European Commission

ERASMUS+ MASTER LOANS

Erasmus+ Master Loan Scheme: opening up access to more affordable lending for cross-border studies

The Erasmus+ programme makes it possible for students who want to take a full Master's-level degree in another Erasmus+ programme country to apply for an Erasmus+-backed loan on more affordable conditions. Erasmus+ is offering this because studying abroad can be expensive; while some countries make it possible to use national student grants and/or loans in other countries, many do not, and the funding available may also not be enough to cover all the costs – especially in countries with high living costs.

The Erasmus+ Master Loan Scheme is a new and additional action and does not replace Erasmus+ grants, which continue to be the main part of the Erasmus+ programme.

The loans are up to €12,000 for a one-year Master's programme and up to €18,000 for a two-year Master's and can cover both living and tuition costs in any of the 33 Erasmus+ programme countries. **You must follow the Master's programme in a different country from your country of residence, and in a different country from where you took your Bachelor's degree.**

MicroBank in Spain was the first bank to participate in the Erasmus+ Master Loan Scheme in 2015. From June 2016 onwards, Banque Populaire and Caisse d'Epargne from France (both part of the BPCE group) are also providing EU-guaranteed Erasmus+ Master loans.

These banks target outgoing Master students, as well as those incoming students from other Erasmus+ programme countries wishing to take a Master's programme in Spain or France. Applications must be made directly to the banks, through a local branch or online The banks concerned will assess your application and explain all the terms.

As more banks will be participating, the Erasmus+ Master Loan Scheme will be gradually rolled out across the Erasmus+ programme countries over the first years of the programme.

This is a loan, not a grant, so it must be paid back, but special conditions make the repayment terms easier, including:

- neither you nor your family needs to provide any collateral to be approved for a loan;
- the interest rate is lower than the market rate, because the financial intermediary must pass on the benefit of the EU guarantee;
- the repayment terms allow for a 'grace period' of up to one year following the completion of your studies before repayments begin and a further one-year 'payment holiday' which can be taken throughout the duration of your loan.

The loan scheme is being established in cooperation with the European Investment Fund (Part of the EIB Group). Through the EIF, the EU provides a partial guarantee to the participating banks in case students fail to repay their loans – up to 90% of individual loans and up to 18% of the portfolio volume. The EU guarantee lowers the risks and leverages private funding from the banks to provide student loans at favourable terms.

Answer yes to all the following questions and you may be eligible to apply for a student loan backed by the Erasmus+ Master Loan Scheme.

1. **Are you a resident of one of the following Erasmus+ programme countries:**

   One of the 28 EU Member States (Belgium, Bulgaria, Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden, United Kingdom)

Other associated countries: EU Candidate Countries (the former Yugoslav Republic of Macedonia, Turkey); plus Iceland, Liechtenstein and Norway.

2. **Have you successfully completed first cycle higher education studies (Bachelor's or equivalent) and been accepted for a 2nd cycle programme (Master's or equivalent) at a Higher Education Institution which holds the Erasmus Charter for Higher Education?**

   A list of Higher Education Institutions which hold the Erasmus Charter for Higher Education is available at the link below:

   https://eacea.ec.europa.eu/erasmus-plus/actions/erasmus-charter_en

3. **Is your country of residence different from the country where you intend to take your Master's degree?**

4. **Is the country where you intend to study also different from the country where you obtained your Bachelor's degree (or the equivalent degree which gives you access to the Master's you want to take)?**

   Why this requirement? The Erasmus+ Master Loan aims to support learning mobility; it can't support studies which are within the same country or support you to go back to study in your home country after completing studies abroad.

5. **Is the Master's (or equivalent) a full programme that will lead to a degree?**

   Credit mobility (where you only study for part of your qualification abroad) is not eligible for an Erasmus+ Master Loan, but you may qualify for an Erasmus+ mobility grant. In case of doubt, contact the Erasmus+ national agency in your country for more information

   http://ec.europa.eu/programmes/erasmus-plus/national-agencies_en.htm

If you answered yes to all of the above questions, then you may be eligible to apply for a student loan backed by the Erasmus+ Master Loan Scheme.

