

**DEVELOPMENT OF EDUCATION LOAN MODEL IN THE
HIGHER EDUCATION OF THAILAND**


Sudtai Chaijuntuk

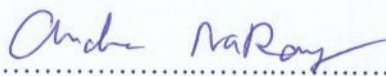
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Fulfillment of the Requirements for the Degree of
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DEVELOPMENT OF EDUCATION LOAN MODEL IN THE HIGHER EDUCATION OF THAILAND

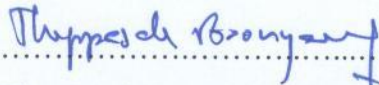
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ABSTRACT

Title of Dissertation	Development of Education Loan Model in the Higher Education of Thailand
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The purpose of this research is to study educational loan models for higher education in Thailand, the United Kingdom and Australia, as well as their strengths and weaknesses, and to propose educational loan models that are suitable for Thailand. Research information and tools to support the research included documents related to educational loans, in-depth interviews with administrators involved at the policy level, and interviews with borrowers of the Student Loan Fund (SLF) in Thailand. The findings of the research were as follows:

1) There are two types of educational loans in Thailand. 1) the Student Loan Fund (SLF) specifying that borrowers must settle loans at a specified rate and timeframe called a “Mortgage Style Loan” and (2) the Thailand Income Contingent Allowance and Loan (TICAL), which referred to as an “Income Contingent Loan” (ICL). The loans include both tuition fees and living costs. Their strengths are that those funds are supported by laws and regulations, and the loan criteria is diverse and flexible. They are a tool of the public sector for increasing opportunities for education and competition. In the case of the TICAL, it can lessen the burden of debt for low income earners. Their weakness is there is a channel for changing the policy of politicians in each period. Additionally, no debts were collected by the Department of Revenue and a large number of people involved and the process were duplicated. Too many relaxed conditions cause repayment and collection problems. In addition, there is no information system database for the borrowers etc.

2) There are two types of loans in the United Kingdom: the mortgage-style system or a fixed term loan for borrowers and an income-contingent loan (ICL), consisting of ICL “Plan 1” and ICL “Plan 2” for tuition fees and living costs. Their strengths are that they are income-contingent loans. This gives borrowers more accessible to loan sources. In addition, there are monitoring agencies and debt collection systems by the Office of Revenue and the Office of Customs etc. Their weaknesses are that the loans are provided to only students at the undergraduate level. It was also specified that loans will be repaid according to income and only the amount exceeding the criteria will be paid. The amount that borrowers settle towards their loans in each installment is not sufficient. The loan grant focuses mainly on the economy, with high interest rates fixed for high income earners which may lead to false disclosure of information about their income. Finally, there is no income monitoring system for borrowers who are not in the employment system.

3) Educational loans in Australia are currently income-contingent loan (ICL) and divided into five types: 1) the HECS – HELP Loan Scheme, 2) the FEE-HELP Loan Scheme, 3) the SA-HELP Loan Scheme, 4) the OS-HELP Loan Scheme and 5) the VET FEE-HELP Loan Scheme. Loans are given in terms of tuition fees and charges for student services or fees for facilitation, including expenses for some overseas courses. Their strengths are the diversity of loans which borrowers can select to suit their demand. They also provide loans for private educational institutions and vocational students. Furthermore, loan repayment is in accordance with income level, and as a result low income borrowers do not have to repay them. Those with an income must repay loans according to their income level calculated by their total income, not only the income that exceeds the criteria. This model helps borrowers with a high income can settle their loans sooner. The incentive of discounts is also given to students who pay their tuition fees in advance. A fee for fee-help loan scheme at 25% and vet fee-help loan scheme at 20% bring no risks to the Australian government in terms of collecting debts amongst these groups. The determination of interest rates in relation to the index of retail prices will not cause too much burden for borrowers and is consistent with economic conditions etc. Their weaknesses are that there are risks in the loan settlement of borrowers with a low income in the future. This may cause a burden to the public sector. Finally, loan settlement depends mainly on economic conditions because the interest rates are based on the index of retail prices.

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CHAPTER 1

INTRODUCTION

1.1 Background and Significance of the Problem

In today's borderless world, competition among different countries, both developed countries, especially those thriving on information technology (IT), and developing countries, has increasingly become complicated and fierce. The competition can be economic, social or political competition. Thus, different countries have tried to precipitately strengthen their competitiveness on par with other developed countries. However, apart from development or immediate problem-solving during urgent periods, great importance needs to be attached to sustainable development. It has been realized that the critical factors in national development consist of human resources and human resource development in order to achieve efficient labor-a basic factor in the production of goods and services, which has a relationship with the development and promotion of national growth in a sustainable way. One important development is the development of a local population's education.

Resource capital, especially budget monies, which will be used for providing educational services among developing countries, is often limited. Due to the fact that countries need to take into account the coverage of target groups, access to funding sources, and educational quality, they have continuously tried to develop educational concepts and educational systems. This aims to allow education to serve as a tool for developing national human resources so that they serve as labor that can efficiently compete with that in other countries. Their focus, which used to be on the supply side and support for educational institutions, has shifted to the demand side and market mechanisms with an emphasis on involving stakeholders, especially students, who directly benefit from education, in sharing the responsibility for educational costs more appropriately.

In Thailand, the Constitution of the Kingdom of Thailand, B.E. 2550 (2007), Article 49 of the National Education Act, B.E. 2542 (1999), and its Amendment, Article

60, stipulate that the state shall provide educational services to allow all individuals to have equal rights to, and opportunities for, basic education that is free for at least twelve years. They also stipulate that the state shall allocate national budget monies via general grants for individual costs of compulsory education and basic education provided by the public and private sectors on an equal basis. In addition, they indicate that the state shall allocate scholarships in the form of loans for students from families with low income as appropriate and necessary, as facilitated by limited resources. Under the administration of Prime Minister Abhisit Vejjajivas, it was resolved in 2009 to approve the implementation of the policy to increase educational opportunities by offering free education services for 15 years, from kindergarten to senior secondary levels, vocational education, and non-formal education to all government schools, private schools, and schools under local administrative organizations. For government schools, the government will support 100 percent of the tuition fee. As for private schools, the government will provide them with additional subsidies.

The Thai government has continually stressed the importance of education. In 2015, a budget totaling 531,044.8 million baht was allocated for education, which represented 20.6 percent of the total national budget, which equated to 2.575 billion baht. The budget aimed to serve as operational expenditure for educational administration and educational services from the pre-primary to higher education and non-formal education, scholarship provision, and research to improve education. The budget monies also include grants for local administrative organizations to be used for educational affairs. From 2011 to 2015, the Ministry of Education was continuously allocated the highest amount of budget monies among the country's various ministries, except for the year 2012, when the amount was second to the central budget. The statistics of budget allocation for the Ministry of Education from 2011-2015 is as follows:

Table 1.1 Statistics of the Annual Budget Allocation for the Ministry of Education, 2011-2015

Year	Ministry of Education (million baht)	Annual budget (million baht)	Percentage of the annual budget	Increase from the previous year	
				Amount (million baht)	Percentage
2011	392,454.1	2,169,967.5	18.1	45,741.0	13.2
2012	420,490.0	2,380,000.0	17.7	28,035.9	7.1
2013	460,411.7	2,400,000.0	19.2	39,921.7	9.5
2014	482,788.6	2,525,000	19.1	22,376.9	4.9
2015	501,326.1	2,575,000	19.5	18,537.5	3.8

Note: The MOE's Budget, Totaling 346,713.1 Million Baht.

The report on the quality of life among rural Thai people based on the data about basic necessities for the year 2013 (Community Development Department, 2013: 9, 44) identified that 48.28 percent of the Thai population in rural areas, held primary education, followed by junior secondary education (Matthayom 1-3 (Grade 7-9)), representing 15.17 percent and senior secondary education (Matthayom 4-5 and vocational degree (Grade 10-12)), representing 12.07 percent. Only 6.5 percent of them held a bachelor's degree or higher; 25.21 percent completed nine-year compulsory education but did not pursue higher education and did not receive vocational training.

Educational opportunities among Thai students did not cover all target groups; therefore, in 1995, the administration of Prime Minister Chuan Leekpai initiated the establishment of a student loan fund called the Student Loan Fund (SLF) to serve as a tool to tackle educational inequality in Thai society by increasing educational opportunities for higher education for students from families with low income. The development of the models and operations of SLF is described below.

SLF was established pursuant to the Cabinet Resolution on 28 March 1995. The Ministry of Finance, the Ministry of Education, and the Office of the Higher Education Commission served as the main agencies responsible for operations of this

student loan fund. On 16 January 1996, the government allocated a budget for working capital for the fiscal year 1996 to the Ministry of Finance for the first loan consisting of 3,000 million baht. In 1998, to streamline the fund management and provide the Fund Management Office, the government promulgated the Student Loan Fund Act, B.E. 2541 (1998), which has been in effect since 25 March 1998, resulting in it becoming a legal entity under the supervision of the Ministry of Finance since that time.

SLF is a legal entity under the operations of the Student Loan Fund Office, in which the Fund Manager acts as the top executive. Thus, its administration and spending styles are characterized by non-budget working capital in compliance with the Treasury Balance Act, B.E. 2491 (1948), and its revenue mainly comes from government subsidies.

SLF's main funding source is the annual government statement of expenditure. It prepares budget requests through the Office of the Permanent Secretary, the Ministry of Finance. In the first budget request, the Ministry of Finance expected to provide loans to 132,000 students for the 1st year, 214,000 students for the 2nd year, as well as 278,000 students for the 3rd year, which represented an amount of 6,294, 10,726, and 14,592 million baht, respectively. It also expected to offer loans to 300,000 students each year, from the 4th to the 25th year, which represented 17,588 million baht a year to 46,666 million baht in the 25th year, based on an annual average increase loan rate of 5 percent per student (based on forecasted inflation). However, the budget monies allocated by the government to the Fund for the first time, in 1996, was only 3,000 million baht. The total budget monies the government allocated to the Fund from the time the Fund was established until 2015 totaled 410,449.1062 baht, representing approximately 25.78 percent of the total budget allocation by the government under the non-budget working capital. The amount allocated by fiscal years is classified in Table 1.2.

Table 1.2 Budget Monies Allocated to SLF, Fiscal Years 1996-2015

Year	Fiscal year	Budget monies allocated to SLF (million baht)	Budget monies allocated to the working capital (million baht)	Percentage (%)
1	1996	3,000.0000	NA	NA
2	1997	8,450.0000	NA	NA
3	1998	18,300.0000	NA	NA
4	1999	20,000.0000	NA	NA
5	2000	25,600.0000	NA	NA
6	2001	28,000.0000	NA	NA
7	2002	28,000.0000	NA	NA
8	2003	27,000.0000	NA	NA
9	2004	27,160.0000	NA	NA
10	2005	27,849.6000	84,308.5179	33.03
11	2006	25,108.9240	116,147.2717	21.62
12	2007	31,323.7870	185,402.8793	16.89
13	2008	24,218.5571	179,077.7837	13.52
14	2009	25,675.3970	179,189.5679	14.33
15	2010	20,068.8411	163,261.5420	12.29
16	2011	18,000.0000	186,660.4883	9.64
17	2012	9,500.0000	212,534.7437	4.47
18	2013	12,000.0000	285,523.1016	4.20

Note: The Budget Monies Allocated to the Working Capital Each Year Excluded Working Capital that was Zbolished.

From SLF's establishment period to the fiscal year 2015, the government allocated a large amount of budget monies to this fund, which included 3,000 million baht in the fiscal year 1996 and it increased every year, with the highest amount in the fiscal year 2007 which consisted of 1,323.78 million baht. Over the last eight fiscal years, a decrease in the support for the Fund has been witnessed because the Fund received payback from students; however, the budget support was relatively high. From fiscal years 2013-2015, the annual budget support by the government was equal to 12,000.00, 16,800, and 14,394 million baht, respectively, which represented 4.20,

9.50, and 8.56 percent of the total budget monies that the government allocated to all the working capital or the Revolving Fund.

The fact that the government had to continually subsidize SLF stemmed, in part, from the fact that there were loan repayment defaults and delays. From 2007 to 2010, there were 63,790, 72,032, 44,186, and 46,383 students with loan payment default as a result of death, disability or disappearance, which represented 25.31, 26.95, 20.51 and 22.50 percent, respectively. From 1999, which was the first payment due year, until 2010, there were 495,813 students with loan payment default as a result of death, disability or disappearance, which represented 21.62 percent of all students with loan payment dues, as shown in Table 1.3.

Table 1.3 Total Number of Student Loan Payers, 1999-2010

Unit: Million baht

Payment due year	Borrowers with payments due	Payers	Default cases (%)	Deducted by death/disability/disappearance cases	Remaining default cases
1999	14,950	12,772	2,178	429	1,749
(Batch 1)		(84.43%)	(14.57%)		(11.70%)
2000	56,610	48,313	8,297	1,083	7,214
(Batch 2)		(85.34%)	(14.66%)		(12.74%)
2001	120,579	100,900	19,679	1,866	17,813
(Batch 3)		(83.68%)	(16.32%)		(14.77%)
2002	189,676	153,137	36,539	2,419	34,120
(Batch 4)		(80.74%)	(19.26%)		(17.99%)
2003	211,152	163,858	47,294	2,233	45,061
(Batch 5)		(77.60%)	(22.40%)		(21.34%)
2004	232,558	184,755	47,803	1,789	46,014
(Batch 6)		(79.44%)	(20.56%)		(19.79%)
2005	266,280	209,049	57,231	1,676	55,555
(Batch 7)		(78.51%)	(21.49%)		(20.86%)
2006	260,278	197,024	63,254	1,349	61,905
(Batch 8)		(75.70%)	(24.30%)		(23.78%)
2007	252,024	187,280	64,744	954	63,790

Table 1.3 (Continued)

Unit: Million baht

Payment due year	Borrowers with payments due	Payers	Default cases (%)	Deducted by death/ disability/disappearance cases	Remaining default cases
(Batch 9)		(74.31%)	(25.69%)		(25.31%)
2008	267,256	194,432	72,824	801	72,023
(Batch 10)		(72.75%)	(27.25%)		(26.95%)
2009	215,437	164,821	50,616	6,430	44,186
(Batch 11)		(76.51%)	(23.49%)		(20.51%)
2010	206,118	158,959	47,159	776	46,383
(Batch 12)		(77.12%)	(22.88%)		(22.50%)
Grand total	2,292,918	1,775,300	517,618	21,805	495,813
		(77.43%)	(22.57%)		(21.62%)

Source: Student Loan Fund, 2011.

The performance of SLF experienced payment default by its borrowers, which left the government a great burden to subsidize it, while the government had to use budget to provide educational services in the form of subsidies through educational institutions and government loans. Thus, the government sector implemented the policy on financial reform for higher education by using financial mechanisms as a tool to optimize educational services. It also implemented the policy on production of manpower in line with social and national needs by reducing the budget monies allocated to educational institutions, increasing budget monies for students, and involving students in sharing the burden of their educational costs at a greater level. This aimed to ensure consistency with personal benefits that students gain and to reduce the cost of educational services provided by the government sector.

On 12 July 2005, under the administration of Police Lieutenant Colonel Thaksin Shinawatra, the Cabinet resolved to approve, in principle, the establishment of the Thailand Income Contingent Allowance and Loan (TICAL) Scheme. Its essence was that the government's key role would shift from being an educational

service provider to being a supporter, regulator, and developer of higher education policies by utilizing financial mechanisms as a tool to optimize education services and by implementing the policy on producing manpower in line with social and national needs. TICAL started operating in compliance with regulations first formulated in 2006. The loan specifically provided for tuition fees was offered to students in higher vocational degree, junior degree, and bachelor's degree programs.

However, TICAL policies were discontinued. Changes in the government political parties and leadership led to change in policies, which are outlined below.

Table 1.4 TICAL Policy from 2005-2011

Year	Policy	Government leader	Prime minister
2005	Approving, in principle, to establish TICAL, the substantive matter of which is that the government's key role would shift from being an educational service provider to being a supporter, regulator, and developer of higher education policies by utilizing financial mechanisms as a tool to optimize education services and by implementing the policy on producing manpower in line with social and national needs, by granting all students the right to the loan without defining financial status.	The Thai Rak Thai Party	Police Lieutenant Colonel Thaksin Shinawatra
2006	Starting to operate TICAL based on regulations and granting loans specifically for tuition fees in the academic year 2006 for students of vocational degree, junior degree, and bachelor's degree.	The Thai Rak Thai Party	Police Lieutenant Colonel Thaksin Shinawatra
2007	Cancelling TICAL and moving borrowers eligible for SLF to be under SLF, from which students could borrow money for tuition fees and related expenses; and enforcing the application of SLF payment criteria. Existing TICAL borrowers who were not eligible for SLF were allowed to obtain a loan until they completed their program, which applied to tuition fees but not related expenses.	-	Gen. Surayud Chulanont

Table 1.4 (Continued)

Year	Policy	Government leader	Prime minister
2551	Reviving TICAL for 1 st -year students of the academic year 2008, which prioritized the fields of study that were in demand and were clear in terms of producing manpower in conjunction with the private sector.	The People Power Party	Mr. Samak Sundaravej
2009	Applying the TICAL system to 1 st -year students of the academic year 2009 in the fields of study that were in demand and were clear in terms of producing manpower in conjunction with the private sector. This was the last batch of students offered the loan, which was granted to no more than 20,000 students and involved the remaining budget of TICAL. From 2010-2011, TICAL continued to be offered to existing borrowers until they completed their program.	The Democrat Party	Mr. Abhisit Vejjajiva
July 2011	Taking steps to improve the student loan program, with a focus on applying TICAL again.	The Pheu Thai Party	Yingluck Shinawatra

From 2006, there were competing government policies on the implementation and cancellation of TICAL, which implied an uncertainty about government policies without logical supporting reasons, despite the fact that these policies were important for enhancing and developing the country's future.

During the implementation of TICAL, the government spent a lot of budget monies on subsidies, which represented 12.24-19.13 percent of the budget for SLF and this increased to 40 percent in 2013.

Table 1.5 Subsidy to TICAL and SLF (Million Baht)

Year	Budget for SLF	Budget for TICAL	Percentage of SLF
2006	4,803.2682	25,108.9240	19.13
2007	4,445.1294	31,323.7870	14.19
2008	4,333.3388	24,218.5571	17.89
2009	3,142.6724	25,675.3970	12.24

Table 1.5 (Continued)

Year	Budget for SLF	Budget for TICAL	Percentage of SLF
2013	4,800.0000	12,000.0000	40.00
2014	800.0000	16,800.0000	4.76
2015	2,000.0000	14,394.0000	13.89
Total	24,324.4088	149,520.6651	16.26

Despite 20 years of operating the SLF program, its management failed to eliminate the disparity in education or significantly improve educational opportunities among the target groups. Loan borrowers failed to pay back their loans in line with the target, and this was still a heavy budgetary burden on the government each year. Implementation of government policies remained tied to political parties' policies, which primarily focused on populist policies. Therefore, the concepts or directions of operations of SLF always varied according to the policies of respective government administrations, which never expressed reasonable ideas about policy-making and policy implementation.

