Income Share Agreements Early Settlement Policy

This policy is effective from September 5th 2022 for most ISAs[1], but excludes UK SIAs. If you are a UK customer and wish to settle your SIA early, please contact our customer success team (support@studentfinance.com).

Policy Summary

For students who wish to settle their Income Share Agreement early, StudentFinance will offer a discount on the ISA Cap (the Cap being the maximum € value you are obliged to share over the full ISA agreement). The discount applicable will depend on the number of payments that the student has already made, and is only applicable to students who wish to repay their ISA in full.

(A) **Where the maximum number of payments over the term of the ISA is greater than or equal to 25**

If your ISA maximum number of payments is greater or equal to 25 payments [2], the discount applicable will depend on the total number of payments made at the time you make the request for early settlement.

Discount bracket	Repayment window	Discount
Bracket A1	Between 0 and 6 repayments made	15%
Bracket A2	Between 7 and 12 repayments made	10%
Bracket A3	More than 13 payments made and until there are at least 12 payments remaining[3]	5%

(B) **Where the maximum number of payments over the term of the ISA is less than or equal to 24**

If your ISA maximum number of payments is less or equal to 24 payments, the discount applicable will depend how many payments you have made since beginning to repay you ISA

Discount bracket	Repayment window (since repayments began)	Discount
Bracket B1	Between 0 and 12 repayments made	5%
Bracket B2	Between 13 repayments made and until there are at least 6 payments remaining[3]	2.5%

Below is an illustrative example of how the calculation works. If you wish to repay your ISA in full, please contact support@studentfinance.com.

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[1] Some exceptions apply: please contact us for further details
[2] A full payment = payment made at or above the minimum income threshold
[3] When there are less than 12 payments remaining (A3) or less than 6 payments remaining (B2), no discount is applicable

Worked Example

ISA Terms
Tuition Fee: €6,500
% of salary payable: 12%
Maximum number of payments: 48
ISA Cap: €8,500
Minimum Income Threshold: €18,000

Discount Scenario
Student has been earning €19,000 for total of 28 months after graduation, has made all the repayments in full that were due and decides they wish to pay their ISA in full

Calculation example

1. Calculate the discount			
Month of discount	Month 29		

(i) Maximum number repayments: 48
(ii) Full payments made: 28
(iii) More than 13 payments made and more than 12 remaining = bracket A3

Discount Bracket A3 @5% (x) ISA Cap = discount due	5%	(x) €8,500 CAP	€425
ISA Cap (-) discount = Cap remaining after discount	€8,500	(-) €425	**€8,075**

2. Calculate the payments already made			
Monthly gross salary	€19,000	÷ 12 months	€1,583
(x) by % payable for ISA		x 12%	€190
Sum of payment made		x 28 months	**€5,320**

3. Balance due to settle ISA early			
ISA Cap after discount (-) payments already made	€8,075	(-) €5,320	**€2,755**