



# HIGHER EDUCATION LOANS BOARD

*(Working with you to finance Higher education now  
and in future)*

## STUDENT LOAN REPAYMENT GUIDELINES 2010/2011

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ISO 9001:2008 Certified

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## 1. Introduction

### Who is this guide for?

This guide applies to students who take out higher education government loans either under the Higher Education Loans Fund Act (now repealed) or any person granted an education loan by the Ministry of Education from 1974 through the National Bank of Kenya or any person granted an Education loan by the Ministry of Education through the National Bank of Kenya and the Kenya Commercial Bank from 1989 until commencement of HELB in 1995, or any person granted an education loan by HELB under this HELB Act 1995.

You will find the terms and conditions for these loans in the HELB ACT 1995 and in the loan agreements you signed when you took the loans out.

This guide provides information about the current terms of your loan and repayment. The regulations may change from time to time and this means the terms of your loan may also change.

### About us

In July 1995, the Government through an act of Parliament established the Higher Education Loans Board to administer the Student Loans Scheme. In addition, the Board is also empowered to recover all outstanding loans given to former university students by the Government of Kenya since 1952 through HELF and to establish a Revolving Fund from which funds can be drawn to lend out to needy Kenyan students pursuing higher education.

### Further information

If, on reading this guide, you still have questions about the terms of your loan, you can contact us on one of the contacts provided herein.



## 2. How student loans work

The Higher Education Loans Board offers loans for both postgraduate and undergraduate studies. These loans must be paid immediately after completing your studies or at any time when the Board may decide to recall its loans. It also offers scholarships and bursaries.

Postgraduate loans and Continuing Education loans (under-graduate salaried) are serviced immediately they are disbursed. Undergraduate loans are intended to help needy students whose parents have little or no income. Students whose parents have a reliable family income need not apply.

### Our products

- Loan for undergraduate, direct entry students is available at 4% p.a.
- Loan for postgraduate [masters and PhD] and continuing education students is available at 12% p.a.
- Scholarships for postgraduate students – awarded on academic merit
- Bursaries for needy undergraduate students

### Conditions for award/eligibility for undergraduate loans

- Kenyan nationals
- Students in Public Universities admitted by JAB [Joint Admissions Board]
- Students enrolled in self-sponsored programs in Public Universities
- Students in Chartered Private Universities with a C+ and above in KCSE
- Continuing Education Students

### Conditions for award/eligibility for Postgraduate loans/Continuing Education Students (under-graduate salaried).

Open to all Kenyans who are able to service the loan immediately upon disbursement.

The Board charges an application fee for all its loan and scholarship forms. Postgraduate and Continuing Education Students are charged upfront while for the undergraduates it is loaded on the loan and paid when the loan matures.

For more details on Loan application please visit our website [www.helb.co.ke](http://www.helb.co.ke). After the loan is awarded the students must ensure that any changes or discrepancies in

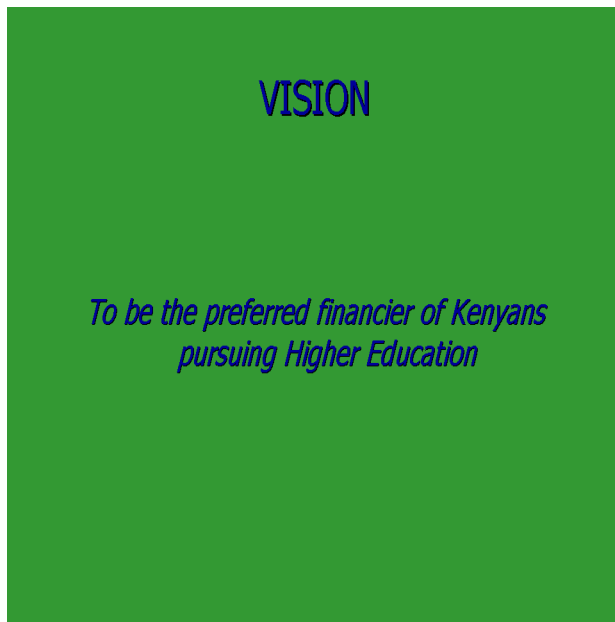
personal details are communicated as soon as possible. This will help in eliminating errors during disbursing or posting in the loan book.

### **Use of HELB loans and bursaries**

Students are advised that the loans should be used mainly for;

- Tuition
- Books and stationery
- Accommodation and subsistence.