There are more studies and applications of the concept of financial reform in education that adhere to the principle of involving students in sharing responsibility for their educational costs in a way that binds loans with future incomes (income contingent loan or ICL). Countries with great success in applying this concept that have become models for other countries include Australia, New Zealand, the United Kingdom, Chile, and South Africa. Examples of countries that did not experience satisfactory success in applying this concept consist of Indonesia, Malaysia, the Philippines, Namibia, Papua New Guinea, Ethiopia, Mexico, and Thailand, which are developing countries. Interested in investigating this topic, the author realized that student loan policies and models of the government sector for higher education in Thailand should be investigated, in order to identify facts and conclusions about the model that is suitable for, and is in line with, the Thai context.

Today, the student loan scheme is operated in many countries. Therefore, to identify the weaknesses and strengths of, or advantages and disadvantages of, the implementation of student loan policies in Thailand, it was necessary to compare these policies with other countries. The comparison aimed to identify models and guidelines

for the operations, as well as problems, barriers, strengths, and weaknesses of the operations in order to reach a conclusion about the optimal models and guidelines to apply in Thailand and other interested countries. This would allow educational reform based on the student loan approach to achieve goals, in terms of finance, improved educational opportunities, as well as reduced educational, income and social inequalities; and to support and promote national development on par with other countries in a stable and sustainable fashion.

1.2 Objectives of the Study

1.2.1 To investigate student loan models for higher education in Thailand and other countries;

1.2.2 To investigate advantages and disadvantages of student loans for higher education in Thailand and other countries; and

1.2.3 To recommend optimal student loan models for Thailand.

1.3 Research Questions

1.3.1 What were the models and operating guidelines for student loans for higher education in Thailand from 1996 to 2015?

1.3.2 What are the models for student loans for higher education in England and Australia? What are their advantages and disadvantages?

1.3.3 What are the optimal models for student loans for higher education in Thailand?

1.4 Scope of the Research

1.4.1 Studying student loan models for higher education in Thailand from 1996 to 2015 (from the time when the student loan policy started to be implemented).

1.4.2 Studying student loan models for higher education in foreign countries, i.e. England and Australia, in order to compare and identify advantages and disadvantages of, as well as problems and barriers to, providing student loans for higher education in each of the countries.

1.5 Operational Definitions

SLF (Student Loan Fund)-The loan fund established by the government under the Student Loan Fund Act, B.E. 2541 (1998). As a legal entity, the fund is neither a government office nor a state enterprise under the law on budgetary procedures. It aims to provide loans to students that have inadequate money for tuition fees, related expenses, and necessary expenses for living during their education.

TICAL (Thailand Income Contingent Allowance and Loan)-The loan fund under the Ministry of Finance's Regulations on Fund Administration for Education, B.E. 2549 (2006) with the objective to provide scholarships to students for which they have to pay back in order to comply with government policies on education.

Student loan model-Model of loan for education, which is considered based on five operational aspects:

- 1) Objectives.
- 2) Organizing.
- 3) Criteria.
- 4) Funding management and debt management.
- 5) Result in terms of finance and non-finance.

1.6 Expected Benefits

1.6.1 Policy Benefits

1.6.1.1 Identifying concepts and models of student loans in Thailand and foreign countries-these findings will manifest differences and similarities in different country contexts.

1.6.1.2 Identifying advantages and disadvantages, as well as problems and barriers, of student loan models for higher education that can be applied in line with policy implementation in different countries.

1.6.1.3 Allowing policy administrators and stakeholders in policy implementation to understand relevant concepts and theories, as well as contexts of implementation of the similar policies and to formulate policies in line with the country context.

1.6.1.4 Developing recommendations on optimal models and guidelines for improving the implementation of student loan policies for higher education that administrators can introduce into their policy decision-making.

1.6.2 Operational Benefits

1.6.2.1 Developing optimal models of student loans for higher education for the Thai context, which can be applied by personnel involved in student loan funds and agencies with similar operations.

1.6.2.2 Developing recommendations for improving student loan models for higher education in Thailand, which can be adopted to improve and plan the development in accordance with practical facts.

CHAPTER 2

LITERATURE REVIEW CONCEPTUAL FRAMEWORK

This research, which is concerned with the development of student loan models for the government sector for higher education in Thailand, was a qualitative research study. It aimed to identify theoretical concepts about student loans and student loan models, both in Thailand and foreign countries. It included developed countries, which are model countries for student loans, and compared them with the Thai context. In addition, this research aimed to identify advantages, disadvantages and factors that influence the success and failure of student loan implementation in the respective countries and to present optimal models for Thailand.

In order to achieve the aforementioned objectives, literature on these theoretical concepts and related research was reviewed to formulate the research conceptual framework.

2.1 Related Theoretical Concepts

This study focused on policy-related theoretical concepts about student loans, which are as follows:

2.1.1 Theoretical concepts about public policy

2.1.2 Theoretical concepts about policy implementation

2.1.3 Theoretical concepts about factors that influence policy implementation

2.1.4 Theoretical concepts about investment in human capital and educational investments

2.1.5 Theoretical concepts about equality of educational opportunities

2.1.6 Theoretical concepts about income contingent loans

Apart from the above theoretical concepts, the author compiled concepts and models of student loans in foreign countries and the findings of studies on the SLF and TICAL.

2.1.1 Theoretical Concepts about Public Policy

2.1.1.1 Definitions of Public Policy

The term 'public policy' has been defined by different academics. The book entitled 'Public Policy-Concepts, Analysis and Process' by (Dye, 1984: 1; Friedrich, 1963: 70); Easton, 1953: 129; Eulau and Prewitt, 1973: 465; Frohock, 1979: 11, quoted in Sombat Thamrongthanyawong, 2009) compiled different definitions of this term, which are as follows:

1) A public policy as what a government chooses to do or not to do.

2) A public policy' is a set of proposals the actions of individuals, a group of individuals, or the government under the current circumstance that consists of problems, obstacles, and opportunities. Utilized to solve the problems of its citizens, a public policy is composed of ideas about goals, objectives, and the purpose behind the government's actions.

3) A public policy means the power to allocate all social values-the entity possessing such power is the government. What the government decides to do or not to do results from social value allocation.

4) A policy as the government's decision from a standpoint, which needs to be continuously revised ,or a decision about activities which have an obligation to be continuously implemented.

5) A public policy refers to a pattern of actions to resolve conflicts or giving something in return for citizens' cooperation. It has two key characteristics. First, a public policy is social action-it is not a specific case related to an individual or an event of a specific individual. Second, a public policy is an opportunity to benefit society which arises from peoples' needs. There may be a need for eliminating conflicts or defining remuneration for joint actions.

Sombat Thamrongthanyawong (2009: 43) stated that a public policy is an activity that the government can choose to conduct or not to conduct, with the main focus on the values and interests of society as a whole. It is a lawful provision.

Ruangwit Ketsuwan (2007: 4) defined a public policy as the government's guideline the government intends to formulate, under which the government has to make choices or may develop plans and projects. It aims to deal with public issues in order to achieve what is in the public interest.

Based on the above definitions, a public policy refers to an activity in which government authorities decide to act or not act. This decision results from an analysis of alternatives that are lawful and are in accordance with the general public's needs, which aim to achieve the goals and objectives they jointly formulated.

2.1.1.2 Public Policy Models

Sombat Thamrongthanyawong (2009) compiled concepts about public policy models from many academics. He presented seven public policy models, as outlined below:

1) Elite model by principle, this model focuses on the roles or influence of elites, who possess policy-related decision making power, rather than citizens' roles or influence over elites' thoughts. Public servants deliver a policy to the people, so this is vertical policy making-this does not reflect people's needs.

2) Group equilibrium model The model's main concept is that a public policy is the result of equilibrium between competing interest groups. It stresses the importance of groups in policy formulation, rather than the roles of government agencies.

3) System model Its main assumption is that a life can survive if its composition functions systematically and harmoniously. Easton (1957: 383-400) explained that political life has to exist in a systematic fashion-it consists of the relationship between the political system and the surrounding environment, which is called an input. The use of political power generates an output or a product of a political system. It will be reflected into the environment and brought into the new political system in the form of needs and support from the environment, which adapts to create a balanced system to sustain political life.

4) Institutional model The concept of this model has the assumption that a public policy is a product of the political institution, consisting of the legislative institute, executive institute, judicial institute, local administrative institute, and political party institute. The relationship between a public policy and the government institution is a close relationship. That is, a policy can become a public policy when it is approved, implemented, and enforced by the government institutions in charge.

5) Process model Its assumption is that a public policy is the result of political activities, and that the political process and its behavior are at the

center of a public policy study. Dye (1984: 23-24) defined the steps of the public policy process-classifying problems, formulating policy choices, granting policy approval, implementing the policy, and evaluating the policy.

6) Rational model This is a model for analyzing public policies as the society's ultimate benefit (Dye, 1984: 30-34). That is, in any decision, the government should choose policies that yield more social returns than costs-a policy whose cost is greater than its return will not be utilized.

7) Incremental model Its assumption is that public policies are characterized by continually-conducted government activities, which are partly or slightly changed over time. This model is consistent with practices in the real world, rather than the rational model. However, this depends on three conditions: 1) The result of an existing policy must be satisfying for policy makers and the majority of people; 2) A policy must possess a high degree of continuity and be in line with the nature of problems of a policy; and 3) A policy needs to have a high degree of continuity for addressing existing issues.

2.1.1.3 Policy Formation

Anderson (1994: 102-106 quoted in Sombat Thamrongthanyawong, 2009: 349-353) classified organizations involved in policy formation into four types, as follows:

1) Government organizations, which are responsible for providing the general public with services.

2) The executive branch or the cabinet, which has the supreme authority to approve proposals or options presented by all government organizations.

3) Legislative branch, which grants approval for bills and files motions or questions to the government about problems-this is policy formulation for the executive branch to proceed with.

4) Interest groups In a democratic society or a pluralist society, interest groups play a key role in driving the government to conduct policy formulation.

2.1.1.4 Policy Decisions

Decision-making about policy selection involves authorities granting approvals. Sombat Thamrongthanyawong (2009: 370-376) presented three interesting theories, as follows:

1) The rational-comprehensive theory, which focuses on decision-making to achieve individuals' or organizations' ultimate goals. The key elements consist of: 1) Decision makers' facing problems that are separable from, or comparable to, other problems; 2) Decision makers' knowledge and understanding about goals, values or objectives that need to be taken into account and their ability to consider issues clearly; 3) Decision makers' clear examination of alternatives; 4) Decision makers' investigation into results in terms of costs, benefits, advantages, and disadvantages; 5) Decision makers' comparison of potential results for different alternatives; and 6) Decision makers' choices and choosing results that meet their goals, values, or objectives the best.

2) The incremental theory, the key elements of which consist of: 1) Decision makers' cooperative consideration of alternatives, goals, or objectives; 2) Decision makers' choosing an alternative that is slightly different from previous ones; 3) Decision makers' evaluation of alternatives only for considering key results of certain alternatives; 4) Decision makers' defining new problems constantly. This theory allows for the consideration of the methods or goals of problem management; 5) This theory does not consider that there is a single decision or solution; and 6) This theory is considered to be an important way to help resolve problems with the replacement of old policies with new policies.

3) The mixed scanning theory-Etzioni (1986: 385-392) presented the breadth and depth of this concept to compensate for the weaknesses of the incremental theory. This theory allows decision-makers to utilize the rational-comprehensive and incremental theories.

2.1.2 Theories about Policy Implementation

2.1.2.1 Definitions of Policy Implementation.

Policy implementation is an important policy, as it involves the process of putting policies approved by the executive branch into practice. It is relevant to all organizations and stakeholders who influence the success or failure of policy implementation. Woradej Chanthornsorn (2009: 43) has divided stakeholders into several parties, which consist of political parties, bureaucracy, civil servants, as well as service users or beneficiaries of policies. Therefore, the success or failure of policy

implementation reflects the success and failure of a project. The study of policy implementation requires a clear understanding about the concepts and definitions of policy implementation.

The philosophy of policy implementation deals with an attempt to identify the reality of, knowledge about, and reasons for an action, by taking into account the ultimate outcomes which can be achieved, so as to systemize policy implementation as much as possible (Woradej Chanthornsorn, 2009: 27). The study of policy implementation started in 1973. A study by Pressman and Wildavsky was conducted on the policy for job generation for minorities in Oakland, California. This study has encouraged other academics to realize the importance of the study of policy implementation, especially since 1980 (Woradej Chanthornsorn, 2009: 30).

Pressman and Wildavsky (1973 quoted in Sombat Thamrongthanyawong, 2009: 399-400) suggested that policy implementation deals with an operation that is accomplished, successful, complete, productive, and perfect. It is the process of interactions between goals and practices to achieve the goals.

According to Van Horn and Van Meter (1975: 103 quoted in Sombat Thamrongthanyawong, 2009: 403), policy implementation covers all activities carried out by governments and private sectors, and both individuals and groups of individuals. This affects the achievement of objectives defined in advance based on policy decision-making. In this case, this includes various factors that affect the effort to change decision-making into practical measures, as well as the effort to achieve changes defined based on policy decision-making. Activities by the private sector, in relation to their operations, must comply with current laws, such as taxation etc.

Williams (1971: 144 quoted in Woradej Chanthornsorn, 2009: 116) defined that policy implementation deals with identifying if an organization is able to use personnel and tools to coordinate different units within the organization, as well as encourage practices in line with organizational goals.

Woradej Chanthornsorn (2009: 16) suggested that, under policy implementation, organizations in charge can introduce and encourage management resources, and all major mechanisms, to achieve policy goals. In other words, it focuses on the ability to push the work of all key mechanisms to achieve target results. The study of policy implementation focuses on seeking an explanation of a

phenomenon or fact within the implementation process, either quantitatively or qualitatively, or both.

Based on the findings, the author believed that policy implementation is an organizations' and stakeholders' operational process that involves the use of tools and mechanisms for management and practices to yield products and outcomes that achieve goals and objectives.

2.1.2.2 Steps of Policy Implementation

Policy implementation can be divided into two parts: macro and micro policy implementation (Berman, 1978: 157-184 quoted in Woradej Chanthornsorn, 2009: 32-42). Macro policy implementation is characterized by superior agencies formulating policies and making sub-ordinate agencies implement the policies by means of appropriate methods. Micro policy implementation is characterized by subordinate agencies formulating internal policies in line with national policies, after the policies have been delivered.

1) Macro Policy Implementation

The key problem of macro policy implementation is that superior agencies fail to make sub-ordinate agencies and government agencies implement policies based on the intentions of the policy, thus resulting in failures and delays in policy implementation. Berman and McLaughlin (1977) presented four factors that result in uncertainty or failure of macro policy implementation, which consist of goal discrepancies, influence and authority differentials, resource deficiencies, and communication difficulties amongst organizations.

Macro policy implementation can be divided into two major steps –transforming policies into practices in the form of plans or projects, and making sub-ordinate agencies adopt guidelines for plans or projects to implement. The success in policy transformation depends on the clarity of the policies, relevant authorities' understanding of the policies, consistency between policy goals, as well as the cooperation and sincerity of the authorities in charge.

2) Micro Policy Implementation

As for micro policy implementation, sub-ordinate agencies must adopt their policies, plans or projects from above agencies, and then transform them into implementation guidelines. This requires changes in their original working

process and interactions, and changes that create a synergy of interest between the project-owner agency and the implementing agency. This is called by Berman (1977) mutual adaptation and the path of micro implementation. Micro policy implementation consists of four stages: mobilization, deliverer implementation, institutionalization, and continuation. A policy needs to be modified and routinized by practitioners, and it needs to seek a way to achieve institutionalization to allow practitioners to accept the project, which will result in sustainability, as shown on Figure 2.1.

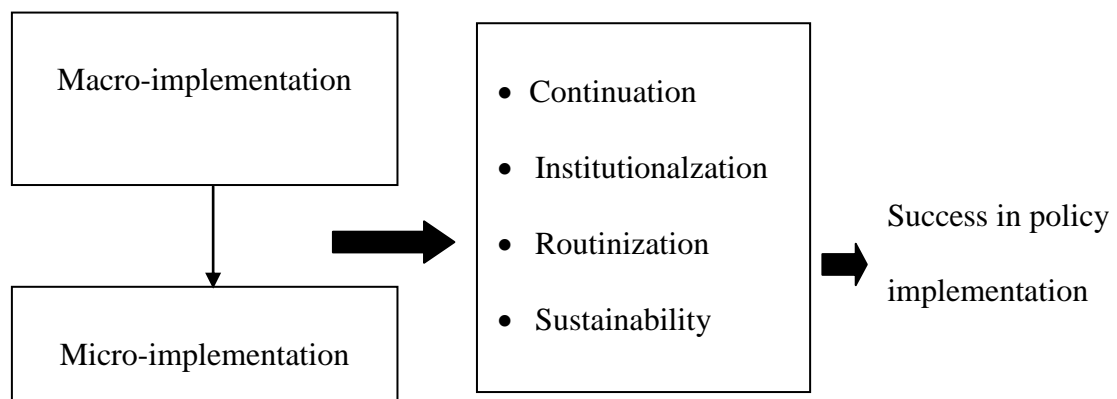


Figure 2.1 Policy Success Factors

2.1.3 Factors Influencing Policy Implementation

Factors that influence policy implementation reveal if the policy implementation process is effective or not. Success or failure of policy implementation depends on several key factors, which consist of the source of the policy, clarity of the policy, support for the policy, complexity of the administration, incentives for implementers, and resource allocation to adequately support policy implementation (Sombat Thamrongthanyawong, 2009).

Dejnozka (1983) believed that policy implementation starts from abstractness with the question as to what the prerequisites for success in policy implementation are and what the barriers to policy implementation are. To answer these questions, Edwards presented four factors that influence policy implementation-communication, resources, disposition or attitudes, and bureaucratic structures (quoted in Sombat Thamrongthanyawong, 2009).

Sebring (1977) examined plans on cooperation between universities and the Ministry of Welfare in the U.S.A. He found that a major factor in the failure of policy implementation is the organization's history, which influences organizational values, organizational environment, organizational structure, organizational internal relationships, and inter-organizational relationships.

The study of Mountjoy and O' Toole (1979: 466-467 quoted in Sombat Thamrongthanyawong) found that the factors of effective policy implementation consisted of resources required for practices and specific practice guidelines. A test of this assumption found that changes in an organization's routines are costly, and the agency needs to receive adequate resources for its operations. Meanwhile, an agency needs to receive new specific, clear guidelines, which is a very important condition. Otherwise, policy implementation can easily experience failure.

In addition, a study by Sabatier and Mazmanian (1979) on the conditions of policy implementation identified five necessary conditions, as follows:

- 1) Causal relationship and accurate results.
- 2) Clarity of the policy.
- 3) Political willingness.
- 4) Organizational support.
- 5) An external situation that is not contrary to policy objectives.

2.1.4 Conceptual Theories About Human Capital and Educational Investment.

The concept of human capital believes that human capital is composed of both quantitative and qualitative components. Quantitative components consist of working hours and the number of workers. Qualitative components consist of skills, knowledge, abilities, and other factors that influence human productivity. Human quality can be improved by investment in human capital. This refers to individuals' skills and capabilities that are derived from the development of health, education and training, and they form experience that can be used for optimizing goods and services (World Bank, 1995 quoted in Hemawan Kongthong, 2007: 8).

