

Making **school fees** affordable



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As parents, we all want to give our children the best possible start in life. A private education is one of the key ways in which we can equip them to take full advantage of the opportunities that life will bring. However, when the time comes to paying school fees, our budgets can sometimes be put under considerable pressure.

If we have the funds to hand, making a one-off payment is all well and good, but it can have a considerable impact on our bank balance and perhaps deplete any reserves we might be holding to cover future unforeseen expenses. If it's a little harder to lay our hands on the money, the prospect of paying out a lump sum may even make us question the affordability of that crucial decision to invest in our children's future.

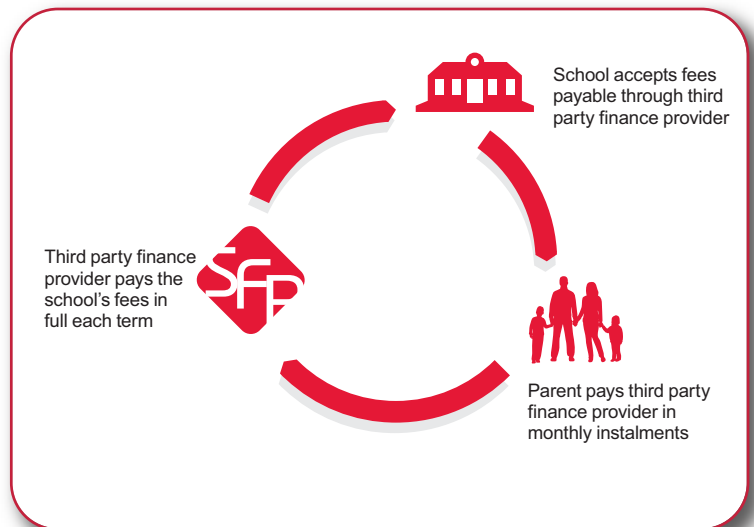
Alternatively, if you are a UK resident aged over 18 and your bank account supports payments by Direct Debit, the more flexible solution of school fee finance – which can be arranged through a specialist provider like School Fee Plan (SFP) – may be more suitable for your needs.

SFP is the market-leading school fee finance provider in the UK and can help you to spread the cost of school fees over monthly instalments.

How does school fee finance work?

School fee finance is a way of minimising the financial impact of independent school fees by allowing you to make regular monthly payments by Direct Debit. By taking advantage of this alternative to a sizeable lump sum outlay, many parents find that any financial strain can be eased and the family's cash flow can be more easily managed and controlled as a result.

It's easy to arrange school fee finance if your school uses a third party finance provider. Here's how it works:



Considering the pros and cons

As well as lightening the financial burden, school fee finance can also offer valuable flexibility. Not only can it cover the fees themselves, but extras such as music lessons or sports programmes can also be included. And because the school fee finance provider liaises directly with the school, if there are any changes to these arrangements during the school year, your monthly payments can be adjusted accordingly.

As with other forms of borrowing, there are some costs involved in taking out school fee finance. These come in the form of a transaction fee for the loan. Such costs may vary amongst different school fee finance providers.

A representative example* based on an assumed annual school fee of £12,000 repaid over 12 months is:

Representative 6.1% APR variable

Annual school fee	£12,000
Transaction fee of 2.75%	£330
Total amount payable	£12,330

Monthly minimum repayment	£1,027.50
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** Please note: the representative example applies to School Fee Plan only. Credit is subject to status. Terms and Conditions apply.*

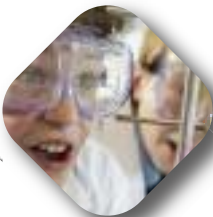
The practicalities of obtaining school fee finance

To help you make your decision about whether school fee finance is right for you, further information can be provided by the school, together with a credit agreement including Pre-contractual Explanations.

If you decide to go ahead, simply complete and return the credit agreement to the school who will send the form to the finance provider. Once approved* you will receive confirmation of the monthly payment amounts and when the first payment will be taken from your bank account.

The provider will then pay the school the fees in full each term and collect regular monthly payments from you in line with the credit agreement.

** Credit is subject to status.*



Frequently Asked Questions*

Q:
Can you apply for finance if you work overseas?

A: Yes, provided your main residence is in the UK and you hold a UK bank account.

Q:
Will the School Fee Plan undertake a credit assessment?

A: Yes, under UK law we are required to conduct an assessment of creditworthiness and we may conduct a search of your credit records, request a credit score, or use any current or previous credit agreements to help us carry out a credit assessment.

Q:
When can you apply for school fee finance?

A: You can apply at the beginning of the Autumn and Spring terms.

Q:
Can you repay the outstanding loan at any time?

A: Yes, you can repay any outstanding balance at any point during the term of the loan without penalty.

Q:
When will we pay the term's fee to the school?

A: On approval, we will pay the school at the start of each term.

Q:
Are there any hidden charges?

A: No, subject to payments being made in accordance with your credit agreement, you will only pay the transaction fee applicable.

Q:
Can you vary the Direct Debit due date?

A: Yes, you can pay on any day of the month. However, payments can only be made 5 days later than the due date. For example, if the due date is 1st September and you would like the Direct Debit payment to come out of your bank account on the 28th of the month, the payment date would be moved to 28th August and monthly on the 28th thereafter.

** Please note: the above questions apply to School Fee Plan only and the answers may differ for other providers.*

Glossary of terms

◆ **School fee finance**

Finance provided by a school or third party provider to enable parents to pay school fees by monthly Direct Debit. Also enables any extras (e.g. music lessons) to be financed.

◆ **Credit agreement**

An agreement between a parent and the third party finance provider that states that the provider will provide funding for the parent's school fees and that the parent will make the repayments due.

◆ **Credit assessments**

Applications for credit will be assessed against a range of criteria, including the amount of the school fee and duration of the credit agreement. In line with the Consumer Credit Act – and amendments resulting from the EU Consumer Credit Directive which became effective on 1st February 2011 – the assessment will also include a search of public information held by a credit reference agency.

◆ **Transaction fee**

The charge made for using the School Fee Plan facility.



School
FEE PLAN

About School Fee Plan

This guide is brought to you by School Fee Plan, part of Premium Credit Limited. Working with several hundred schools across the UK, School Fee Plan leads the field in providing a cost effective and flexible way to spread the cost of school fees. In fact, we've been supporting parents in this way for 15 years and we currently help thousands of parents to ease their finances by offering a cost effective and flexible alternative to making lump sum payments.

Premium Credit is the No.1 Premium Finance Company in the UK and Ireland with 1.7 million customers, gross advances of £3 billion and 17 million Direct Debits processed in 2010.

For more information

If you're interested in finding out more about school fee finance, please contact your school to find out if they are able to help you spread the cost, either with an in-house facility or with a specialist provider, such as School Fee Plan.

For more information on School Fee Plan, please visit www.sfschoolfees.co.uk

School Fee Plan is a trading name of Premium Credit Ltd.
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