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| MEMORANDUM FROM THE PARLIAMENTARY OFFICE |

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**QUESTION 4091**

**DATE OF PUBLICATION OF INTERNAL QUESTION PAPER: 4/11/2022**

**INTERNAL QUESTION PAPER NO 44 OF 2022**

 **Mr S Tambo (EFF) to ask the Minister of Higher Education, Science and Innovation:**

(1) Whether, with reference to his utterances in the public domain regarding the funding for the so-called missing middle and getting the private sector, particularly the banks, to provide loans to students for their studies, his department has entered into any formal and/or informal agreements with the banking sector to fund education; if not, why not; if so,

(2) whether there has been any feasibility study done on (a) the impact of loans as a method to fund students and (b) whether loans as a method to fund students will not create massive debt traps as seen in countries such as the United States; if not, why not; if so, what are the relevant details?

**NW5103E**

**REPLY:**

(1) No, the Department has not entered into any agreements with the banking sector to provide loans to missing middle students. However, there have been engagements with banks about the possibility of a loan scheme supported by government guarantees.

(2) Issues relating to the feasibility of loans were explored in earlier work conducted by the Department, particularly by a Ministerial Task Team that reported in 2016. The findings of this work were incorporated into the report of the Ministerial Task Team, whose recommendations are currently under discussion. The work of this MTT reviewed previous policy advice provided to government. In addition, the report reflected on the findings of the Heher Judicial Commission on the funding of higher education, which included recommendations for an income-contingent loan model, which would include the tax-collection authority. In investigating a possible future loan model, the Department will be mindful of the student debt situation and the feasibility of collecting loans.