Concepts about educational investment state that those who make research and development (R&D) investments, and physical investments, create direct benefits

of education on the growth of the macro economy (Blundell, Dearden, Meghir and Seanesi, 1999: 18).

2.1.4.1 Producer's View-based Investment

In the producer's view, educational investment creates results in services about knowledge, ability, intellectual, emotional, social, skill, and attitudinal development, as well as other aspects of human beings. Examples of these businesses consist of schools, universities, and trade in instructional equipment. The products and services can be called capital goods, and the objective of these businesses is to achieve maximum financial profits, as is the case for other types of businesses in general.

2.1.4.2 Learner's View-based Investment

It is investment in human capital. It has been identified that human investment or educational investment is a process of improving the quality of human resources to equip them with knowledge, expertise, and adaptability to technological and environmental changes, and information. This results in them being more capable and efficient than those with lower education. Education is an important process for both personal and social development. Educational investment for human resource development can be in terms of consumption or investment, because economic returns from education are different, as stated in the concept of human capital.

2.1.5 Concepts of Equality for Educational Opportunities

Equality of educational opportunities is an objective of the government's fund allocation for education. Thus, the understanding of the meaning of 'equality' must be clear. Gordon (1972: 423-434) assigned four definitions for the term 'equality' in educational opportunities.

- 1) The circumstance in which there is a guarantee that individuals will receive education over a period of time based on their intellect.
- 2) The phenomenon in which all individuals have educational services with equal quality.
- 3) The circumstance in which all individuals have the opportunity to develop their skills and abilities, which they possess by nature or by accumulation as much as possible.

4) The circumstance in which all individuals are transferred, and are developed in terms of, the basic skills and knowledge necessary for living in society.

Educational equity is a principle whereby all students regardless of their race, gender, age, origin, class, and nationality, with or without disability, receive equal educational opportunities (Dejonozka, 1983: 56). In addition, it includes fairness in the distribution of financial assistance to students who are different in terms of educational needs or region of residence

Educational equality is an important subject for the government, as it is a fundamental human right. However, there are two factors in educational disparities- 1) Interference with loan allocation and distribution by institutions and 2) Unintentional acts as a result of a lack of information, monitoring, or reflection (Ziderman, 2003).

Supawadee Mongkonthammakun, 2005: 18) stated that there are three desired types of educational equality:

1) Equal Rights

In compulsory education, the government shall ensure that everyone has the right to equal education without allowing differences in gender, race, economic status, and residence to be restrictions.

2) Equality to Opportunities

As for education that is higher than primary education, the government shall provide everyone with the opportunities and freedom to equally receive education.

3) Equality of Support

In educational services, the government shall provide support at a proportion that reduces inequality, although some educational institutions are located in remote areas.

Desirable educational equality does not mean that all citizens attend higher education. Apart from the three equality features, there is a need to take into account an individual's capability, aptitude, interests, ability to work for the public, suitability with local conditions, and the country's needs.

2.1.6 Concept of an Educational Loan Grant

Educational loan grants are based on the concept that higher education will increase the potential of earning more income for learners, resulting in higher human productivity in the labor market (Sumalee Pitaynon, 1996 quoted in Praphan Thumachai, 2004: 13) and higher incomes. Additionally, people with a high level of education will receive mental rewards because certificates bring honor to their family members. Moreover, they will have expertise and fame leading to satisfaction in themselves and for their families. Those with high degrees will have higher basic salaries than those with low education. Their income will increase in relation to their age, and gradually reach their maximum level until they retire or stop working. People with higher education will have knowledge, skills and experience to be able to upgrade faster in society (Blaug, 1987: 27 quoted in Prapan Thumachai, 2004: 14). Furthermore, education gives social rewards follows:

- 1) Educated people perform their duties as a member of the society as required, for example, tax payments, conscription, being on the watch for solving problems arising to society overall, etc.

- 2) The more the state invests in the education of society, the more independent the members of society who are well educated should be. Accordingly, the state can provide assistance to those with low education or without education, such as public health, correction and other problems that are a burden to the state. The state should support education by providing study loans for all people who wish to continue their studies at a higher level. This kind of assistance will help students to reduce their burden during their study. After their graduation, they can earn more income due to their higher education. After that, they can pay off the loan with that income.

Financial assistance was categorized into three types by Somchai Richupan and Chonlatan Witsarutwong (2001: 62-66).

- 1) Financial study funds and assistance conditions are set in accordance with the income of students' parents, for example, Greece provided scholarships to less than one-fourth of all students and Italy gave scholarships to only 3 percent of all students based on their performance.

- 2) The conditions of financial study funding will be determined by the income of the student's family, and it will help poor students and provide loans at the same time, as is the case in United Kingdom, Ireland, etc.

3) Financial study assistance or loans are provided to students without taking into consideration parents' income, because this can help a large number of needy students such as in Denmark, the Netherlands, Finland, Sweden, Norway, etc.

However, study loan allocation in each country has different objectives, most of which are social and economic in purpose. Concerning social objectives, needy students will have more opportunities for continuing their studies at higher levels leading to social equality and income distribution. As for economic purposes, this can lessen the state burden of subsidizing education. At the same time, it can help educational institutions to collect tuition fees to better cover actual educational costs and help students to better bear their own educational burden.

Prapan Thumachai (2004: 19) stated that factors affecting loan educational demands comprise parents' occupations, their income, the number of siblings, the number of siblings who are studying at educational institutions, use of external fund sources, school performance, needy fields, expenses, interest rates, grace periods and loan settlement periods.

Vichit Lorchirachoonkul et al. (2004) summarized the study and comments relating to the SLF from the interviews with the administrators of educational institutions, students and graduated students with the following issues:

1) The income of parents or guardians must not exceed 150,000 baht per year, this was agreed with as follows: by the administrators of educational institutions (59.8%), current borrowers (87.8%) and graduated students (89.7%).

2) The two-year grace period should not be abolished was agreed with as follows: administrators of educational institutions agreed with it (75%), current borrowers (76.8%) and graduated students (90.6%).

3) Loan deduction from the salaries of borrowers without any charge for monthly loan settlement and without wasting time in loan settlement was agreed with as follows: by administrators of educational institutions (84.4%), current borrowers (87.8%) and graduated students (77.6%).

4) Comments about the appropriate conditions for the SLF grants required at the minimum of the high school level was agreed with as follows: by the administrators of educational institutions (79.9%), current borrowers (90.3%) and graduated students (81%). The condition that borrowers should be at the vocational

or bachelor's degree level was agreed with as follows: by the administrators of educational institutions (94.6%), current borrowers (97.5%) and graduated students (96.6%).

5) In regards to measures coping with borrowers who did not settle loans, the measures that people agreed the most were: their names are listed in the central credit information company agreed by 63.7% respondents, followed by the SLF should sue them (62.1%) and interest rates should be increased to the same normal interest rate charged by Krung Thai Bank (52.2%).

2.1.7 Concept of the Income Contingent Loan (ICL) Grant

How to manage educational budgets sustainably and achieve the goal of assisting needy target groups without creating educational inequalities is the question that the public sector of each country must answer, and in turn seek proper management methods to better suit socio-economic conditions. The ICL concept is a solution that the public sector in many countries is interested in because the public sector can shift the burden of financing education to students, who in turn will get increasing direct benefits. Chapman (2005) said that the ICL grant is a new phenomenon for financial management at the graduate level and was initiated by Friedman (1955) who applied the concept of graduate taxes to be a financial tool for managing education. This concept was practically applied in 1980 because of the failure of marketing systems in allocating human resources for investment at the graduate level due to the inaccessibility of private funds. Consequently, the public sector had to intervene and this is how the ICL was initiated. Its concept is as follows:

1) Borrowers or students will receive loans for their tuition fees or income support, which is usually serviced by the public sector.

2) Loan collection depends on the future income of borrowers and their potential for loan settlement, which must be specified in the loan settlement contract.

Tools related to income contingent loans in terms of costs and benefits can be divided into four types as summarized below:

1) Income Contingency with Risk-Pooling

Income Contingency with Risk-Pooling is a model that places all burden to cohorts. The annual registration amount of students will be specified and

the students must also be responsible for the students who fail to settle loans. This proposal is designed to prevent defaulters and encourage smooth consumption. There may be two main weak points: adverse selection that is caused because borrowers with high future incomes must be responsible for those with low incomes. This makes students who expect to be successful in the labor market, and may have a high future income, adverse to borrowing loans. As a result, most of borrowers become low earners in the future. Another problem is moral hazard, which is related to behavior in avoiding loan settlements. Debtors may report low income to reduce their loan settlement, or select low income companies to work at.

2) Income Contingency with Risk-Sharing

As for this model, borrowers are obliged to pay back the maximum amount based on the present value of their loans, but the scope of obligations does not relate to their actual income. The settlement level does not relate to other people, that is, risk of defaulters, in which the risk of income contingency can be shared by tax payers. Therefore, it is different from the loan cohorts, with the major difference from risk pooling ICL being that there are no risks for borrowers. If the public sector receives money that is lower than forecasted, this will not involve punishment. On the contrary, no reward will be given if more money is received than expected. This will not cause adverse selection and moral hazard problems. This model is applied successfully in Australia.

3) Graduate Taxes (GT)

This model is substantially different from other models because graduated students agree to pay back loans in proportion to their income, for example, 2% per year according to the specified period. This model is therefore a mix between Risk-Pooling ICL and Risk-Sharing ICL, but the major difference is that students who finish their studies earlier will become guiltless depending on the principal received. In the case of high income earners, tax collection still continues, especially income taxes. Income from GT will not affect the criteria for determining the costs. The main benefit for GT is its management potential in creating more resources to the public sector than is the case of ICLs.

4) Human Capital Contracts

This model was developed as a result of a controversy which argued that the public sector should allow the private sector to invest in education. In the

past, investment rested with the public sector. A concept called “the contract” is initiated to specify a percent of income to be paid back according to the specified period in advance. This model is similar to the GT because it makes borrowers with high income pay more than low income earners. It is called Human Capital Contracts (HCC).

However, loan grants, which emphasize that students must be liable for a lot of debts during the time of financial uncertainty, are regarded as a kind of risk (Chapman and Kiattanantha Lounkaew, 2009). This may make students unhappy because happiness in livelihood is the philosophy of Thai education, focusing on developing learners to be intelligent, virtuous and satisfied (Ekruethai Chatchaidet, 2007). Study loan fund policy should therefore be carried out carefully, so that it will not place a lot of burden on students and their families.

2.2 Concepts and Types of Financial Educational Aid in Foreign Countries

2.2 1 Concepts of Student Loans in Foreign Countries

Educational loan grants are developed with the concept that higher education levels can increase the ability of generating the income of students who will get direct benefits. Therefore, students should bear the burden on their own. However, education not only benefits learners, but society also receives benefits from education, such as economic growth, a good social environment, innovation, etc. Society or the government should support education by providing educational loans to all students who wish to further their education according to their potential. This kind of assistance will help students to slow down their burden of educational costs during their studies. After their graduation, when they can increase their income because of higher education, that income can be used to settle the loans.

Following the above concepts, almost all countries using the educational loan system will grant loans to assist students who wish to continue their studies higher than the tertiary education level, and it provides grants to poor students directly at the lower levels. In some countries, loans are given to students at the secondary school level (like in Sweden) but this loan is a low proportion of the total assistance amount. However, educational loan allocation in each country has different objectives, most of which can be summarized into two aspects as below:

1) Social aspect: To provide more opportunities for poor students to further their study at higher levels, leading to social equality and income distribution.

2) Economic aspect: To lessen the state burden of subsidizing education and help educational institutions collect tuition fees, while at the same time covering the actual costs of education. Additionally, this can encourage students who can bear the burden of educational costs better to shoulder their own educational loans. For this reason, the objective of educational loan grants in some countries emphasizes social aspects, while some countries focus on economic conditions. But most of them have more than one objective.

2.2.2 Loan Management in Foreign Countries

2.2.2.1 Sources of Funding for Loan Allocation in Foreign Countries

Table 2.1 shows sources of funding for loan allocation in foreign countries.

Table 2.1 Sources of Funding for Student Loan Allocation in Foreign Countries

Management level	All or some fundings from the central government.	All or some funding is from the regional or local governments.
Central government	Belgium, Denmark, Greece, Luxembourg, Netherlands, Portugal (private sector and institution), Finland (scholarship), Sweden, England (loan and scholarship), Scotland, Iceland, Liechtenstein, U.S.A, and New Zealand (Ministry of Education).	
Regional or local government	Germany, France, Spain, Ireland, Austria, and England (Scholarship), and Norway.	Spain(Basque Region) Italy (Region)
Educational institution	Portugal (government sector) and Finland (universities).	

Source: Office of the Prime Minister, Office of the National Education Commission, 1998: 69.

2.2.2.2 Comparison of Student Loans in Foreign Countries

1) Conditions for the application for scholarships or student loans in foreign countries

Table 2.2 Conditions for the Application for Scholarships and Student Loans in Foreign Countries

Conditions for application	Scholarship	Loan	Scholarship and loan
Registering for a recognized educational institution or course.	All countries	All countries	All countries
Full-time	Belgium and French communities, Belgium and Flemish communities, Greece, Spain, France, Ireland, Italy, and England.	Belgium and French communities, England, and Iceland.	Germany, Denmark, Netherlands Luxembourg, and Finland.
Minimum study hours	Finland and Norway (scholarship).		Denmark and Norway (3 months), Germany (6 months), Netherlands (1 year), Finland and Liechtenstein (2 months), and Sweden (2 weeks).
Students who do not stay with parents.			

Source: Office of the Prime Minister, Office of the National Education Commission, 1998: 71.

2) Conditions for Granting Student Loans in Foreign Countries

Table 2.3 Conditions for Granting Student Loans in Foreign Countries

Conditions	Students' income/family income	Students' income	Not dependent on income
The amount of funding is static, which does not vary according to students' income.			Netherlands (additional loan), England (loan), and New Zealand.

Table 2.3 (Continued)

Conditions	Students' income/family income	Students' income	Not dependent on income
The amount of funding decreases when students' income increases.	Belgium, Greece, Spain, France, Ireland, Italy, and the Netherlands (additional from scholarship). Australia, Portugal, and England (scholarship). U.S.A.	Netherlands (Basic scholarship). Finland(65% is scholarship). Iceland and Norway (28%is scholarship).	
The amount of funding remains the same, but scholarships vary according to students' income.	Luxemburg (50% is scholarship).	Luxemburg (Loan is additional money).	
The amount of funding decreases when students' income is higher. The proportion of scholarships to loan remains the same.	Germany (50%is the scholarship). Liechtenstein (55% is the scholarship).	Denmark (aged over 20 years). Sweden (28% is the scholarship).	

Source: Office of the Prime Minister, Office of the National Education Commission, 1998: 73.

3) Interest Calculation

Table 2.4 Loan Interest Rates for Student Loans in Foreign Countries

	Non-interest loan	Low-interest rate	High-interest rate
Students pay for all or some of it during their studies.		Luxembourg and U.S.A (Federal Direct Unsubsidized Stafford Loans)	Finland
Students do not need to pay during studies.	Germany, France, Italy, Liechtenstein, and U.S.A.(Federal Direct Stafford / Ford Loans).	England and Iceland.	Denmark, Netherlands, Sweden, Norway, and New Zealand.

Source: Office of the Prime Minister, Office of the National Education Commission, 1998: 78.

2.3 Study Results and Research Related to the Student Loan Fund (SLF)

There is a lot of research and studies related to the SLF. Most of them have been done at the master's degree level and only studied particular parts of the loan program or studied it within the scope of individual educational institutions. This reflects the outlook for the SLF in various dimensions. This paper will only present portfolios that are relevant to the study of the authors as follows.

Kanda VeerapitchKasem, Pornchai Sujittanonrat, Vanida Rojjawat, Siriporn Jamnian and Wannee Limsampuncharoen (2002) studied the policies and policy implementation of the fund in the case study of the Student Loan Funds of the Ministry of Education's Part. The objective was to study the factors that affected policy formulation by the government, and to understand the factors that influence the success or failure of policy implementation. In addition, it analyzed the problems and difficulties of policy-making and the implementation of the management policies of student loan funds for education by the Ministry of Education. The authors also

proposed improvement guidelines from which the results of the study can be summarized as follows:

1) Factors that affect the policy formulation of the government consist of:

(1) Clarity of policy. The policy formulation was set by Top down Management and assigned government sectors to implement it. Therefore, the policy was clear, with objectives provided and the mission was assigned in accordance with the policy.

(2) The initial budget allocation was 4,000 million Baht and personnel were from the various existing agencies involved.

(3) The enactment of student loan funds is a law which must be followed.

2) Factors that affected the success or failure of policy implementation. It was revealed that the implementers from government and private sectors received a clear and official policy and have the authority to manage the work under their responsibilities. Initially, they were urgent and special assignments, but they were performed adequately until they became a routine job with a clear roadmap. However, there were difficulties in terms of coordination and the lack of monitoring or an evaluation system. As a result, it succeeded in terms of the quantity needed to allocate loans and it expanded the number of borrowers according to the given goal of the fund; however, there was no qualitative evaluation in accordance with the fund objectives.

3) Problems and obstacles: the results of the study found the following problems and obstacles.

(1) Lack of good planning.

(2) Lack of attention of management to supervise the allocation of loans to meet the objectives of the funds.

(3) Lack of a database management system and technology.

(4) Lack of funds to the public relations mission.

(5) Lack of monitoring and evaluating quality.

(6) Lack of skilled manpower in technology and public relations.

4) The results of the policy implementation found that:

(1) Qualifications / criteria for the selection of borrowers set the framework, but the selection was at the discretion of the school.

(2) The loan repayment process was not conducted at every step, especially the prosecution.

(3) A higher rate for pursuing studies had no evaluation and used the study transition rate instead to compare.

(4) Standards of living were not evaluated, but instead used the National Revenue and unemployment rate for comparison.

5) Suggestions: the authors proposed the following Improvements

(1) Both short and long-term management plans should be prepared so that the fund could circulate in the system.

(2) Long-term planning should be consistent with national economic and social development plans, so that the country's population is knowledgeable in various academic disciplines with balanced proportions.

(3) Raising awareness at the school management and personnel level as to be strict with the selection of borrower's qualifications who meet the specified criteria.

(4) Use an incentive system to encourage efficient work.

(5) The roles and responsibilities of each segment should be defined clearly and not be redundant.

(6) Since there was a bureaucratic reform aim for the Ministry of Education and University Affairs to be under the same umbrella, it was agreed that the sub-committee of the first and second payment accounts were set to be a routine job and had a clear structure within the authority of the administration.

(7) Information technology systems should be used in the management of information linked to the main unit.

(8) Use proactive public relations to clarify the main purpose of the fund.

(9) Define indicators of quality to measure the progress of the project.

(10) Implement a financial monitoring system to analyze the value of managing the project in order to determine appropriate actions and examine the cost efficiency of the project.

(11) The policy should keep pace with changes in technology, culture, politics, economy, environment, etc.