Students are advised to desist from diverting the funds to leisure or other family obligations.



## **3. Repaying your student Loan**

### **When do I start paying back the loan?**

Undergraduate Loan repayment starts within one year of completion of studies or within such a period as the Board decides to recall the loan whichever is earlier. However, you can make voluntary payments before or after you leave your course which will reduce your balance earlier.

Postgraduate loans and Continuing Education loans are serviced immediately they are disbursed.

### **What interest will I pay on the loan?**

Although student loans are contracts which can be enforced by the civil courts, they are not profit making loans. The Government subsidises the actual cost of interest on the loans, so you do not have to pay the same rate of interest that you would be charged if you were to take out a commercial loan (for example, from a bank).

You will be charged interest on your loan:

- Under-graduate Loan awards prior to academic year 2002/2003
  - Interest shall be charged after completion of your course until the loan has been repaid in full.

- An annual administrative (ledger) fee shall be charged after completion of your course until the loan has been repaid in full. Ledger fee is charged in the month of July.
- All Loan awards from academic 2003/2004
  - Interest shall be charged from when you receive your first payment until it has been repaid in full.
  - An annual administrative (ledger) fee shall be charged until the loan has been repaid in full. Ledger fee is charged in the month of July.

The interest will be 'compounded' (that is, added to the total amount you owe) every month.

It is important that you keep your own records so that you can reconcile what you have repaid.

### **How do I repay my loan?**

Upon maturity of loan, a loanee shall be required to begin repayment of his/her loan together with any interest accrued thereon. Payments can be made directly by the loanee. If you are in formal employment, you shall authorize your employer to deduct

the loan repayment and to remit it to the Board in such a manner as the Board may direct.

### **Payment options**

Loan repayment can be made directly by loanee or through check-off (employer). The available options for repayment are illustrated as under:

- **Bank payment**

All payments are payable to “Higher Education Loans Board”, by crossed cheque, Bankers draft, direct transfer, standing order, EFT or cash deposit to HELB collection A/C in any of the following banks:

- Citibank, Nairobi  
A/C No. 300 040 012
- Co-operative Bank, University way  
A/C No. 011-296 122 2800,
- Barclays Bank, Barclay’s plaza  
A/C No. 077-501 8216,
- Kenya Commercial Bank,  
University-way A/C No. 1103 266  
314,
- Standard Chartered Bank,  
Koinange street A/C No. 010 801  
826 4700
- Equity Bank  
A/C No. 055-029 357 3408
- National Bank of Kenya  
Harambee Avenue A/C No.010 016  
039 1100

- **Payment by mobile phone money transfer (M-pesa)**

To make repayment using **M-PESA**, please enter HELB business number as **200800** or **Airtel Money**, please enter nickname as **HELB**. Your national ID number is account number. You will instantly receive confirmation via SMS.

- **Payment by Automated Teller Machines - ATM (Pesapoint and Equity bank)**

To repay your HELB loan through ATM, ensure that you include your national ID number as your account reference number.

- **Payment by Credit or Debit (ATM) card**

One may also give authority to HELB to make monthly debits or lump-sum payments directly from his/her bank account or Credit card. This is done by signing the credit card authorization form (CCA) and then forwarding the same to HELB. **VISA** branded credit cards or debit (ATM) cards can also be swiped at HELB offices.

### **What you will repay**

The amount that you repay per month will be based on not more than 25% of your basic pay. However, you can make higher payments which will reduce your balance earlier. You can also clear your outstanding balance at one go at no extra cost.

### **Making extra repayments**

Whatever you earn, you can pay off your loan more quickly by making extra repayments voluntarily. If you do choose to make extra repayments, you will pay your loan off more quickly. You cannot get a refund of any amounts you repay voluntarily, unless you have finished paying off your loan and over-paid.

### **Over Repayment**

If you overpay your loan and pay back more than you actually owed, you will receive a refund. We will not make refunds unless you ask us to do so.

### **Living abroad**

If you do not live in Kenya and work abroad, you must tell us, and make arrangements to make your repayments direct. If you think you may not be in regular contact while you are away, you may



want to grant authority to someone to act on your behalf.

Non-compliance will attract penalties on your loan and where necessary, ask you to repay the full amount of loan, plus interest and penalties in one lump sum.

### **Exceptions from loan repayment**

There are circumstances where your student loan may be cancelled so that you never have to pay it back. These instances are:

- If you die before you pay the loan off; or
- If you become disabled and because of that disability you are registered as being permanently unfit for work.

