

8 things you should know about your student loan

Student loans and how they're repaid works differently from other types of borrowing. For example, did you know you will only repay when your income is over a certain amount? Or that if you have an outstanding balance at the end of your loan term it will be written off?

It's important to understand these differences, so you know what to expect when it comes to repaying your student loan.

To make things easier, we've put together a list of 8 things you might not know about your student loan, but definitely should.

1. There are different rules for repaying based on when and where you took out your loan

The type of loan you have will depend on when and where you started studying. This is known as your plan type. Each plan type has a different set of rules for repaying so it's important you understand which plan type you're on so you can better manage your repayments.

[Find out which plan type you're on](#)

2. Your repayments are based on your income, not how much you borrowed

Unlike other borrowing, what you repay depends on your income and not how much you owe. You repay 9% of your income above the repayment threshold for your plan type. If you're not working or your income is below the threshold, you won't make any repayments.

[Check the current repayment thresholds](#)

After you've finished your course, we'll still be in touch, so it's important that you keep your contact details up to date. Otherwise, you'll miss out on important information about your student loan repayments.

You should also keep your bank details up to date in your online repayment account in case you've repaid more than you owe and are due a refund. It's important you check we have the correct information for you so we can process your refund quickly when you contact us.

[Update your contact or bank details in your online account](#)

4. You can make voluntary repayments... but consider your circumstances carefully

You're free to make additional repayments towards your loan at any time. This is optional and before doing this, it's important to think about your personal and financial circumstances and how these might change in the future. Don't make voluntary repayments if you do not expect to fully repay your outstanding balance by the end of the loan term. If you're not sure about making a voluntary repayment, you should get professional advice from a financial advisor – SLC can't give financial advice. Remember, any voluntary repayments you make can't be refunded.

[Find out how you can make extra repayments](#)

5. Going abroad for more than 3 months? Let us know before you go

If you are leaving the UK for more than 3 months, you need to let us know so that we can continue to make sure you're repaying the correct amount towards your student loan. It's quick and easy to update us before you leave.

[Let us know if you're leaving the UK](#)

6. Your student loan doesn't have any impact on your credit rating

Student loans are different from other types of borrowing because they do not appear on your credit file and your credit rating is not affected. However, if you apply for a mortgage, lenders may consider if you have a student loan when deciding how much you can borrow.

7. Your loan will eventually get written off

Even if you've never repaid, your student loan balance will be written off after a period of time. Depending on the repayment plan you're on, this will either be 25 years after you become eligible to repay, 30 years, or once you turn 65.

[Find out when your loan will be written off](#)

8. You should switch to Direct Debit when you're close to fully repaying to avoid over-repaying

When you're within the final 2 years of loan repayment, you should take the opportunity to switch your repayments to Direct Debit so you don't pay back more than you owe through your salary.

[Learn more about switching to Direct Debit](#)