(12) To create projects for students who graduate from vocational education which can assist them in finding jobs.

Siriporn Wutti (2001) studied the problem and the effectiveness of implementation of the student loan fund policy: A Case Study of Uttaradit Technical College. Overall, the policy implementation of the Loan Fund for Education was in line with the government's policy and the ideologies of the Fund. Most borrowers want the budget to be increased in order to meet the demand of students and increase the loan limits within the determined scope of the Ministry.

Most parents are satisfied with the policy at a high level when comparing the effectiveness of the implementation of the monetary fund policy in Uttaradit Technical College between students in Certificate of Vocational Education and those in High Vocational Certificate. It was found that the funds allocated are not sufficient to meet the needs of students at both educational levels. The loan for a living allowance for education-related expenses, accommodation and the personal expenses of students of both levels was insufficient in accordance with policy objectives. It was also revealed that the impacts on the study were higher than the spending of the loan and the loan repayments. The parents found the Fund Policy was a policy that enhanced educational opportunities for low income families and reduced the costs and burden to families. Both students and parents thought that there were a few problems in the implementation of the policy of the fund overall.

Wichitra Tinpanasawat of Morning (2006) studied the factors affecting the debt repayment of Student loan fund (SLF.): A Study Case of students at Ramkhamhang University. The study's purpose was to investigate the loan repayment conditions, and personal factors affecting the loan repayments. From samples of university students, it was found that barriers in settlements of Ramkhamhang University's students were; no time to settle the payments at the banks, loss of a loan repayment schedule and having no idea of the repayment amount.

There were different opinions regarding the repayment conditions between the groups of non-paying borrowers and payers regarding the two-year repayment grace period, 15 years of the loan repayment period, the 12 and 18 percent penalty per year, and the law suits. Factors that affected repayments of the sample included the field of graduation, as well as the income and other liabilities of borrowers. The author suggested there be more channels for settlements, such as ATMs, convenience stores and the Internet, etc., and should inform the borrowers about the place where they can receive or print the repayment loan schedule.

There were different opinions from the group of deferred debtors and payers about repayment conditions. The author, therefore, recommended setting the criteria in accordance with the requirements and living conditions of students after graduation. This should include an incentive for the repayment of the debt; for example; if a borrower can complete the repayment faster than in the specified period, there should be a special discount on the principal; for borrowers who were still unemployed could request an extension of the repayment period of more than two years; and those with a low income or unpaid debts over a period of 15 years could be considered for reductions on the penalty, provided that there is a good reason.

PrakaiKaew ThongNuen (2003) studied the problem and the need for the operation of the student loan fund for the education of youths in Udon Thani province. The results showed that

- 1) Problems with the operations of the SLF in Udon Thani were at moderate level. The first 3 problems were the loan limit, process of loan payment, and the preparation of the loan agreement.

- 2) The demand for the SLF was high. The first 3 tasks were public communication, recruitment and loan limit.

- 3) Youths with different educational backgrounds and income had significantly different issues with the SLF administration in statistical terms at a level of 0.05, according to the research hypotheses.

- 4) Youths with different types of accommodations and income from the loan fund per year had significantly different demands on SLF administration in statistical terms at a level of 0.05 hypotheses according to Research hypotheses.

The suggestion was made that the loan administrative committee should have public relations approaches which are advanced, diverse and continuous. They should also arrange a clarification meeting for students, parents and all those parties involved to have a true understanding of the fund, especially about writing contracts and loan repayments. In addition, the service should be more convenient and thorough.

Itthipol Jaisamak (1998) did research on the SLF project: a case study of a private university campus in Bangkok. The objective was to assess the inputs of the SLF project operations for private higher educational institutions about project understanding, planning and control of the Fund committee of the Institution, organization performance, public relations, dissemination, and assessment of the project process; and to study the problems and barriers of the project implementation. The study revealed that:

The Administration and Operational Management of the SLF Project:

- 1) Recognition and understanding of the project by the project implementers and administrators. Everyone has their own perception of the Education Service Division of the Ministry of University Affairs. This recognition comes from the project operations manual of the Ministry of University Affairs. Most of them understand their purpose in accordance with the law.

- 2) Planning and controlling the institution by the SLF committee. The administrative work was well prepared and in accordance with the guidelines of the Committee Resolutions which aim to manage the budget perfectly and consistently within the objectives of the project, and to plan and control its implementation in accordance with all rules and processes that are determined by Ministry of University Affairs. Although the committee is very strict about the rules, they still face operational problems regarding the integrity and clarity of rules, such as the qualifications of loan applicants, evidence for loan borrowing, practical policy and the budget allocation of Ministry of University Affairs.

- 3) Organizational performance Management. The level of readiness for personnel and location was insufficient.

- 4) Public relations and information dissemination about the project were mainly published by the news media and poster boards, which the Bureau delivered for a very short duration. This meant the public relations department of Student Affairs at each institution had only short time to work on it.

The Implementation Process of the Fund.

Most of the Private University Student Affairs at the Universities followed the procedures and were well organized and abided by the University's operations manual set by University Affairs. However, the selection and interview steps were very problematic. The criteria and conditions for eligible borrowers were not clear and the interviews lacked guidelines. As a result, implementers had to conduct their interviews based on their own judgement, mainly considering income and the assets of families.

The selection and interview result will be announced by the Student Affairs division of each of institution. More than half of the contracts were signed at the university and the rest were signed locally in their hometowns. This lead to problems for the contract review process. For the monitoring process, Student Affairs mostly tracked the academic performance of the borrowers and brought it to the Ministry of University Affairs attention. The monitoring paid little attention to the needs of funds for students, the living conditions of the borrowers and the students' status when they are no longer students.

The author provided the following recommendations.

The input

- 1) To make the conditions and guidelines of the SLF project the same for all institutions.
- 2) To modify and improve the operational rules to be more stringent, such as the integrity and clarity of evidence for the eligibility for loans, criteria and conditions for borrowing.
- 3) To enhance the enterprise's management personnel and facilities to meet the workload in order to have the operational work carried out more efficiently and faster.
- 4) To use public relations to disseminate information, which in turn must be accurate, fast and explicit in order for the implementers to apply it directly.

Process

- 1) To improve the criteria for selection and interview methods by making clear procedures and guidelines in order for implementers to be able to make the right decisions, taking into account such things as family income, academic performance, the ultimate goal, etc.

2) To establish processes and procedures for contracts to be cautious and carefully check the accuracy of the information and evidence, such as signatures and personal guarantors, which must correspond with the evidence of loans.

3) To expedite the follow-up process in accordance with the plan. In order to enable further planning, the follow-up process must check on the status of borrowers, terminated student status, and capital needs.

4) There must be an exchange of operational information to create a more effective administrative network for the fund and also to provide training for borrowers to realize the value of money and to foster an understanding of their own responsibilities.

Seksan Boonrod (2010) studied the evaluation and satisfaction of Higher Education Students with student loan funds for education: a case study of institutions of higher education. The objective was to study the administration of the fund, the results of the fund administration, study the satisfaction level of Higher Education Students with the administration of the fund, factors influencing the backgrounds of students, and study barriers and problems affecting the satisfaction level of Higher Education Students with the administration of the fund. The study results were gathered from documents in which the data was collected from questionnaires.

It appeared that firstly, the setting of the income criteria for the eligible loans was too high. The fund, therefore, could not increase the educational opportunities of low-income students effectively. Secondly, it lacked mechanisms to monitor the allocation of loans, causing leakage in the fund allocation. Thirdly, it lacked a mechanism to monitor repayment performance, causing losses to the state and taxpayers. Fourthly, it lacked mechanisms for monitoring and evaluation, causing the implementation of the SLF to be continuously and poorly managed for a long time without being resolved as it should be.

The sample in the study was satisfied with the Fund. Overall satisfaction was at a moderate level and satisfaction of all aspects was at an average level. Regarding the guidelines stipulation for fund lending, most samples were satisfactory. The second level of satisfaction was the establishment of the loan conditions and conditions for loan limits. The conditions of the loan process got the lowest satisfaction level. After studying the background of loan applicants, it was concluded

that the satisfaction level of Higher Education Students with the Fund showed no difference for students from different regions and genders, or by the number of siblings and parents' occupations. However, for students with a different family income, it showed a significant difference in statistical terms at the level of 0.01.

Hemwan Kongthong (2007) studied the rate of return on investment in education in public universities: a case study of Economics, Chulalongkorn University and Ramkaamheang University. The study found that public universities with restrictive admissions policy had social costs, which averaged 103,252 baht per person per year. Universities with non-restrictive admission policies had social costs of 50,558 baht per person per year. The main reason which made the social costs different between universities with non-restrictive admissions policies and the ones with restrictive admission policies was the volume of students in which the universities with non-restrictive admission policies, was many times higher than the ones with restrictive admissions policies.

For private costs, it was found that universities with restrictive admission policies had an average cost of 66,621 baht per person per year, and universities with non-restrictive admissions policies had average cost of 43,493 per person per year. The cost differences stemmed from the difference of the fees, which were lower for the universities with a non-restrictive admissions policy. However, the cost of universities with a non-restrictive admissions policy, after adjustments for the costs of educational wastage, was much higher. This is due to the high rate of educational wastage, which was 50 percent per year, while the universities with a restrictive admissions policy has educational wastage at an average rate of 8 percent per year. In terms of the burden of educational expenses for borrowers, when compared with the operating costs for education with student fees which were paid to the institutions, it was found that students in all institutions shared the burden of educational expenses on average at about 40-50 percent of the operating costs. Student of universities with a non-restrictive admission policy had the lowest expenses.

The study results for the rate of return to society revealed that universities with a limited number of students had higher returns than universities with an unlimited number of students. For example, Chulalongkorn and Thammasart University had the return rate at 29.61 percent per year while Ramkhamhaeng University had a return rate to society at 19.15 percent.

As far as the returns for individuals is concerned, universities with a limited number of students received more returns for individuals than the unlimited ones. Chulalongkorn had the highest return rate per person per year, up to 32.60 percent, followed by Thammasat University with a return rate of 29.94 per cent per annum, whereas Ramkhamheang got a yield of 18.98 percent per person per year.

The study pointed out that higher education was an investment that gave a return for both society and the individual. It provided higher returns than the deposit rates of commercial banks in the year 2004, with a return of 1.00-1.75 percent per year. Furthermore, it was also very worthwhile for investors to borrow from the fund, even from the funds of universities with an unlimited number of students.

Praphan Thumachai (2004) studied the effectiveness of student loan funds for the education of Rajabhat Universities in the northern part of Thailand, and found that the effectiveness of the fund was at a high level in all aspects, including public relations, coordination, the preparation of the information technology, as well as monitoring and evaluation. In terms of the number of borrowers and the loan amount during the academic years 1996-2003, the number of borrowers increased to 33,331 students or 719.14 per cent, and the total loan amount was 1,727,619,253 baht. For the loan amount in the first semester of the academic year 2002, students received on average about 15,615 baht for existing borrowers and about 14,638 baht for new borrowers.

Regarding the effectiveness of results, satisfaction with the service of borrowers was at a very low level. For the educational expenses aspect, borrowers had expenses of about 15,412 baht on average per student per semester, and the academic performance rate of borrowers was an average of 23.41. In term of educational opportunities for borrowers, it was at the highest level. For the standard of living, it was at a high level. In the years 1999-2004, the due borrower had repaid the first installment of approximately 17,437 cases or 69.91 percent of borrowers whose payments were due. The amount repaid was approximately 24,887,767 baht or 68.70 per cent of the amount required to repay the first installment.

The analysis results of the factors that determined the effectiveness of the fund revealed that the fund structure, the improvements in supply, and the use of the technology being utilized, had direct effects to the effectiveness of the implementation

of the fund. The status of borrowers included grade point averages before borrowing, hometown, annual income of parents or guardians, and the area of study had a direct impact on effectiveness, in terms of the number of borrowers and the loan amounts. The status of the graduated and due borrowers, including the borrower conscience regarding repayments and monthly revenue, had a direct effect on loan repayments. Areeya Manusboonpermpoon and Somkiat Tangkitvanich (2006) of the Thailand Development Research Institute Foundation (TD RIA) did research studies on the evaluation of the policy of Student Loans Fund for education. The study objectives were: 1) to evaluate whether the fund was able to increase educational opportunities for the people effectively, evaluate the responsiveness to the policies on income distribution, support the educational system on the demand side and studied the efficiency of the financial management of the fund.

The authors had analyzed the factors associated with the financial conditions of the SLF. For example, the rate of repayments and the expenses of the SLF administration. 2) In addition, it aimed to propose recommendations for the policy on increasing educational opportunities for the people and operations of the fund in the future in order to achieve clearly defined objectives more effectively and efficiently. The results of the study are summarized below:

1) Performance of the SLF to Increase Educational Opportunities.

The study found that the implementation of the SLF resulted in borrowers who came from poor households increasing their intention to pursue their studies significantly, while the SLF did not help increase in the intention to pursue studies for borrowers with incomes above the poverty line. The investigating team had noticed that the threshold of income of the eligible borrowers was not higher than 150,000 baht per year, which was considered too high. As a result, the SLF could not help increase educational opportunities for people as a whole effectively.

2) The Responsiveness to the Income Distribution Policy of the SLF.

The SLF moderately contributed to the distribution of income for households with a low income. It helped distribute income to low-income households which had students studying in upper secondary levels more than to the households with students studying at higher education levels. However, the SLF was not a good tool to distribute income effectively, compared with other methods such as tax

mechanisms, or direct subsidies to households with low incomes, since reaching the low-income prospects of the SLF was not precise enough. In addition, those with low incomes were not actually able to pursue their studies to the high school level.

3) Support for the Educational System in Terms of Demand.

The SLF contributed to the development of the education system in terms of demand by increasing educational choices for students. In particular, the expansion of private higher education institutions was likely a result of the SLF.

4) Equality and Fairness in Education Subsidies.

The guidelines of the SLF, which were aimed at providing loans to students from low-income households, resulted in more educational subsidies from the government sector to low-income households compared with the existing financial system. However, if the SLF could be granted to more eligible borrowers, it would cause greater equality and fairness in the educational subsidies.

5) The Rate of Outstanding Debt of the SLF.

The rate of overdue debt remained high. This reflected the ineffectiveness of debt collection. This caused the sustainability of SLF. However, the SLF lately has applied measures for debt collection, such as public relation and offering incentives via various media, visiting borrowers' places, and legal proceedings against borrowers who failed to repay on time. The ratio of overdue debt, therefore, started to decline.

6) The Cost of Administration.

The total cost of administering the SLF against the outstanding debt of each year was not high. It was about 1.6 percent of the total outstanding debt.

7) The Financial Sustainability of the SLF.

The rate of return of the SLF was low - approximately 33 percent of the total loan amount. It was unlikely that SLF could exist with a revolving fund without relying on the budget of government.

The research resulted in 4 main conclusions. First, the income threshold of eligible borrowers was too high. It, therefore, could not increase the educational opportunities of low-income students effectively as it should do. Second, there was a lack of mechanisms to monitor the allocation of loans; causing leakage of the fund allocation. Third, there was a lack of mechanisms to monitor the repayments

efficiently, causing losses to the country and taxpayers. Fourth, there was a lack of mechanisms to monitor and evaluate operations, resulting in the continuous misadministration of the SLF for a long time, since such problems had never been corrected and performance assessment could not be conducted accurately. From the experience of the evaluation of the SLF, the researchers made suggestions for monitoring and evaluating the SLF as follows.

1) The SLF should set a clear goal and could be evaluated quantitatively, for example. If the goal of the SLF was to increase educational opportunities in higher education, they should define clearly the definition of "educational opportunities" and determine indicators for achieving goals, such as enrollment rates or the graduation rate of higher education for the target groups.

2) There should be a plan for data collection used to monitor the implementation of projects in various areas, such as the details of loan borrowing and repayments, the distribution of loans to the various disciplines of institutions, the total number of payers, and the total debt payments each year. This is aimed at tracking the financial status of the project.

3) There should be a plan to store data for monitoring and the evaluation of projects, using various pieces of information about the borrowers, including the economic and social status of the borrowers, such as household income, the educational level of parents and details about the education of the borrowers. The purpose of this is to know the characteristics of those loan applicants and be able to answer any questions about the policy, such as did poor families benefit from the project or did the project improve the return on investment for education in the labor market?

2.4 The Findings on Thailand Income Contingent Allowance and Loan (TICAL) Scheme

The Office of the Education Council Ministry of Education (2004, by Matee Krongkaew and team) studied finance of Higher Education on Income Contingent Loan: ICL, which was a study that focused on the Demand Side Financing in accordance with the benefit principal. Students had to bear higher cost for education.

This reduced the burden of government subsidies and reflected the actual administration cost of the universities. As a result, the principles of the Income Contingent Allowance and Loan (TICAL) Scheme was presented. This scheme took the full cost or actual study and teaching load of all discipline groups and of each type of university to be used as a criterion for setting the tuition fees for each of the disciplines which each university charged their students. It was divided into two parts. (1) Tuition fees that university collected at the current rate (called part (a)) and Tuition fees that university increased in order to reflect actual costs or operation expenses of each program of the University. However, it shall not exceed the ceiling of each group programs (called part (b)). If the student was able to pay all fees for both part a and b, the university gave a discount. For students who could not pay out, the unpaid amount would change to be an ICL loan.

For poor students who attended programs for which there is a high demand, the Government might grant the full amount of the school fees and students had to repay the loan after they graduated, were employed and their income reached the threshold Income which was sufficient to repay to the tax system of revenue department. If the borrowers' income was less than the threshold or the borrower was unemployed during the repayment period, the settlement could be stopped temporarily.

If the repayment was made prematurely (Voluntary Repayment), there was a privilege offer (bonus) to be deducted from the principal amount which had to be repaid. The borrower had to repay all debt, only if the borrowers died or became disabled and thus could not work, the debts would become a non-performing loan and the loan contract would be cancelled immediately. The study results were presented Action Plan (Blueprint) of the management of Income Contingent Allowance and Loan (TICAL) Scheme

- 1) To study the full cost per student for each discipline compared to the actual workload within a discipline.
- 2) To divide the cost per student into clusters and classify by type of institution. The same cluster had similar cost per head.
- 3) To determine the cost per student of each cluster of study in order to determine the right proportion between the students and the state.

4) To increase the subsidy from the government for program for which there is a high demand for the country.

5) The Commission on Higher Education (CHE) should be the main body preparing the adjustment to the new system. The agencies concerned should also jointly work on the preparations as follows.

(1) To study and determine the minimum income threshold (threshold Income) which was sufficient to repay TICAL.

(2) To determine the discount to motivate the students to pay all school fees at once.

(3) To determine the privilege (bonus) to reduce the principal for borrowers to repay loans faster.

6) CHE made an agreement with the Revenue Department to collect the loan repayments on behalf of the government. A system was provided to record the value of loans and debt and monitor the situation of borrower income.

7) CHE made an agreement with the relevant authorities to issue regulations to enforce that employers and employees abided by as follows

(1) The employer shall deduct the ICL loan in accordance with the law. If an employer violated the regulation, they could get penalty legally.

(2) The employee filled in the ICL loan amount in the list of debts as an additional items in the income tax return form. Any violation or providing false information, would be punished in accordance with the law.

