



# ERASMUS+ MASTER LOANS

## **Erasmus+ Master Loan: 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.**

You are able to apply from 15 June 2015 onwards to MicroBank in Spain ([www.microbanklacaixa.es](http://www.microbanklacaixa.es)), which is the first bank to participate in the Erasmus+ Master Loan Scheme. MicroBank's student loan offer targets both Spanish outgoing Master students, as well as those students from other Erasmus+ programme countries wishing to take a Master's programme in Spain. The bank concerned will assess your application and explain all the terms.

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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.**

**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)

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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 2<sup>nd</sup> 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 on the website of the Education, Audiovisual, and Culture Executive Agency<sup>1</sup> (EACEA).

**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*

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<sup>1</sup> [https://eacea.ec.europa.eu/erasmus-plus/funding/erasmus-charter-for-higher-education-2014-2020\\_en](https://eacea.ec.europa.eu/erasmus-plus/funding/erasmus-charter-for-higher-education-2014-2020_en)

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*qualify for an Erasmus+ mobility grant. Contact the Erasmus+ national agency in your country for more information*

[http://ec.europa.eu/programmes/erasmus-plus/national-agencies\\_en.htm](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**

MicroBank in Spain ([www.microbanklacaixa.es](http://www.microbanklacaixa.es)) is the first bank to participate in the Erasmus+ Master Loan **Scheme, that is operational since mid-June 2015.**

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

In the meantime, if you want to find out more, please contact your Erasmus+ National Agency [http://ec.europa.eu/programmes/erasmus-plus/national-agencies\\_en.htm](http://ec.europa.eu/programmes/erasmus-plus/national-agencies_en.htm)

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

*You can't have an Erasmus grant and a loan to go to the same place, but if you want to study abroad for a full degree and part of those studies is in another of the 33 Erasmus+ programme countries that's ok (remember, not your home country or a country where you studied before). For example, if you want to follow a 2-year Master's in one country and as part of that programme there is a semester in another country.*

**4. 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 available for loans to over €3bn during the programme period.*

**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 the 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.*