### **What if I decide to take a further course of study at a later date?**

At some point after completing your first course, you may want to take a further course of study.

If you are eligible for, and take out, student loans for this further study, you need to be aware that the two loans must be repaid concurrently.

### **Sharing information**

HELB can legally give information about your repayments to the Credit Reference Bureau (CRB) or any other such body for either positive or negative listing (whichever is applicable).

## **MISSION**

*To Provide Affordable Loans, Bursaries and Scholarships to Kenyans Pursuing Higher Education*

#### 4. Your responsibilities

A loanee shall be required, subject to and in accordance with HELB Act 1995 or any regulations made there under, within one year of completion of his studies or within such period as the Board decides to recall its loan whichever is the earlier:

- (a) to inform the Board of his/her contact address;
- (b) to begin repayment of his/her loan together with any interest accrued thereon;
- (c) If he is in formal employment, to authorize his employer to deduct the loan repayment and to remit it to the Board in such a manner as the Board may direct.

When you take out a loan, we will ask you to sign a declaration which will be a contract. This states that you have read and understood the Terms and Conditions. You must agree to repay your loan in line with the regulations that apply at the time the repayments are due and as they are amended. The regulations may be replaced by later regulations. You must make sure that you provide complete and correct information when you take out the loan. You must tell us about any changes to these details:

- during the application process;

- while you are at university or college; and
  - Until you have repaid your loan in full.
- Your loan agreement is a contract.

#### Information needed

When you take out a loan, you will have to give specific information so that repayments can be collected when they are due.

You must provide your National Identification (ID) and Personal Identification number (PIN). We cannot process your application without this.

#### Changes in your circumstances

As part of the contract you sign, you must tell us about changes in your circumstances. For example, you must let us know about:

- change of your postal address;
- change of the academic year in which you will begin your course;
- if you do not begin to study, leave your course or are expelled;
- Going abroad;
- Change of employer;

#### Repaying more than one type of loan

If you have more than one HELB loan, you will normally have to repay the loans you took out for each course in line with the normal terms and conditions. This means that you will have to repay all the loans concurrently.

## 5. Keeping track of your payments

### Loan repayment statements

Loan repayment statements can be viewed from our website [www.helb.co.ke](http://www.helb.co.ke) . Should you have any query on your statement, kindly contact [statements@helb.co.ke](mailto:statements@helb.co.ke) .

### Coming to the end of repaying your loan

Upon completion of loan repayment, kindly seek clearance from HELB. **Please note that only HELB and not your employer can confirm your loan repayment status.** HELB shall confirm loan repayment completion by way of issuing certificate of clearance. Please contact [certificate@helb.co.ke](mailto:certificate@helb.co.ke)

### What happens if you don't make your repayments?

By law, you must repay your loan in line with the contract and the regulations. Any loanee who fails or neglects his/her obligations may be charged a penalty which will be added to your loan account and where necessary, ask you to repay the full amount of loan, plus interest and penalties in one lump sum.

Employers have a responsibility, by law,

- (a) Upon the employment of any loanee to inform the Board in writing within a

period of three months of such employment;

- (b) Upon confirmation by the Board that such a person so employed is a loanee, to deduct from the wages or remuneration of the loanee, the amount of any loan as instructed by the Board.

The employer shall pay every deduction from the loanee's wages or remuneration in the prescribed manner to the Board within 15 days after the end of each month.

The employer may have to pay fines if they do not comply.

- In order to enhance customer satisfaction, HELB has implemented a Quality Management system that is based on ISO9001:2008 standard. We are committed to continually improve effectiveness of our Quality Management System.
- Quality objectives established at relevant functions and levels within HELB shall be reviewed from time to time for continuing suitability.

## 6. What to do if you are not satisfied

### Complaints

We always try to get things right first time. However, sometimes things can go wrong and you may not be happy with the way in which we have delivered our service to you. If so, let us know and we promise that we will do all we can to put things right. Queries can usually be settled quickly and easily by telephoning the department you have been dealing with and explaining the problem. If this does not resolve the issue, you can make complaint

- By e-mail to : [complaints@helb.co.ke](mailto:complaints@helb.co.ke)  
Please quote your national ID number in all correspondence.
- By writing to:  
Manager Loan Repayment and Recovery  
Higher Education Loan Board  
P.O. Box 69489 - 00400  
Nairobi.