8) The Office Loan Fund for Education (SLF.) announced the cancellation of a loan for education for high school students. This announcement was to be enforced in the year 2004 and informed students and all schools across the country.

9) The SLF was transferred to be school grants for students in upper secondary education who were eligible and qualified in accordance with criteria set up by state agencies.

10) The government allocated college grants to be school fees of higher education for students who are disadvantaged or poor, according to SLF criterion.

11) To transfer all existing SLF debtors into ICL and have SLF office manage ICL system.

12) To set up an agency within the Office of SLF to coordinate with educational institutions when they start using the SLF system.

13) The management system was set up among agencies involved in the money transfer and receiving funds, SLF loans, and SLF repayment amount. The agencies were CHE, SLF Office, the Revenue Department, Comptroller General's Department and the Budget Bureau.

14) With consideration of SLF office, the borrowers could borrow higher loans from SLF for educational expenses and living allowance in addition to the school fees.

15) The Ministry of Finance tried to find an approach for property tax and import duty exemptions for educational materials for private education. Private schools would be treated equally to the public school.

Ekruethai Chatchaidet (2007) studied the trend of the philosophy of education with Thailand Income Contingent Allowance and Loan (TICAL). The objectives were: (1) to predict the trend of the management system of education which would occur to the education philosophy of Thailand and study management of TICAL. (2) to seek an approach in providing education that is suitable for the concept of TICAL . This was to be presented as descriptive research study.

Summary of study results showed that originally Thailand's educational philosophy set the direction and government goals. The aim was to develop the country based on the creation of quality human resources in line with the National Economic and Social Development Plan. Until the Reform Act of (1999) was set, Thailand's educational philosophy focused on developing students to excel and be in good health. This was the real goal of education. After that TICAL was established to help the students in higher education to have the opportunity to be educated equally. The Policy stated that "If you want to study, you can study and, pay later "and found that the emergence of TICAL made the management of education in Thailand likely to change and have impact on education and how students can receive good education and be in good health whilst being responsible for liabilities from education expenses in the future. TICAL did not support students to have good education and, good health or promote lifelong learning. As can be seen from the objective it was to promote the education to meet the need of the labor market, rather than to promote the study to develop both body and mind of the learners.

TICAL was likely to change an educational philosophy in Thailand that encourages good education and good health by providing more educational services. It also affects the human knowledge which is passed knowledge on to others. This results in gaining new knowledge in various areas in the future. The researchers therefore suggested that TICAL benefitted learners who truly needed help and promote education in all areas in order to make the educational philosophy of the Thailand truly integrated.

2.5 Conceptual Framework

The various studies of the theories above as well as the results of relevant studies, the author suggested that in order to determine the loan models for the education of Thailand and overseas models and their advantages and disadvantages should be studied in order to get feedback for loan models which suit Thailand. The conceptual framework of the study should be determined to answer the research question about the development of education loan models in the Higher Education of Thailand, as shown in Figure 2.2 below.

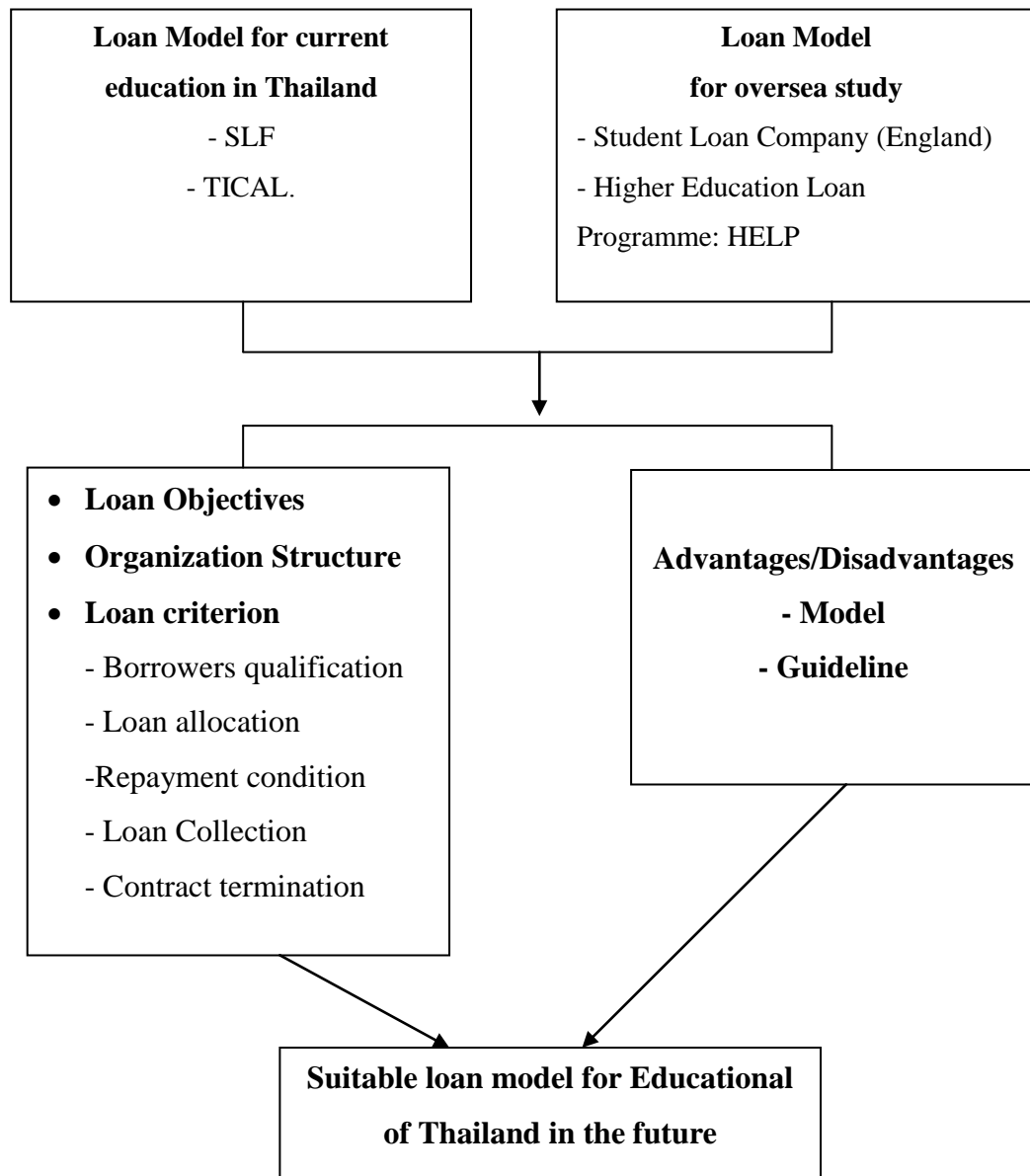


Figure 2.2 Conceptual Framework

CHAPTER 3

RESEARCH METHODOLOGY

This research aims to examine types of student loans at the university level during the period from 1996-2015. Currently, Thailand has two types of student loans, namely, the Student Loan Fund and the Income Contingent Loan. In addition, a comparison between the student loans in Thailand and foreign countries will be performed. The countries and loans that serve as a comparison include Britain with the Student Loan Company (SLC), and Australia with the Higher Education Loan Programmer (HELP). Comparisons will be conducted in the areas of types of loan, advantages, and weaknesses with the implementation of the university loans. The research focuses mainly on qualitative research. However, to obtain information that supports the related details, the researcher also employed the quantitative research approach to assess the opinions of students who are studying at the universities and who have graduated from the universities. In terms of qualitative research, documentary research and in-depth interviews was adopted as a tool for data collection. In particular, in-depth interviews were conducted with the key informants who have a deep understanding of the policies and implementation. The information gained from the qualitative research was combined with the results from the quantitative analysis with the aim of supporting a new and appropriate type of student loan in Thailand. The following presents the research methodology and information analysis from different sources.

3.1 Documentary Research

To obtain related and complete information for content analysis, the researcher paid attention to the documents and the evidence related to the student loans at the university level in Thailand. Such student loans in Thailand include the Student Loan Fund and the Income Contingent Loan under the supervision of Office of Student Loan Fund. The Office is also supervised by the Comptroller General's Department in the

Ministry Of Finance. The document research was carried out with the student loans at the university level in England and Australia. These two countries are the role models for the student loan programs. Their programs have been implemented for a long time and are used to make a comparison to see different perspectives, processes, and ways of implementation, including advantages and weaknesses. The results from the comparison were brought in for analysis and drew conclusions suitable for Thailand in line with the following documents:

1) Laws and Regulations, Announcements, Proceedings and Related Documents, Such as:

(1) The Constitution of the Kingdom of Thailand, B.E. 2550 (2007)

(2) The Educational Act, B.E. 2542 (1999)

(3) The Student Loan Fund Act, B.E. 2541 (1998)

(4) Ministerial Regulations of the Student Loan Fund B.E. 2549 (the Income Contingent Loan)

(5) The Student Loan Fund Regulatory Commission Related to Implementation, Rules and Regulations for Loan Application, and Student Loan Fund No.3 B.E. 2546 (Amended)

(6) The announcements of the Student Loan Fund and the Student Loan Fund Committee (the Income Student Loan)

(7) The Proceedings of the Student Loan Fund and Student Fund Committee (the Income Contingent Loan)

(8) Financial Statements

2) Related Concepts and Theories

(1) Theories of public policy

(2) Theories of policy implementation

(3) Theories of the factors influencing the implementation of policy

(4) Theories of investment in human capital and education

(5) Theories of educational equality

(6) Concepts of the income contingent loan

In addition to the above theories and concepts, the researcher also gathered the information concerning concepts and types of student loans in the foreign countries used in the study.

3) Documents, articles, and reports in relation to the student loans at the university level in Thailand and the foreign countries.

3.2 Surveys on the Student Borrowers of the Student Loan Fund and the Income Contingent Loan

To obtain complete information, particularly from the borrowers of the Student Loan Fund and the Income Contingent Loan, this research employed the survey approach to collect the data from those borrowers. These borrowers are current students and graduated people. The aim of the survey was to assess their opinions about the policies, the loans, educational opportunities, and the criteria for loans. Because the northeastern part of Thailand has an income per head less than those in other parts of the country, and they need to spend their income carefully on daily expenses and education, the researcher decided to study this group as the research sample.

3.2.1 Sources of Data

The tool for the survey are questionnaires and were used for the borrowers of the Student Loan Fund and the Income Contingent Loan who are currently studying, or have graduated from two universities in the northeastern part of Thailand.

1) Mahasarakham University is a source of knowledge and is located in the northeastern part of Thailand with a huge amount of borrowers.

2) Sakon Nakhon Rajabhat University is located in the upper northeastern part of Thailand. It is a place for commencement ceremony for all the students of the Rajabhat Universities situated in the northeastern part of Thailand and there are a large number of students interested in this university. These groups are currently due to make repayments for their loans. Moreover, the borrowers who graduated during 2008-2014 and are due to make loan repayments during 2011-2017 are the target respondents. 2011 was the first year that the borrowers had to repay the Income Contingent Loan, and data from this year was used to obtain proportional sampling amongst the borrowers of the

Student Loan Fund and the Income Contingent Loan. This data is stored in a database at the Office of the Student Loan Fund.

3.2.2 Population, Sample, and Sampling

1) The population in this research was a group of borrowers of the Student Loan Fund and the Income Contingent Loan who are studying at and graduated from Mahasarakham University and SakonNakhonRajabhat University. These groups have to repay their student loans.

2) Sample

The sample size was determined using a formula developed by Taro Yamane that represents the population.

The sampling was conducted by stratified random sampling, which contains two groups: the studying borrowers and graduated borrowers. These two groups were selected from Mahasarakham University and Sakon Nakhon Rajabhat University, and they accounted for all the target respondents. Then, the size of each group was determined based on proportional sampling.

3) Sampling

When the size of the samples was determined, the research used systematic sampling and convenience sampling. They allow the researcher to ask people who have direct experience with the fund since the time is limited.

(1) The technique for selecting the borrowers who are studying or who are going to attend university was convenience sampling, and it was done by asking permission from the universities to collect the data from the target group directly.

(2) The technique for selecting the borrowers who graduated from university was using the database in sampling the respondents who are the borrowers of the Student Loan Fund and the Income Contingent Loan and who graduated from Mahasarakham University and Sakon Nakhon Rajabhat University.

3.3 Data Analysis and In-depth Interview

The research focused on the recommendation part of the student loans at the university level which are suitable for Thailand and aims to provide policy

recommendations. The data collection from in-depth interviews was emphasized in the interviews conducted with the executives in the policy area. The interviewees were the executives from the government agencies responsible for the funds. Purposive sampling and snowballing were employed as a means of sampling to obtain in-depth information regarding advantages, weaknesses, and the limitations of the relevant policies. It was expected that by using in-depth interviews the perspectives, concepts of the development for implementation, and objectives of the educational loan in Thailand would be derived. The key informants from the management and practitioners of the two funds were the focus of this research.

3.3.1 Executives of the Student Loan Fund

And the Income Contingent Loan include:

- 1) Mr. Rangsan Sriworasat, Ex-Permanent Secretary of the Ministry of Finance, is the chairman of the Student Loan Fund and the Income Contingent Loan.
- 2) Mr. Manas Chamweh, Director General of the Comptroller General's Department, is a committee member and secretary of the Student Loan Fund and the Income Contingent Loan.
- 3) Mr. Patchara Anantasilp, Deputy Director General of the Comptroller General's Department, is assigned to take care of the divisional development of the Comptroller General's Department, which is under the supervision of the Comptroller General's Department. The Department controls the non-budgetary fund in terms of working capital and other government funds. Mr. Patchara Anantasilp was also the director of development for the division of the Comptroller General's Department before he was promoted to Deputy Director General.

3.3.2 The Executive of the Office of the Student Loan Fund

Is an agency that is assigned to manage the student loans in Thailand and includes:

- 1) Thitima Wichairat, Ph.D., Ex-Permanent Secretary of the Ministry of Finance, is a committee member and assistant secretary of the Student Loan Fund and committee member and secretary of the Income Contingent Loan, as well as the deputy manager of the fund for more than 3 consecutive years.

2) Miss Duangkhae Tantitayaphong is a deputy manager of the Student Loan Fund and the Income Contingent Loan.

3.3.3 Representatives of the Subcommittee Who Has Continuously Worked for the Office

1) Assoc. Prof. Suda Witsarutpitch is the chairman of the legal subcommittee of the Student Loan Fund and the Income Contingent Loan.

The details are shown in Table 3.1

Table 3.1 Key Informant

Name	Position
Executives of the Student Loan Fund and the Income Contingent Loan	
1. Mr. Rangsan Sriworasat	Ex-Permanent Secretary of the Ministry of Finance
2. Mr. Manas Chamweha	Director General of the Comptroller General's Department
3. Mr. Patchara Anantasilp	Deputy Director General of the Comptroller General's Department
Executive of Office of the Student Loan Fund	
4. Thitima Wichairat, Ph.D.	Manager of the Student Loan Fund and the Income Contingent Loan
5. Miss Duangkhae Tantitayaphong	Deputy Manager of the Student Loan Fund and the Income Contingent Loan
Representative of the Subcommittee who has continuously worked for the Office	
6. Assoc. Prof. Suda Witsarutpitch	The chairman of the legal subcommittee of the Student Loan Fund and the Income Contingent Loan

3.4 Data Analysis and Collection by Observation

Apart from documentary research and in-depth interviews, the researcher employed the observation technique during the interviews. Such observations included voice, facial expressions, and actions. The results from the observations were used with analysis, interpretation, and meaning, and they synthesized the information from the interview before the conclusion of the research was made.

3.5 Research Instruments

The research relied heavily on the qualitative approach, and quantitative research was also added. The tools in this research are classified as follows.

3.5.1 Qualitative Research

The main research tool used in this research was documentary research, in-depth interviews, and observations. As a result, the researcher determined the tool for in-depth interviews. Interview, interview summary and observation forms are also made. Personal information of the key informants was recorded. The information acquired from the interviews and the interview record was categorized in terms of processing, analysis, interpretation, conclusions and recommendations for the types of the student loans suitable for Thailand.

3.5.2 Quantitative Research Provides a Tool for Research.

The tool used were questionnaires designed from documentary research, books, and related research materials. The questionnaires were presented the advisor to examine if the content and validity is concise, clear, and complete before they were distributed to the target respondents. There are two main questionnaires in this research were as follows:

- 1) The questionnaire for the studying borrowers contained three parts:

Part 1: This part asks for general information about the respondents.

Part 2: This part asks the respondents' family information.

Part 3: This part measures opinions about policies, types, loans and repayment guidelines.

2) The questionnaire for the graduated borrowers contained two parts:

Part 1: This part asks for general information about the respondents.

Part 2: This part measures the opinions about policies, types, loans and repayment guidelines.

There are five levels specified in the questionnaire as follows:

Level 5 means strongly agree

Level 4 means agree

Level 3 means unsure

Level 2 means disagree

Level 1 means strongly disagree

Measurement of opinions was carried out by maximum score of interval minus minimum score and divided by the number of interval. In this case, $\frac{5-1}{5} = 0.8$. The range of score was interpreted as follows:

4.21 - 5.00 very high degree of agreement

3.41 - 4.20 high degree of agreement

2.61 - 3.40 neutral degree of agreement

1.81 - 2.60 low degree of agreement

1.00 - 1.80 very low degree of agreement

3.6 Steps in Research Methodology

To carry out the research as planned, the steps taken for the research methodology were as follows:

Step 1: Related information was collected and the researcher examined and gathered the documents concerned with the student loans, concepts, and theories, including the survey.

Step 2: The direct examination of the related information was performed and the researcher explored the concepts and theories regarding the student loans and types of student loans in Thailand. The information was obtained from the Student Loan Fund and the Income Contingent Loan. The results from existing research and types of student loans in foreign countries was assessed. The foreign countries included England and Australia.

Step 3: In-depth interviews and surveys were conducted and the questions in the questionnaires and interviews were assessed for their quality. The questions were checked to see if they cover the objectives of the research. The interview questions were brought in to the advisors for recommendations about corrections, clearness, conciseness, language, content and validity. After that, the questions were corrected and used with the target group. Observations were made during the in-depth interviews measuring voice, facial expressions, and actions.

Step 4: Data collection from field research

1) In-depth interviews were conducted with the key informants who are the executives of the loan programs and who are responsible for policy formulation and types of student loans in Thailand from the government agencies. They are the directors of the Fund and operational directors who implement the policies and practices of the student loans. The key informants were from the Office of the Student Loan Fund and the representatives of the subcommittees who have worked for the Office continuously. The management of the Office and public agencies recommended that the key informants should be directly specified. The information collected by means of observation will be also used together with analysis.

2) The questionnaire was distributed to the target respondents and collected for data analysis sequentially.

Step 5: Data analysis. The information was obtained and analyzed from documentary research, concepts and theories found in Thailand and foreign countries, including the information from in-depth interviews and observations of the key informants. Additionally, the results from the survey were used for interpretations, conclusions and recommendations.

Step 6: Summary and recommendation are in this section.

