FNB Student Loan frequently asked questions.

1. What is a principal debtor and who can be a principal debtor for a Student Loan?

A principal debtor refers to the person (the student/parent/guardian/sponsor) who enters into a credit agreement with the Bank. This person is responsible for the repayment of the Student Loan as per their contractual obligations.

2. What can a Student Loan be used for?

The loan can be used for:
- Tuition fees
- Textbooks, other study material and devices
- The student’s accommodation
- Equipment

3. How long will my Student Loan application take to be processed?

A Student Loan application can be processed within 24 hours depending on supporting documents being submitted timeously.

For FNB banked customers, document/s required are:
- A copy of the applicant’s SA green bar-coded ID or Smart Card ID
- Proof of enrolment from the tertiary institution / proof of registration

For non-FNB banked customers, document/s required are:
- A copy of the applicant’s SA green bar-coded ID or Smart Card ID
- Proof of enrolment from the tertiary institution / proof of registration
- Proof of residence not older than 3 months
- Proof of income:
  - Your latest 3 months’ bank stamped statements reflecting 3 months’ salary deposits or your latest 3 months’ payslips.
  - If you are self-employed, your latest 6 months’ bank stamped statements and Personal Tax Assessment (ITA 34).

4. Can I apply now and receive the pay-out at a later stage?

No, the Student Loan will be paid out once the application is successfully processed by the Bank.

5. Will the FNB Student Loan fund my studies at any tertiary institution?

Yes, however the extent of the funding may be limited in certain instances.

6. How does funding for a Student Loan work?

Student Loans are applied for on an annual basis and a new loan application is required for each academic year of study.

The application is subject to a credit and affordability assessment, which will determine how much you qualify for. It is strongly recommended that you only borrow the amount of money required per academic year and keep financial obligations low to avoid the risk of not being able to secure finance for the entire duration of studies.
What is CPP and what does it cover?

It is the credit life insurance, provided by FNB Life, known as the Customer Protection Plan (CPP).

The applicant may take up our CPP or cede a suitable insurance policy. The ceded insurance policy must cover both principal debtor and student. To cede an insurance policy, the applicant must email their replacement policy to smlprdpolicycessions@fnb.co.za for assessment.

It is a requirement by the Bank that the customer must have credit life insurance at all times during the term of the loan to cover the principal debtor and the student in the event of:
- Death
- Permanent and Temporary Disability
- Unemployment/Inability to earn an income.

If I choose to cede my own credit life insurance policy; what benefits must be covered?

You may provide your own suitable replacement credit life policy. Your policy must provide you with all the benefits that the FNB Life CPP offers i.e. death, permanent disability, temporary disability and unemployment/ inability to earn an income. Cover amounts on a replacement policy need to be equal to or greater than that offered under the FNB Life CPP. The ceded insurance policy must cover both principal debtor and student. It is only where the replacement credit life insurance policy is suitable, that the Bank can accept the cession.

To cede an insurance policy, the applicant must email their replacement policy to smlprdpolicycessions@fnb.co.za for assessment.

How is the interest rate on a Student Loan structured?

The interest rate is linked to Prime and is dependent on the customer’s credit risk profile.

Which bank account does FNB use to deposit the Student Loan?

Money is paid directly into the principal debtor’s nominated account. FNB Loans does not deposit funds into any tertiary institution’s bank account.

If I need to change my banking details, how do I do it?

Banking details can be changed by sending a request to debitorderchange@fnb.co.za
Am I allowed to make additional payments into my Student Loan account and can I settle the Student Loan early?

Yes, you can make additional payments into the Student Loan account and settle the account early with no penalty.

When do I start paying back the Student Loan?

Repayment starts the following month after pay-out of the loan. While the student is studying, you will pay the interest, fees and charges and once the student completes their studies you will pay interest, fees, charges and capital.

To enjoy the benefit of only paying interest, fees and charges while the student is completing their studies, proof that the student is still studying must be submitted before the end of May for each academic year to stdocs@fnb.co.za

Is a Student Loan only available to FNB customers?

No, a Student Loan is available to both FNB and non-FNB banked customers.

Can a Student Loan be transferred from the principal debtor to a student?

No, payment details can be changed to the student’s details however, the principal debtor still remains responsible for the paying the Student Loan, should we stop receiving payment from the student’s account.