Please note that the above information is for illustrative purposes only; it cannot be taken as a decision on whether you will be approved for a loan. The decision will be up to the participating bank or student loan company, based on an examination of your application and the provision of necessary proof demonstrating that you comply with the eligibility criteria.

Where to find out more

To find out more, or to apply for an Erasmus+ Master Loan, please visit the participating banks, through a local branch or online:

- **MicroBank** (outgoing & incoming students from/into **Spain**);
- **Banque Populaire** / **Caisse d'Epargne** (outgoing & incoming students from/into **France**).

When more banks will be participating, the updated list of participating banks and student loan companies will be published on this site.

Some Frequently Asked Questions:

1. **What if I need less than €12,000 or €18,000?**

   The amount you apply for is up to you and will depend upon your circumstances; the above figures are maximum amounts

2. **I already had an Erasmus grant during my Bachelor's studies, can I still apply for an Erasmus+ Master loan?**

   Yes.

3. **How many loans will be given?**

   During the lifetime of the Erasmus+ programme (2014-20) an estimated 200,000 student loans will be supported. The Erasmus+ Master Loan represents 3.5% of the Erasmus+ programme (approx. €520m) which will be boosted by funding from participating banks, bringing the total budget available for loans to over €3bn during the programme period.

4. **Can I combine an Erasmus+ Master loan and an Erasmus grant?**

   You cannot receive an Erasmus grant and apply for an Erasmus+ Master loan at the same time to study in one single place. However, you could be entitled to benefit from an Erasmus+ Master loan if you want to study abroad for a full Master's Degree (remember, not your country of residence or the country where you obtained your Bachelor's degree), and still receive an Erasmus+ grant to complete part of those studies in another of the Erasmus+ programme countries.

   For example, if you want to complete a 2-year Master's degree in one country and spend during the course of these studies an Erasmus+ semester in another country (or join a summer school funded by Erasmus+). For the avoidance of doubt, the Erasmus+ Master loan is compatible with any other grant a student might have.

5. **Will the interest rates/conditions be on the same level in different countries?**

   Bank interest rates vary across the EU; also the interest rate which applies to student loans backed by the Erasmus+ guarantee will vary in function of national circumstances. The interest charged will be lower than under regular consumer credits, though, since the bank or student loan body should transfer the benefit of the EU guarantee to students.

6. **I want to participate in a joint / double / multiple Master's degree, in which my home university** (or a university in my home country) **is also participating. Will I still be eligible to apply for the Erasmus+ Master Loan?**

   Yes. The Erasmus+ Programme also supports students taking joint, double or multiple degrees. Since the scheme aims to support mobility, at least 50% of total credits awarded under the degree should be obtained at an institution abroad which meets the normal eligibility and mobility criteria. Equally, you qualify for the scheme if you can demonstrate that at least 50% of the total study duration takes place at the institution abroad.

7. **The country where I want to pursue my Master's degree is not the country of my current residence but it is my country or origin. Am I an eligible candidate in such case?**

   Eligibility is based on residence rather than nationality. Thus, you will be eligible to apply if the country where you intend to take your Master's degree (even if it is your country of origin) is different from the country of your current residence and also from the country in which you obtained your qualification giving access to the Master's Degree.

8. **If I fulfil the eligibility criteria. How will the bank decide if it will offer me the Loan?**

   Banks will make the assessment of your loan request based on their usual banking practices, as for other credit applications. They have to ensure equal treatment, including on your chosen field of study or social background (e.g. regarding nationality, race or ethnicity, sex, sexual orientation, religion or belief).

9. **I already hold a Master's degree. Can I still apply for the Loan to get another Master's degree?**

   Any degree mobility at Master's level may be supported through the Erasmus+ Master Loan Scheme. However, if you obtained your first Master's degree with the support of an Erasmus+ Master Loan, you would not be eligible to apply for a second loan.

10. **Is it possible to ask for the Loan during the second year of the Master's degree?**

    The Erasmus+ Master Loans intend to support mobility, which is verified by means of residency criteria. Should the student requesting the loan already have changed residency, it must have been with a view to pursue the Master's course and within the three months prior to the application date. Consequently, if you wish to apply for the loan during the second year of the Master's degree, it would be advisable to make an application before the start of the programme, while requesting to only make it effective during the second year of the Master's course.