CHAPTER 4

STUDY RESULTS AND DATA ANALYSIS

4.1 Loan Fund Models for Thailand's Education System

Currently, loan funds for Thailand's education system are granted in the form of non-budget capital or the revolving fund, both under the Ministry of Finance via two loan fund models: the Student Loan Fund (SLF) and the Thailand Income Contingent Allowance and Loan (TICAL) as detailed below:

4.1.1 Study Loan Fund (SLF)

4.1.1.1 Background

As human resource development to serve national competitiveness is vital to economic growth, the Thai government formulated a policy for developing education by focusing on tackling the problem of educational inequality in society. The aim was to increase educational opportunities for higher education for students from families with a low income.

The Student loan fund (SLF) was established in 1995 under the administration of Prime Minister Chuan Leekpai, and pursuant to the Cabinet Resolution on March 28th, 1995. The Ministry of Finance, the Ministry of Education, and the Office of the Higher Education Commission served as the main agencies responsible for the operations of this student loan fund.

On January 16, 1996, by virtue of the Treasury Balance Act, B.E. 2491 (1948), Section 12, the government allocated a budget of working capital for the fiscal year 1996 to the Ministry of Finance in the form of a revolving fund for the first loan, consisting of 3 billion baht.

Later in 1998, the government realized the importance of the student loan fund and promulgated the Student Loan Fund Act, B.E. 2541 (1998), which has been in effect since March 25th, 1998, resulting in it becoming a legal entity under the supervision of the Ministry of Finance since that time.

The SLF is a legal entity under the operations of the Student Loan Fund Office, in which the Fund Manager acts as the top executive. Thus, its administration and spending styles are characterized by non-budget working capital in compliance with the Treasury Balance Act, B.E. 2491 (1948), and its revenue mainly comes from government subsidies.

At present, the SLF has the following vision and mission:

Vision “An organization that provides opportunities for education to develop Thai society sustainably.”

Mission

- 1) Grant loans to students who need financial assistance or study in fields that are required and necessary for national development.
- 2) Develop the organization to be excellent an excellent service provider based on good governance.

4.1.1.2 Objectives of the Student Loan Fund (SLF)

SLF has two basic principles:

- 1) To increase the opportunity for higher education to disadvantaged students from low-income families in order to upgrade people's standard of living and to meet the policy of income distribution.
- 2) To support the development of the demand side of education, which is an educational system financed by the government for students to select which education institution they will give money to. This system mainly emphasizes learners and manages education based on marketing mechanisms because educational institutions have to manage education in line with the students' demands. Efficient and good quality educational institutions can be reflected by the increasing number of students in each organization. Therefore, they have to compete with each other in terms of education quality and management efficiency, leading to efficient human resource management.

Due to the above basic principle, the SLF has an objective to grant loan funds to needy students by providing an opportunity for higher education according to their potential. It is an investment in human resources development to provide social and economic chances to disadvantage students and to create more social equality. The main objective is mainly for social benefits.

4.1.1.3 Structure and Duties

According to Section 7 of the Student Loan Fund Act, B.E. 2541 (1998), the SLF has the authority and duty to carry out the fund's operations according to the specified objectives. The SLF Board was set up to consider and allocate loan funds, formulate policies, rules and regulations and manage loan funds in accordance with the objectives set out under the supervision of the Ministry of Finance. The First Payment Account Sub-committee and the Second Payment Account Sub-committee monitor the operations of educational institutions under the Ministry of Education and the Office of the Higher Education Commission, respectively, as shown in Figure 4.1.

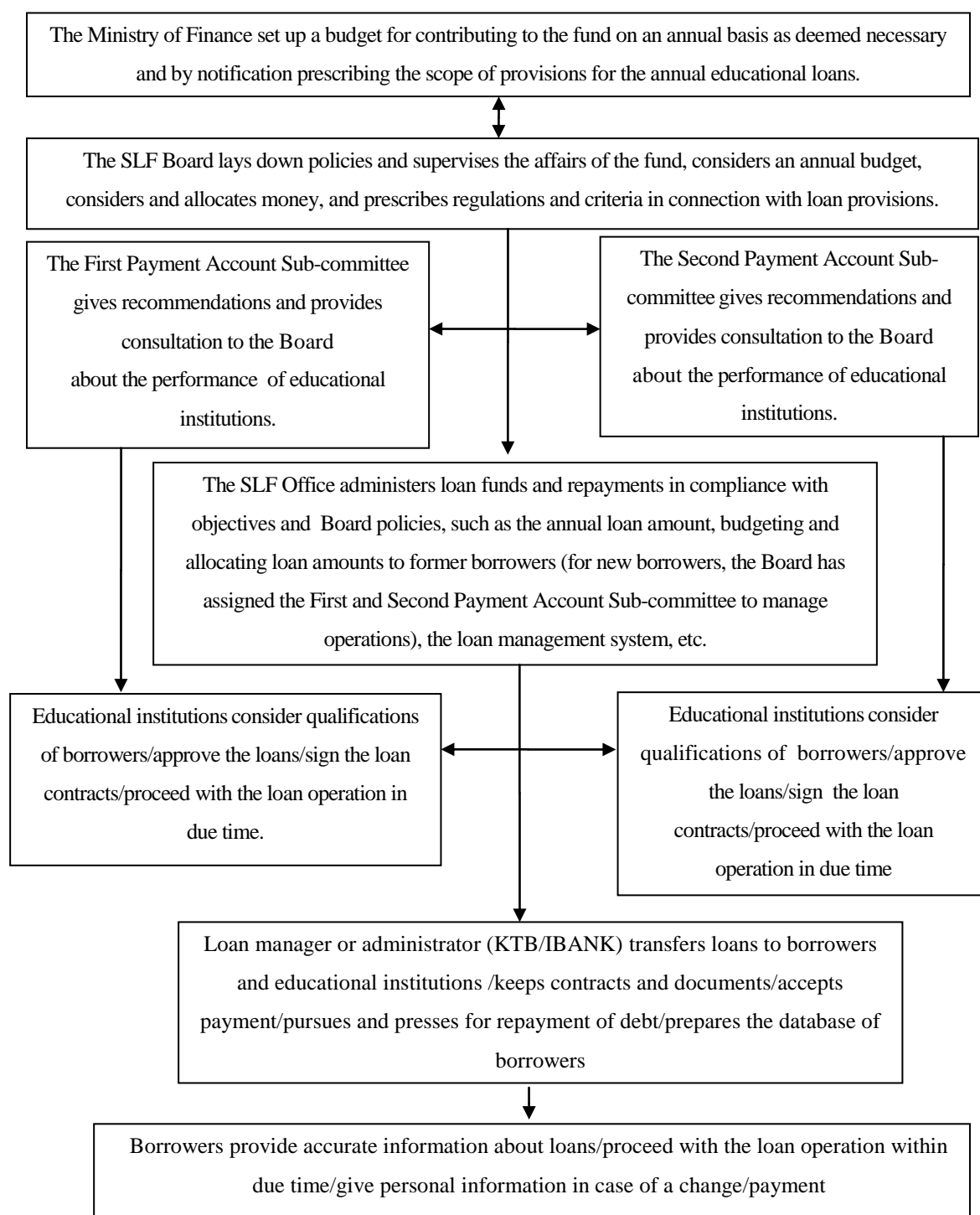


Figure 4.1 Organization Chart of Student Loan Fund

According to the Student Loan Fund Act, B.E. 2541 (1998), Section 14, there shall be a board called the “Board of the Student Loan Fund” consisting of the

Permanent-Secretary for Finance as the Chairperson, the Permanent-Secretary for Education and the Permanent-Secretary for University Affairs as Vice-Chairpersons, the Director of the Bureau of the Budget, the Secretary-General of the National Economic and Social Development Board, the Secretary-General of the National Education Board, the Director-General of the Revenue Department, the Director of the Fiscal Policy Office, the President of the Association of Private Higher Education Institutions of Thailand, the President of the Federation of Private Education Association of Thailand as members, and not more than five other members appointed by the Minister, among whom there must be at least one qualified person each in the areas of information technology, finance or accounting and law. The Director-General of the Comptroller General's Department shall be a member and its secretary, and the Manager shall be a member and assistant secretary.

The SLF Board consists of the First Payment Account Sub-Committee for distributing loans to students in schools, educational institutions which are attached to, or under the control or supervision of the Ministry of Education or other Ministries, and the Second Payment Account Sub-Committee for distributing loans to students in schools and educational institutions which are attached to, or under the control or supervision of the Office of the Higher Education Commission. Consequently, the SLF is accountable to two agencies: the Ministry of Finance and the Ministry of Education. The SLF Office is an executing agency operated by its manager.

1) The First Payment Account Sub-Committee is chaired by the Permanent-Secretary for Education and the Assistant Permanent-Secretary for Education is a member and secretary, both entrusted by the Permanent-Secretary to be members and secretaries. The Director of the Bureau of Policy and Educational, Religious and Cultural Plan, Office of the Permanent-Secretary, and Ministry of Education shall all be member and assistant secretaries.

The First Payment Account Sub-committee shall have the duty of supervising the loan provisions made to students in schools, or educational institutions which are attached to, or under the control or supervision of, the Ministry of Education or other Ministries or government agencies other than Sub-Ministry of University Affairs. This is to ensure compliance with the policies, rules and

regulations prescribed by the Board. The organization chart of the Ministry of Education is shown in Figure 4.2.

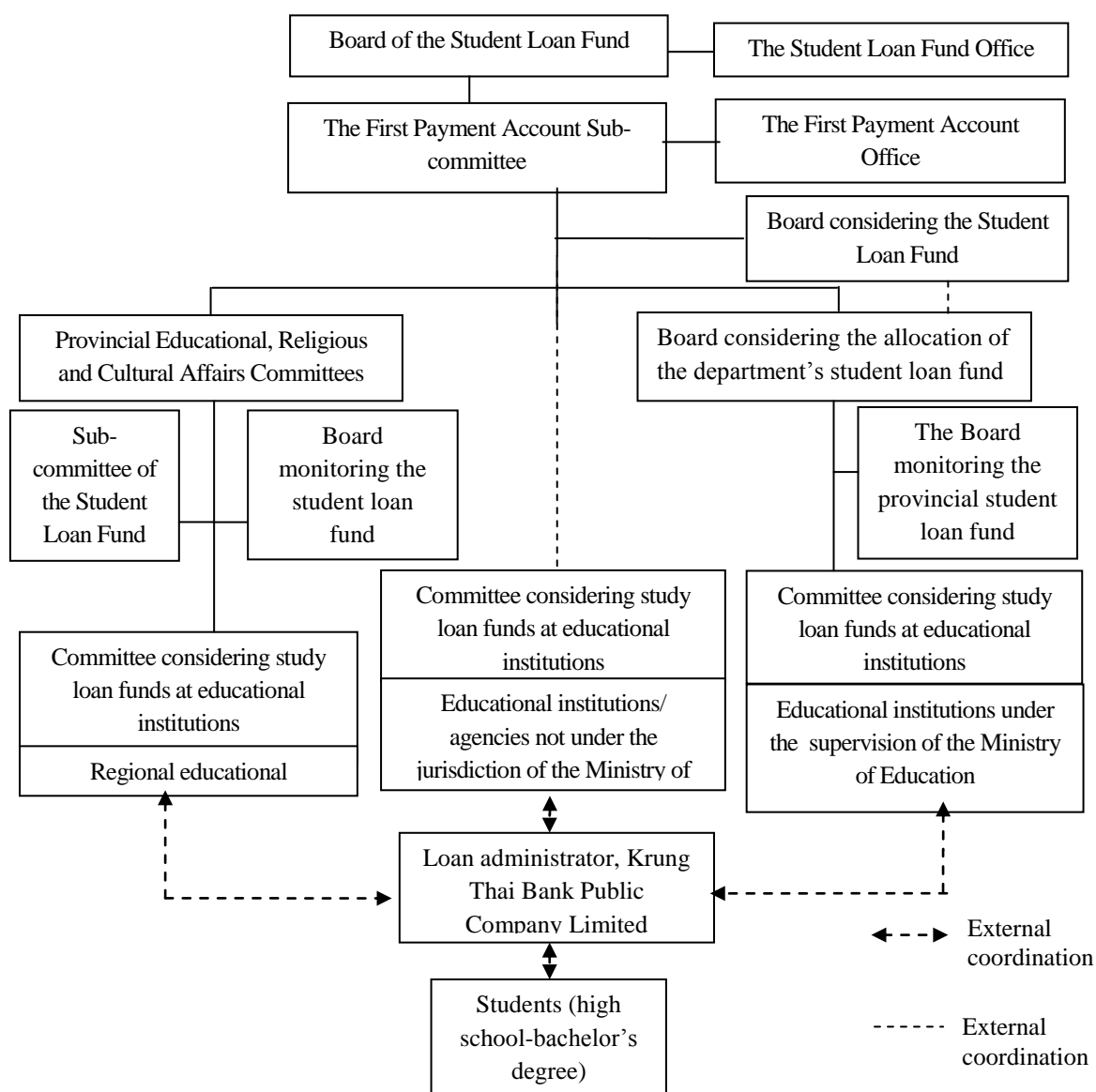


Figure 4.2 Organization Chart of Student Loan Fund under the Ministry of Education

Source: Office of the Prime Minister, Office of the National Education Commission, 1998: 216.

2) The Second Payment Account Sub-committee consists of the Secretary-General of the Office of the Higher Education Commission as the Chairperson and those assigned by the Secretary-General of the Office of the Higher

Education Commission who shall be a member and secretary, and a member and assistant secretary. The organization chart of the SLF of the Higher Education Commission is shown in Figure 4.3

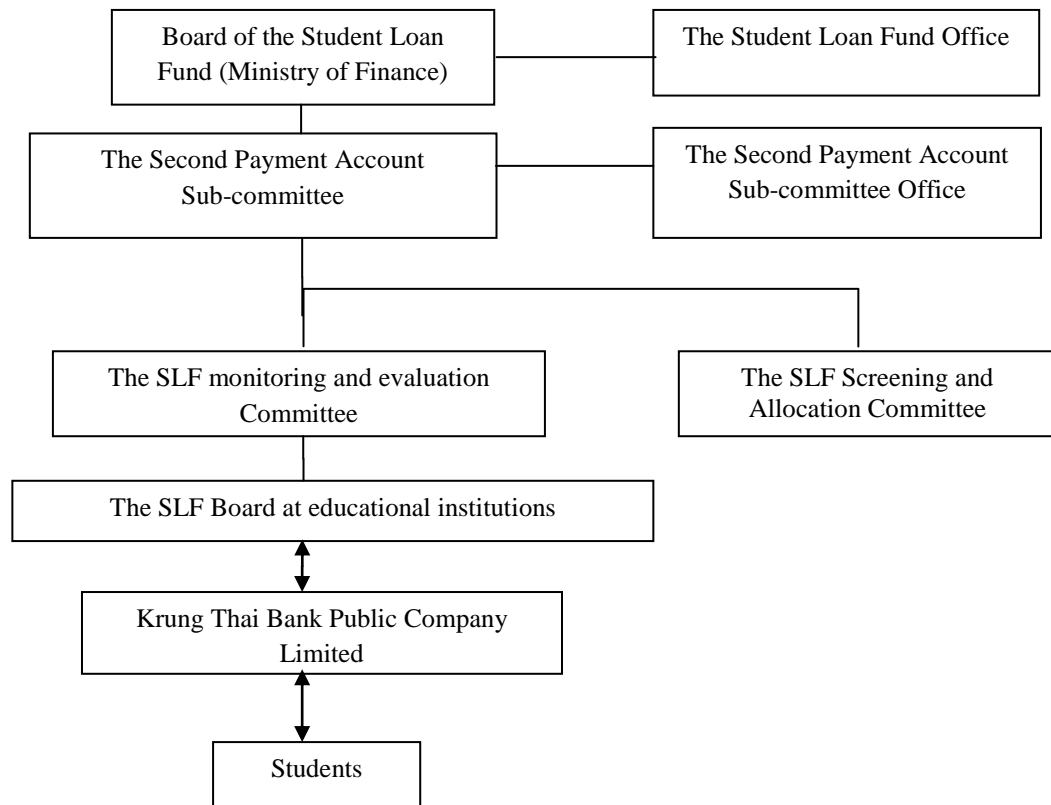


Figure 4.3 Organization Chart of Student Loan Fund under the Office of Higher Education Commission

Source: Office of the Prime Minister, Office of the National Education Commission, 1998: 218.

3) The organization chart of the student loan fund is shown in Figure 4.4.

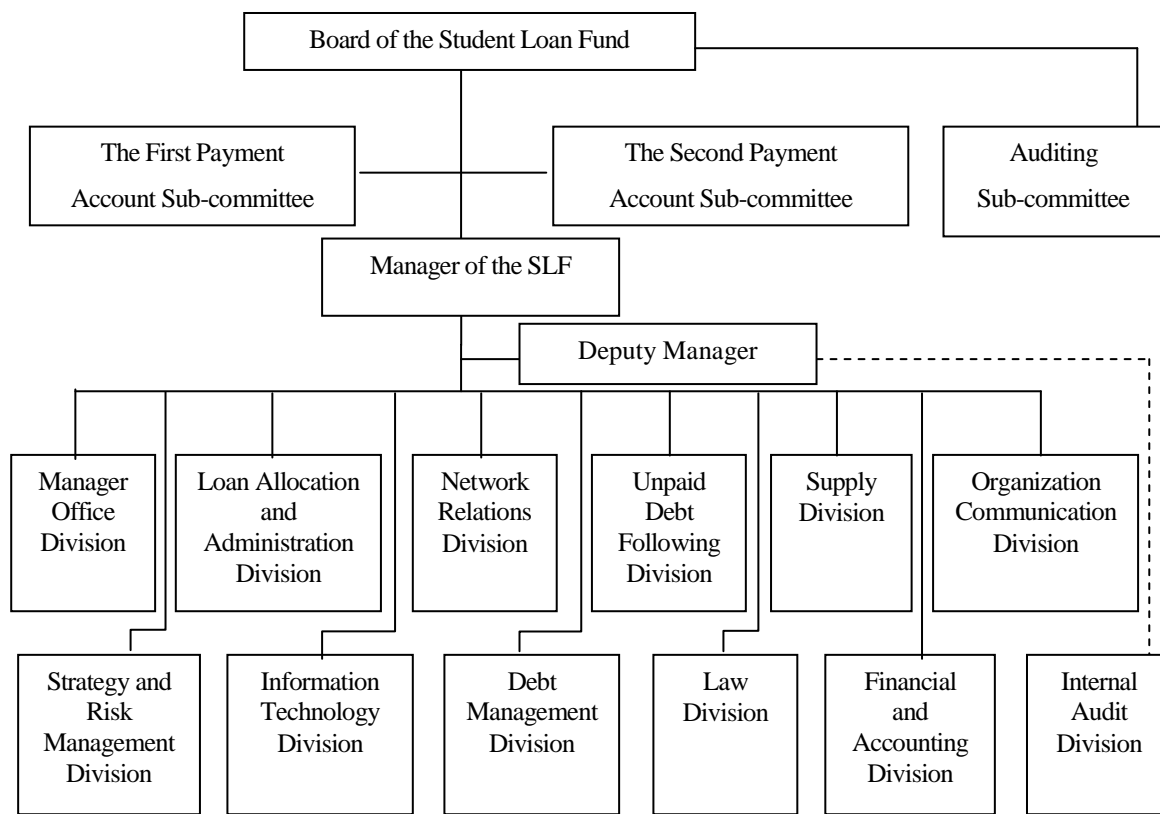


Figure 4.4 Organization Chart of Student Loan Fund

According to the Student Loan Fund Act, B.E. 2541 (1998), Section 21, the Fund shall hire one manager to be responsible for the administrative work of the fund, to monitor and oversee the operations of the Loan Administrator for the purpose of making a report to the Board as the Board prescribes, to control, direct and supervise the operation of officers and employees of the Fund in compliance with the current regulations, to liaise and communicate between the Board and the Loan Administrator, and to perform any other duty as prescribed by the Board, the Chairperson, or as prescribed in the employment contract.

