680
Accommodation	+	642,000
Child maintenance	+	662,400
<b>Total maintenance (60 ECTS)</b>	<b>=</b>	<b>2,350,080</b>
Reduction due to earnings	-	202,500
<b>Total maintenance</b>	<b>=</b>	<b>2,147,580</b>

### Example B6:

Single parent, 1 child, living in rental or own accommodation and comes from work, i.e. a long break.

<b>Income</b>	<b>+</b>	<b>5,000,000</b>
Earnings threshold	-	7,050,000
Balance	=	-2,050,000
<b>45% reduction</b>	<b>-</b>	<b>0</b>
Basic maintenance	+	1,045,680
Accommodation	+	1,188,120



Child maintenance	+	331,200
<b>Total maintenance (60 ECTS)</b>	<b>=</b>	<b>2,565,000</b>
Reduction due to earnings	-	0
<b>Total maintenance</b>	<b>=</b>	<b>2,565,000</b>

Child maintenance	+	331,200
<b>Total maintenance (60 ECTS)</b>	<b>=</b>	<b>2,565,000</b>
Reduction due to earnings	-	0
<b>Total maintenance</b>	<b>=</b>	<b>2,565,000</b>

### Example A7:

Single parent, 2 children, living in rental/own accommodation.

<b>Income</b>	<b>+</b>	<b>1,100,000</b>
Earnings threshold	-	1,410,000
Balance	=	-310,000
<b>45% reduction</b>	<b>-</b>	<b>0</b>
Basic maintenance	+	1,045,680
Accommodation	+	1,284,060
Child maintenance	+	662,400
<b>Total maintenance (60 ECTS)</b>	<b>=</b>	<b>2,992,140</b>
Reduction due to earnings	-	0
<b>Total maintenance</b>	<b>=</b>	<b>2,992,140</b>

### Example B7:

Single parent, 2 children, living in rental or own accommodation and comes from work, i.e. a long break.

<b>Income</b>	<b>+</b>	<b>4,000,000</b>
Earnings threshold	-	7,050,000
Balance	=	-3,050,000
<b>45% reduction</b>	<b>-</b>	<b>0</b>
Basic maintenance	+	1,045,680
Accommodation	+	1,284,060
Child maintenance	+	662,400
<b>Total maintenance (60 ECTS)</b>	<b>=</b>	<b>2,992,140</b>
Reduction due to earnings	-	0
<b>Total maintenance</b>	<b>=</b>	<b>2,992,140</b>