### Appeals

These are different from complaints. You may be happy with the way your account has been handled but you may feel that a decision about your account (for example, the amount you have been asked to repay

each month) is not correct and you want to appeal. As in the case of complaints, we have procedures for dealing with appeals and you should follow these.

### Useful contacts

Our esteemed clients may reach us through our ISDN Telephone line 2278000. If you know the extension you would like to reach, simply dial the first four digits [2278 and add the extension number e.g. 2278123]

In order to enhance communication with our various clients, the Board has put in place a number e-mail addresses through which different issues can be raised with the Board. They are as follows:

- General loan repayment queries should be channeled to: [recovery@helb.co.ke](mailto:recovery@helb.co.ke)
- Employers should forward their monthly Loan remittance schedules through: [remittance@helb.co.ke](mailto:remittance@helb.co.ke)
- [billing@helb.co.ke](mailto:billing@helb.co.ke) : if you want to start/resume repayment;
- [statements@helb.co.ke](mailto:statements@helb.co.ke) : to resolve statement queries;
- [certificate@helb.co.ke](mailto:certificate@helb.co.ke) : to request for clearance;
- [refund@helb.co.ke](mailto:refund@helb.co.ke) : to request for a refund of over-payment;
- [alternative@helb.co.ke](mailto:alternative@helb.co.ke): for queries on alternative loan

## 7. Summary

### Your responsibilities

- To repay your loan in line with the regulations;
- Keep us up to date with any personal details (for example, if your address, name or employment details change)
- Give us any other information we ask you for;
- Keep track of your own repayments;

### What you can expect from us

- Statements showing your loan repayment status;
- Certificate of clearance upon completion;
- Help and advice on your loan and repayments;
- Refunds of any over-payments;

We cannot make sure your repayments will stop at the right time (without your help).

## 8. Frequently asked questions

**Q:** How often do you send Loan statement?

**A:** To know your loan status visit our website: [www.helb.co.ke](http://www.helb.co.ke)

**Q:** What are the modes of repayment?

**A:** Check off system, Credit card, Standing order, Cash/cheque deposits to HELB Account.

**Q:** How do I pay my loan from abroad?

**A:** Credit card or Direct Transfer to HELB account number 300 040 012, Citibank Nairobi. Swift code CITIKENA

**Q:** What happens if I default?

**A:** You will be penalized. For each month that remains unpaid you pay a fine of not less than five thousand shillings.

**Q:** Can you clear in one instalment?

**A:** Yes, without any extra charges.

**Q:** Why charge ledger fees?

**A:** For maintenance of the account.

**Q:** What happens when I clear my loan?

**A:** You will be issued with a certificate of clearance.

**Q:** How do you tell where I am?

**A:** Within one year of completion of your studies or earlier you are supposed to inform the Board of your whereabouts or face a penalty.

**Q:** What happens if I overpay?

**A:** HELB shall refund the overpayment.

**Q:** How long does it take to get a refund?

**A:** A maximum of one month

**Q:** What if I die before clearing the loan?

**A:** HELB can waive the loan upon request from your next of kin.

**Q:** What happens if I change employers?

**A:** You continue paying with the new employer.

**Q:** Loans are not recoverable after six years. Is it applicable in your case?

**A:** No.

**Q:** Can interest be waived for Muslims?

**A:** No. Accepting to pay interest is one of the conditions to qualify for the loan.

**Q:** Do you repay the loan if you are on probation?

**A:** Yes.

**Q:** How do you determine the monthly deduction rate?

**A:** We are supposed to deduct up to 25% of the basic Salary.

**Q:** Payslip balance does not tally with that in HELB statement.

**A:** Payslip balance includes both accrued and projected interest. HELB balance includes accrued interest.

**Q:** My payslip balance reads zero, does that mean I have cleared loan repayment?

**A:** Not necessarily. Please confirm with your loan statement and seek clearance from HELB.

**Q:** Does my employer need authority from me to make loan deductions?

**A:** No.

**Q:** Can I instruct my employer to start deductions without first consulting HELB?

**A:** Yes

**Q:** My employer stopped deductions from my pay, that's not my mistake.

**A:** Loan repayment is your responsibility. Please keep track of your repayment until completion.

**Q:** What happens if an employer does not remit the deductions made?

**A:** A penalty 5% per month is charged on the employer for every deduction that remains unpaid.