Currently Krung Thai Bank PCL and the Islamic Bank of Thailand perform the duties of Loan Administrators as per Section 37. Their duties include: disbursing and transmitting the loans, pursuing and pressing for the repayment of loan debts, undertaking public relations activities to make the general public know the policies, rules and procedures in borrowing loans, giving advice and

facilitation to students regarding the execution of the loan scheme, disbursing and transmitting the loans to borrowers, the storage and maintenance of the relevant documents and evidence, notifying the persons concerned of the amount and status of their debt, accepting repayments of loan debt, pursuing and pressing the for repayment of loan debt, bringing an action for enforcing the repayment of loan debt, and preparing a report on the operations of loan provision and submitting it to the Board.

In brief, the Board of the SLF has the main function of formulating regulations and policies about loan grants and allocating the budget and expenses to the agencies concerned. The two sub-committees involved are the First Payment Account Sub-committee and the Second Payment Account Sub-committee. The first is responsible for monitoring the loans of education institutions under the Ministry of Education and those under the supervision of other ministries, while the second is responsible for operations under the supervision of the Higher Education Commission Office. The Loan Manager will be in charge of supporting the operations of both sub-committees. Krung Thai Bank PCL and Islamic Bank of Thailand are also hired to manage and administer the loans.

4.1.1.4 Procedures of the SLF Operations

The Board of the Student Loan Fund is in charge of formulating policies, regulations and the criteria for loans, as well as allocating budget and administration expenses for the agencies concerned. The procedures of the SLF operations are shown in Figure 4.5.

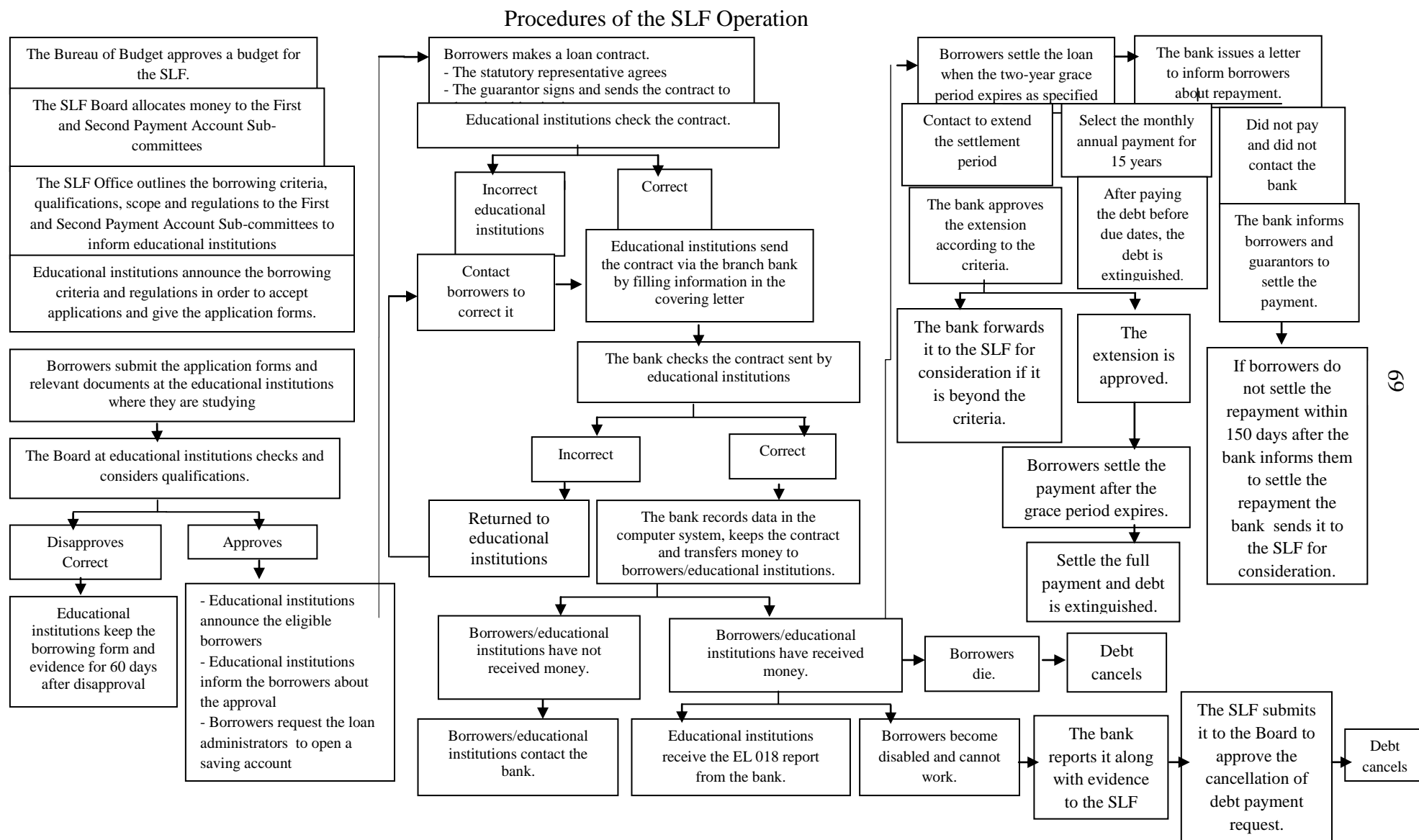


Figure 4.5 Procedures of the SLF Operation

The procedures of the SLF operations are as follows:

1) Consideration and Approval of the Loan

(1) The Minister of Finance is responsible for setting up the annual budget for the SLF. After the government, through the Bureau of Budget, transfers the budget to the SLF, the SLF Board will allocate the money to the First Payment Account Sub-committee and the Second Payment Account Sub-committee.

(2) The SLF informs the Ministry of Education and the Office of the Higher Education Commission about the borrowing criteria, qualifications, scope of borrowing and its regulations, so that both agencies inform borrowers accordingly.

(3) Educational institutions announce the borrowing criteria, qualifications, scope of operations and regulations to students, and then request their applications.

(4) Students submit an application form, relevant documents and evidence to the educational institutions where they are studying.

(5) The SLF Board at an educational institution checks the documents and considers the qualifications of the borrowers by interviewing them or verifying the facts by visiting their families. If it is in accordance with the criteria specified by the Board, loans can be granted.

(6) In case the SLF Board at an educational institution approves the loan, educational institution has to announce the list of eligible borrowers and reports the selection result to the SLF and manager, or loan administrator (Krung Thai Bank PCL and the Islamic Bank of Thailand).

2) Budget Allocation to Educational Institutions

Educational institutions will receive a loan budget from the First Payment Account Sub-committee or the Second Payment Account Sub-committee that is the institutional affiliation. The budget allocated to educational institutions is divided into three parts as follows:

(1) Budget for the former borrowers who borrowed the loan in the previous year.

(2) The former borrowers who used to borrow from other educational institutions.

(3) The new borrowers who have never borrowed from the SLF (or those who used to borrow but the loan has already been settled).

3) Loan Procedures at Educational Institutions

After receiving the allocated loan amount from the SLF, each educational institution appoints their committee, as prescribed by the SLF Board, to select and approve the loan amount for borrowers.

The SLF and educational institutions will advise students about the loans before their applications to those institutions. Students who wish to borrow money for their studies (registration) have to become students at those institutions before they will be able to make a request for the loans.

Borrowers must enter into a loan contract each year or renew the contract every year. Borrowers who continue borrowing from the same educational institution must enter into a loan contract for the following year at the end of semester (around February-March each year) so they can receive their loans at the beginning of the new semester. In case of former and new borrowers who used to borrow from other educational institutions, they can start borrowing on the first day of the new semester. The Board at the educational institutions will review their documents and interview the borrowers. After that, the Board will select eligible borrowers and consider the loan amount for each case.

However, each educational institution will consider and approve loans according to the criteria and conditions determined by the SLF Board.

4.1.1.5 Sources of the SLF

The SLF's major capital source is from the national budget. The SLF will proceed with the operation to request a budget through the Office of the Permanent Secretary in the Ministry of Finance. During the first budget request, the Ministry of Finance expected that loans of 6,294, 10,726 and 14,592 million baht will be granted to 132,000, 214,000 and 278,000 students from the first to third years, respectively. It is also expected that loans of 17,588 to 46,666 million baht will be granted to 300,000 students from years 4 to 25 each year based on an increasing loan of 5% per year on average per student (as estimated by the inflation rate). However, after actual implementation, it was revealed that only 3,000 million baht was allocated from the state budget to students for the first time in 1996. From the establishment to 2015, the

state sector provided a total budget to the SLF of 410,449.1062 million baht, which can be categorized according to the budget year as shown in Table 4.1.

Table 4.1 State Allocation of the Budget for the SLF from 1996 to 2015

Fiscal year	Amount (million baht)	Fiscal year	Amount (million baht)
1996	3,000	2006	25,108.924
1997	8,450	2007	31,323.787
1998	18,300	2008	24,218.5571
1999	20,000	2009	25,675.397
2000	25,600	2010	20,068.8411
2001	28,000	2011	18,000.0000
2002	28,000	2012	9,500.0000
2003	27,000	2013	12,000.0000
2004	27,160	2014	16,800.0000
2005	27,849.6	2015	14,394.0000
		Total	410,449.1062

4.1.1.6 The SLF Criteria

The SLF Board will consider their criteria, based upon the economic and social conditions at that time every year, and then allocate their budget properly so that the First Payment Account Sub-committee and the Second Payment Account Sub-committee will be able to adequately allocate their money to educational institutions under their supervision.

1) Qualifications of Borrowers

The specified qualifications of borrowers who are students at high schools and vocations schools, undergraduate students (diploma and bachelor's degree) of both day programs and special programs, and vocational schools (high vocational certificate, diploma and bachelor's degree) are as follows: 1) being of Thai nationality; 2) being a destitute person under the criteria prescribed by the Board; 3) having other qualifications as prescribed by the Board.

(1) Have a good academic record or passing the measuring criteria and assessment of educational institutions.

(2) Conduct themselves properly, not indulging in gambling, alcohol or drug abuse, or frequenting nightclubs, etc.

(3) Have the qualifications prescribed by the criteria and regulations of the entrance examinations of the institutions under the supervision of the agencies. Specifically, the Ministry of Education, other government agencies or ministries, state enterprises or the Ministry of University Affairs.

(4) The borrower must not already hold a bachelor's degree in any field.

(5) The borrower must not be a full-time employee during his study period.

(6) The borrower must not be bankrupt.

(7) During the loan period, the borrower must not be convicted of a crime and sentenced to imprisonment, except offences committed by negligence or petty offences.

(8) The borrower must not be over 60 years old, including the two-year grace period and the payment period of 15 years.

In case where the borrower used to borrow from the SLF or the TICAL, but failed to pay the debt and has made a compromise agreement prior to a lawsuit and/or used to be sued, such a borrower can continue borrowing the loan if he has paid the debt according to the compromise agreement or has paid the debt according to the judgement.

2) Qualifications of Needy Students

Currently, the SLF determines the criteria for needy students and qualifications of borrowers as prescribed by the notification of the SLF Board on the criteria of needy students and qualifications of borrowers (No. 3) announced on 28 August, 2008 and effective from the academic year of 2008. The criteria is summarized below as follows:

Definition of needy students

(1) Former borrowers from the academic year of 1998 who have an annual income per family not exceeding 300,000 baht per year.

(2) Former borrowers from the academic years of 1998 to 2007 who have an annual income per family not exceeding 150,000 baht per year.

(3) Borrowers from the academic year of 2008 who have an annual income per family not exceeding 200,000 baht per year.

Income per family shall be based on one of the following criteria:

(1) Total income of students or borrowers, plus the income of parents in the case where parents are the guardians.

(2) Total income of students or borrowers, plus the income of parents in the case where the guardians are not parents.

(3) Total income of students or borrowers, plus the income of spouses in the case where the borrowers are married.

3) Income guarantors shall be one of the following persons:

(1) Government officials at C-5 or equivalent

(2) Heads of educational institutions where borrowers are studying

(3) Local administration heads at the minimum of the village level

4) Documents/evidence for loan requests

(1) A two-inch photograph of the borrower.

(2) Copies of the following documents

- 1) Documents of borrowers
 - (1) A copy of their certificate of house registration
 - (2) A copy of their identification card
- 2) Documents of parents and income guarantors
 - (1) A copy of their certificate of house registration
 - (2) A copy of their identification card
 - (3) A copy of their taxpayer identification card (if any)
- 3) A salary guarantee letter of the borrower's father, mother, (guardian or sponsor).
- 4) An income and financial status guarantee letter of the borrower's father, mother, (guardian or sponsor).
- 5) A recommendation letter from a guidance teacher or educational counsellor.
- 6) A map showing the residence of the borrower's father, mother, (guardian or sponsor).
- 7) Educational records from the previous school year.
- 8) In the case where guarantors are not fathers or mothers, they have to submit the following additional documents to be guarantors:
 - (1) A copy of their certificate of house registration
 - (2) A copy of their

identification card (3) A copy of their taxpayer identification card (if any) (4) An income and financial status guarantee letter 9) All copies must be certified. In the case of the documents in item (1), those in item (2) are not needed. If the documents are not complete, the loan consideration may be delayed.

5) Costs that can be borrowed

Students or borrowers can borrow loans from the SLF for the following costs only:

(1) Tuition fees, school fees and other expenses related to education during the semester or academic year that are collected by educational institutions and payable to those institutions.

(2) Expenses related to education, such as textbooks and learning equipment apart from item (1), shall be paid into the account of the borrower.

(3) Necessary expenses for living during the study period
1) Student accommodation expenses owed to educational institutions will be paid to those educational institutions. 2) Expenses beyond item 3.1) will be paid into the borrower's account.

6) The amount of the loan will be announced by the SLF Board each year. Consideration is based on actual costs for the study period, including the cost of living that will be announced by the Board of each educational institution.

7) Loan application period

(1) Former borrowers who wish to continue studying at the same institutions and to borrow in the following year shall submit their application form before the end of the second semester of the current year. This will enable them to receive money when the new semester starts. For those who move to another institution and wish to continue borrowing they shall submit their application form at the new institution.

(2) New borrowers shall submit their application form when the new semester starts.

8) Borrowing period

The borrowers can start borrowing from the year they begin their upper secondary level studies, until completing their bachelor's degree. However, they have to enter a yearly loan agreement.

9) Borrowing procedures

(1) The borrower can submit the application form that complies with the form specified by the Ministry of Finance to the institution. For the application form, they must contact their own institution, Krung Thai Bank Public Co., Ltd. and the Islamic Bank of Thailand.

(2) The borrowers should be accompanied by a parent, guardian or sponsor who will affix his/her signature to the loan agreement to guarantee the loan at the institution. In case where the borrower's parents or guardian live far from the institution, their parent or guardian shall ask a local officer (district) or local registration official (municipality or district office in Bangkok or Pattaya) in their residential area to certify the genuine signatures of parents or guarantors.

4.1.1.7 SLF Allocation

The SLF is allocated by the SLF Board (between the Ministry of Education and the Office of the Higher Education Commission) and by The First Payment Account Sub-committee and the Second Payment Account Sub-committee.

Based on the budget received by the study loan fund, it can be allocated to former and new students.

Former borrowers means students who used to receive loans from the SLF, either former borrowers from other or current educational institutions.

New borrowers means students who have never borrowed from the SLF.

The SLF allocation for the annual budget in 2015 is shown in Table 4.2.

Table 4.2 Notification of the SLF Board on the Scope of SLF Grant for Academic Year 2015

Unit: Baht/Case/Year			
Education level/Field	Tuition fee and costs related to education	Living cost	Total
1. High school	14,000	13,200	27,200
2. Vocational certificate	21,000	26,400	47,400
3. Technical certificate/higher vocational certificate			

Table 4.2 (Continued)

Education level/Field	Tuition fee and costs related to education	Living cost	Total
3.1 Commerce or business administration, arts and crafts or, fine and applied arts or agriculture, home economics and tourism industry	25,000	26,400	51,400
3.2 Industrial education or information and communication technology, and optics	30,000	26,400	56,400
4. Diploma and bachelor's degree			
4.1 Social science, liberal arts, humanities and education	60,000	26,400	86,400
4.1.1 High demand fields, including accounting, economics, information, laws, foreign languages, science, mathematics, industrial education, logistics, service industries, industrial business and aviation business			
4.1.2 Other fields from item 4.1.1	50,000	26,400	76,400
4.2 Fine and applied arts, and architecture	70,000	26,400	96,400
4.3 Engineering, science and technology	70,000	26,400	96,400
4.4 Agriculture	70,000	26,400	96,400
4.5 Public health, nursing science and pharmaceutical science	90,000	26,400	116,400
4.6 Medicine, veterinary medicine and dentistry	200,000	26,400	226,400

The consideration of an application is based on actual costs for the study period, including the cost of living that will be announced by the Board of each educational institution.

4.1.1.8 Consideration of Borrower's Qualifications

Educational institutions will consider borrower's qualifications each year. For those with full qualifications, whether they will receive loans or not depends on the budget amount allocated for that educational institution.

1) The borrowing process of educational institutions

After receiving the allocated amount from the SLF, each educational institution will appoint their Board to screen and approve the loan amount to borrowers according to the regulations of the SLF Board. The loan procedures and

the approval of educational institutions will be shown to students. So far, the loan has been implemented via the E-Student loan system at the website www.studentloan.or.th since 2008, and as detailed in the following loan procedure:

(1) Register for a code to the system. However, civil registrations 1 and 2 must be verified first. Those with the codes can login and fill in the application form.

(2) Wait for the interview by the educational institution, which will take the borrowers' qualifications into consideration each year when selecting eligible borrowers under the allocated amount.

(3) Open a saving account after being selected by an educational institution at any branch of Krung Thai Bank and the Islamic Bank of Thailand who will transfer the living expenses.

(4) Enter the loan agreement by eligible borrowers in the system by printing two copies of the agreement (original and copy), let guarantors, witnesses and representatives of educational institutions affix their signatures in both agreements, and then submit them and other relevant documents to the educational institutions.

(5) Contact the educational institutions to affix signatures and verify the loan amount in the registration form/confirmation form of school fees and living costs. The educational institutions will confirm the completion of the process through the system.

(6) Students wait to receive their cost of living allowance once the semester starts through their account at Krung Thai Bank PCL and the Islamic Bank of Thailand.

2) Guarantors

According to the loan agreement, guarantors include:

- (1) Parents or guardians
- (2) If parents die, guardians will sign on their behalf.
- (3) People who have a reliable salary
- (4) If the spouse of the guarantor does not agree, only the guarantor can sign.

(5) In case of no guarantors, security can be used.

3) Signature to Guarantee the Loan

The borrower should be accompanied by a parent, guardian or sponsor who will affix his/her signature to the loan agreement to guarantee the loan at the institution. In case where a parent or guardian lives far from the institution, the parent or guardian shall ask a local officer (district) or local registration official (municipality or district office in Bangkok or Pattaya) in their residential area to certify the genuine signatures of parents or guarantors.

4) Income Guarantors

According to the notification No 3 of the SLF Board on the criteria for needy students and the qualifications of borrowers on August 28th, 2008, in effect since 2008, the following people can become income guarantors for the loan agreement.

- (1) A governmental official of at least level C5 or equivalent;
- (2) A school or college administrator;
- (3) A local government officer who is at the minimum a village head.

However, state enterprise employees, mayors or other positions cannot guarantee the loan.

4.1.1.9 Accountability of Guarantors

- 1) In the case where borrowers breach the agreement, guarantors must be liable for the repayment of the loans as the joint obligor.
- 2) In the case where borrowers are allowed to delay payment (respite), even though guarantors are informed or not informed, it will be deemed as if guarantors agree with the respite program.

4.1.1.10 Contract implementation period and payment to students

The contract implementation period and payments to students can be categorized according to educational institutions, where loans are granted as follows:

1) Ministry of Education

Former borrowers (continuous)

- (1) The contract will be made around February-March each year (at the end of the former academic year).

(2) The contract will be submitted to Krung Thai Bank PCL and the Islamic Bank of Thailand for verification by the end of April every year (summer holidays).

(3) Borrowers will receive money in May each year (the start of the new academic year).

New borrowers or former borrowers who move to other institutions

(1) The contract will be made around May-June each year (after registration in the new academic year).

(2) The contract will be submitted to Krung Thai Bank PCL and the Islamic Bank of Thailand for verification by the end of July every year.

(3) Borrowers will receive money in August each year (three months after the start of the academic year).

2) The Office of the Higher Education Commission

Former borrowers

(1) As for former borrowers still studying in the same institutions, the office will announce and distribute the loan application forms to students prior to the end of the academic year. After receiving the forms and documents, educational institutions will verify documents and school records from the previous semester, and make interview appointments, as well as consider only borrowers that have problems. After that, the loan amount will be specified for each case.

(2) In the case where students used to borrow from other institutions, an opportunity to make an application will be announced and application forms will be distributed. On the interview date, students should submit their loan forms, documents and agreement from the previous year, loan account and other evidence on the notification day. After that the educational institutions will make an interview appointment and consider the loan amount.

New borrowers

In the case where students have never borrowed from the loan program, an announcement will be made to students and application forms will be distributed on the first day of the new semester or the interview day. The date, time

and place will be specified to proceed with the application forms for further consideration, an interview and an announcement.

4.1.1.11 Revocation of the agreement can be done in two cases:

1) In case the SLF or the authorized person revokes the agreement

(1) When the borrower has not notified the bank within 15 days after changing their name, last name, place of residence, institution, or has completed or terminated his/her studies.

(2) In the case where borrowers do not submit a written letter to the bank within 30 days after they start working, and also in the case where they change their address, workplace, or their salary.

(3) In the case where it appears after approval that borrowers are not eligible for a loan or they provide false information.

(4) In the case where borrowers do not follow the contract or any other agreement with the SLF. According to the contract, in case of revocation according to items (1)-(4), the SLF has the right to ask for all of the received loan amount immediately.

(5) According to the contract, in the case where borrowers discontinue their studies, or are fired by educational institutions during the academic year, the SLF has the right to ask for all of the received loan amount immediately, or within the period specified by the SLF.

2) The borrower may revoke the agreement any time by submitting a formal written request to a manager or loan administrator, and their educational institution. The borrower has to return the loan amount already received, plus any interest or benefit (if any) to loaners within 30 days of the date the manager or loan administrator is notified of the revocation.

4.1.1.12 Repayment Criteria

Repayment to the SLF shall be in accordance with the Student Loan Fund Act, B.E. 2541 (1998) and SLF regulations on loan repayments B.E. 2542 (1999), as well as any additional amendments.

1) Borrowers have a duty to return money to the SLF as follows:

(1) The borrower whose education has been completed for two years or their student status has expired (expiration of the grace period).

(2) In the case where borrowers have not borrowed for two consecutive years and have not notified the manager or loan administrator, they will be deemed as due borrowers and have a duty to pay back.

2) Repayment Criteria

(1) The borrower must settle the whole loan amount, in addition to a 1% interest rate, within a period of 15 years starting from the payment date.

(2) The borrower must settle the first payment before July 5th. After the grace period, only capital plus a 1.5% interest rate shall be paid.

(3) The borrower must pay for the principal as specified by the SLF, plus a 1% interest rate from the unpaid principal before July 5th every year.

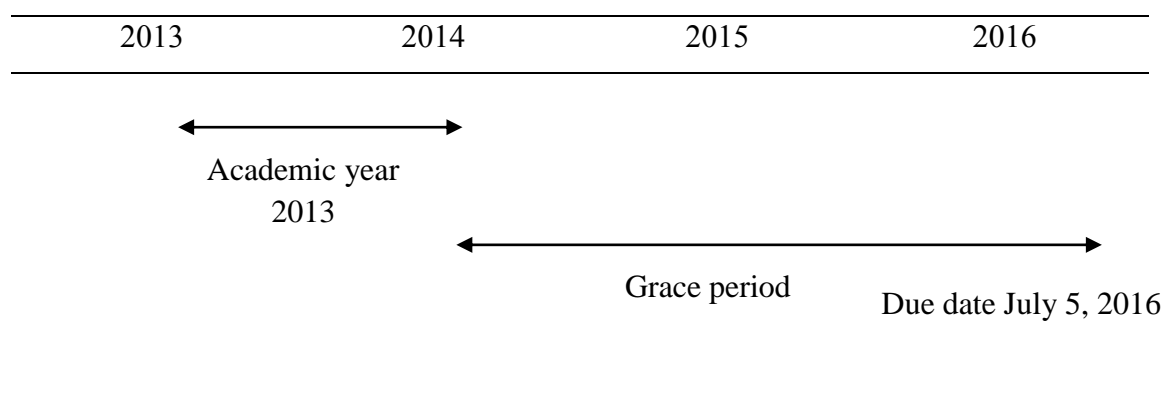
(4) If the borrower fails to settle the payment, he/she must pay a fine or fee as specified by the SLF.

(5) A borrower who wishes to settle a payment before due dates or before the grace period expires, he/she can settle it without paying any interest rate. However, he/she should contact the manager or loan administrator at his/her branch to settle the repayment monthly or annually before the two-year grace period expires.

3) In the case where a borrower still continues his/her studies, but has not borrowed a loan in any academic year, he/she shall inform the manager or loan administrator about his/her educational status and show a certificate from his/her educational institution every year until he/she completes his/her education.

4) The calculation of a loan settlement for graduated students in due time:

For example, a borrower who completes his/her studies in the academic year 2013, has a two-year grace period and has to settle the repayment within July 5, 2016 as follows:

Table 4.3 The Calculation of Loan Settlement for Graduated Students in Due Time

5) Method and evidence for loan settlement are shown in Table 4.4.

Table 4.4 Method and Evidence of Loan Settlement

Manager and loan administrator	
Krung Thai Bank PCL (KTB)	Islamic Bank of Thailand (IBANK)
1. Paying through automatic deduction from the savings account The same bank account as the last cost of living is transferred or other saving accounts that the borrower wishes to deduct for loan settlement. A savings account record of the borrower shall be used as an evidence of loan settlement.	1. Paying through automatic deduction from the savings account The same bank account as the last cost of living is transferred or other saving accounts that the borrower wishes to deduct for loan settlement. A savings account record of the borrower shall be used as an evidence of loan settlement.
2. Paying at the bank counter service nationwide A slip for loan settlement to the SLF shall be used as evidence by identifying the name, last name, ID card number and the amount paid, including signature and telephone numbers.	2. Paying at the bank counter service nationwide A slip for loan settlement to the SLF shall be used as evidence by identifying the name, last name, ID card number and the amount paid, including signature and telephone numbers.
3. Paying by ATM Use an ID card number as a code to pay at an ATM. An ATM slip is deemed as evidence for loan settlement.	3. Paying by ATM Use an ID card number as a code to pay at an ATM. An ATM slip is deemed as evidence for loan settlement.

Table 4.4 (Continued)

Manager and loan administrator	
Krung Thai Bank PCL (KTB)	Islamic Bank of Thailand (IBANK)
4. Paying via internet through KTB ONLINE	-
The borrower can contact Krung Thai Bank PCL for more information about loan settlement. The statement of the account to be deducted will be evidence for loan settlement.	
5. Paying via a mobile phone	-
The borrower must apply for using KTB ATM and their branch of Krung Thai Bank. The statement of the savings account shall be evidence of loan settlement.	
6. Paying via the Tele Bank System (1551)	-

6) The borrower has to pay a charge of 10 baht per item for reducing the contingent liability to the manager or loan administrator.

7) The borrower can settle the payment yearly or monthly. The total amount of yearly or monthly principal throughout the year must not be below the rate shown in Table 4.5.

Table 4.5 Loan Payment Rate

Year paid	Percent of the principal to be paid	Year paid	Percent of the principal to be paid
Year 1	1.5	Year 9	7.0
Year 2	2.5	Year 10	8.0
Year 3	3.0	Year 11	9.0
Year 4	3.5	Year 12	10.0
Year 5	4.0	Year 13	11.0
Year 6	4.5	Year 14	12.0
Year 7	5.0	Year 15	13.0
Year 8	6.0	Total	100%

8) An example of repayment of the SLF for five, 10 and 15 years.

Principal to be paid in each period = total loan x percent of the principal (% of loan settlement)

Debt to be paid in each period = Principal to be paid in each period +1% interest rate per year or any other charges

9) Interest or any other charges, fine or charges due to debt default.

(1) Interest

Interest or other penalties shall be calculated from the due date based on the remaining principal after the first payment. Interest or other charges can be calculated as below:

Interest = all balanced principal x interest rate or other charges x period of time

(2) Fine or charge in case of debt default

If borrowers fail to settle the repayment, they have to pay a fine or a charge as follows: 1) In the case of monthly payments, if they are not settled in at least one month but not exceeding 12 months, they have to pay a 1% fine or charge per month of the unpaid principal. If the unpaid principal is 12 months, they have to pay a 1.5% fine or charge per month of all unpaid principal. 2) In the case of yearly payments, if they are unpaid for not more than one instalment, they have to pay a 1% fine or charge per month of the unpaid principal. If it is not settled for one instalment or more, they have to pay 1.5% fine or charge per month of the total unpaid principal. The fine or charge can be calculated as below:

Fine or charge = the unpaid principal x fine rate or management fee x unpaid period of that instalment

10) The criteria for repayment delay is shown in Table 4.6

Table 4.6 Criteria for Repayment Delay

Criteria	Document for consideration	Delay
1. No income	1.1 A certificate from a village head of government officials at level C-5 or equivalent. 1.2 A copy of the ID card of the guarantor	Payment can be delayed each time not exceeding six months but not more than two years in total without any fine or fee.
2. Monthly income less than 4,700 baht	2.1 A certificate from a village head of government officials at level C-5 or equivalent 2.2 Evidence or certificate showing income or salary issued by an employer. 2.3. A copy of ID card of the guarantor who is a government official	Payment of no less than 300 baht per month or 2,400 baht per year can be delayed. However, it must not be lower than the interest or any other charge in that period. If the amount at the due dates is lower than 2,400 baht, the full payment should be settled.
3. Victims of fire, flood, windstorm or other natural disasters, including war or riot, which made their assets seriously damaged.	3. A certificate from a village head of government official at level C-5 or equivalent, or a police officer holding a rank of at least police sub-lieutenant. 3.2 A copy of the ID card of the guarantor who is a government official.	Repayment delay should not exceed six months each time and not exceed two years in total without any fine or fee.

Note: Borrowers who wish to delay their repayment, should contact the manager or loan administrator and submit the SLF 202 and SLF 203 forms. However, the process should be completed before due dates of each repayment. If borrowers have not settled the repayment whose due date has passed (July 5th each year), they have to pay a fine or fee at a rate specified by the SLF in the case of default until the request for repayment delay is approved. After that, the loan collection process will stop and the debt will become a normal debt.

Payment before the due date

Borrowers who wish to settle repayments before due dates or before the expiration of the two-year grace period, can pay for the loan without any interest or additional charges.

The conditions of SLF loan settlement are summarized in Table 4.7.

Table 4.7 Summary of Loan Settlement

Condition	Detail
Due date	July 5 each year
Grace period	Two years
Payment period	15 years
Payment due	Monthly or yearly
Interest rate	1 % (Starting from the expiration of grace period)
Fine rate	Unpaid amount not exceeding 12 months: 12 % Unpaid amount exceeding 12 months: 18 %
Transfer cost	10 baht per time
Transfer cost	six channels

4.1.1.13 Cancellation of Obligations

- 1) Full settlement of loans as specified in the contract
- 2) In the case of death, the loan agreement is terminated (only debts before the death). A copy of the death certificate, house registration, ID card of borrower and a copy of ID card of the notifying person are all required, and all copies must be certified. Telephone numbers also must be given to the manager or loan administrator so that he can contact the borrower's relatives. A death certificate means a document issued and certified by the district.

In the case of tuition fees and other expenses related to borrower's studies payable to the educational institute after the borrower's death, the institute shall transfer only the payable amount after his death to the SLF.

In the case of the borrower's cost of living allowance is transferred to him after his death, a legal heir should return the money to the SLF.

4.1.1.14 Cancellation of the Request for Loan Settlement

In the case of being declared as disabled, a disabled identification card issued by the Department of Public Welfare must be shown to the bank manager or loan administrator for consideration of voiding repayments as stated in the agreement.

4.1.1.15 Mechanism for Monitoring the Loan Settlement

1) Loan Monitoring Project

The SLF has implemented many projects to increase efficiency in management, especially the monitoring of loan offers as summarized below:

(1) Debt collection after the court judgment (in cooperation with Thailand Post Company Limited) and database preparation are aimed at creating databases for borrowers judged by the court from 2004 to 2007. They are used to prepare reports, analyze the possibility in the case execution, make proposals to the SLF Board to formulate executive policies within the limitation (2014). In addition, this debt collection can build an alliance in working on the investigation of assets and living status, including the current facts of borrowers.

(2) Study and analysis of problems and obstacles related to loan services via the E-Studentloan system, and the satisfaction assessment of people concerned about help desk services are aimed at studying and analyzing the current steps of the loan operation, as well as reviewing the roles of relevant people in the loan operation. The objective of the study is to assess the levels of satisfaction, as well as analyze and compare problems and obstacles arising in each step for further improvements and suggestions.

(3) Monitoring the operation of the SLF volunteer network project and monitoring outstanding debt problems of the SLF borrowers: The objective is to study and analyze the operation according to conceived plans and problems arising during the operations, as well as to prepare remarks and suggestions to solve problems and enhance efficiency in debt collections, as well as strategic suggestions.

(4) Monitoring of the SLF dispute settlement project prior to prosecution: Its objective is to study the project process prior to prosecution and problems/obstacles arising during project's operation for further suggestion.

(5) Promotion of cooperation between the SLF and the local government: Its objective is to educate the local government, unpaid borrowers and parents about the loan and repayments in provinces that are a center of dispute settlements. This is to be done prior to prosecution in order to promote the creation of a cooperative network to encourage the settlement of loans, the collection of debts, as well serve as a public relations center to give basic advice to borrowers.

2) Monitoring and Evaluation

The Ministry of Finance and the Comptroller General's Department has used a consulting company's monitoring and evaluation system to monitor the efficiency of the SLF since 2005. Indicators measure the ratio of borrower loan settlements to the debt amount, as well as the ratio of the unpaid money to the total debt for more than one year. The latest evaluation in 2014 revealed that as of September 30, 2014, the SLF has 84,747.00 million baht of due debt and 58,458.48 million baht of paid debt. The debt receipt of borrowers for the amount of debt that has to be paid is 68.98% and the evaluation scores were 4.4900 (target scores of 1-5 scores range from 62 to 70%). As for the unpaid amount of more than one year per the debt amount for more than one year, it was revealed that the SLF's due debt for more than one year totaled 71,855.42 million baht and the unpaid debt amounted was 19,240.41 million baht or 26.78%, and the evaluation scores were a 1.0000 score (target scores of 1-5 scores range from 22 to 18%, the lower, the better). The performance of loans that were lower than the target was summarized by the consulting company (FPRI Advisory) and it revealed that borrowers did not receive a letter of debt collection and an invoice. This might have been caused by a non-up-to-date database of addresses, long term political impacts, and borrowers' incomes and expenditures that affect loan settlements.

3) Satisfaction Survey

The satisfaction of users was surveyed continuously by the SLF as follows:

(1) Survey of users' satisfaction in 2009

Satisfaction with the SLF operations and the E-Student loan system was surveyed in 2009 among 1,350 students, teachers and educational institution officials by the Thammasat University Research and Consultancy Institute. The satisfaction was categorized based on the Semantic Differential Scale (C.E. Osgood, G.J. Suci and P.H. Tannenbaum) and divided into five levels as below:

Lowest satisfaction level	Scores range from 1.00-1.50
Low satisfaction level	Scores range from 1.51-2.50
Fair satisfaction level	Scores range from 2.51-3.50
High satisfaction level	Scores range from 3.51-4.50
Highest satisfaction level	Scores range from 4.51-5.00

The result of satisfaction survey in 2009 showed that the overall average score was 4.33 (high satisfaction), and that 92% of all respondents had either a high or the highest level of satisfaction.

It was found that 1,000 students were satisfied with the services of officials (Krung Thai Bank PCL), with their average score of 4.42, followed by facilities (a 4.31 score), services of the SLF staff (a 4.27 score) and the SLF public relations (a 4.14 score).

Among 350 teachers and educational institution staff, the average score was 4.07, with the highest satisfaction with facilities (a 3.94 score), followed by services and the PR of SLF officials (a 3.91 score) and finally the services of officials (Krung Thai Bank PCL-a 3.90 score). As for the services of the SLF staff, the lowest score was (3.81), followed by the SLF operation process (3.86), as explained in tables 4.8, 4.9 and 4.10.

Table 4.8 Result of Satisfaction Survey in 2009

Satisfaction level	Number		Total	Percent
	Students	Teachers		
Highest (5)	511	57	568	2.0
High (4)	404	264	668	49.5
Moderate (3)	78	27	105	7.8
Low (2)	7	2	9	0.7
Lowest (1)	-	-	-	3

Table 4.8 (Continued)

Satisfaction level	Number		Total	Percent
	Students	Teachers		
Total	1,000	350	1,350	100
Average	4.42	4.07	4.33	

Table 4.9 Satisfaction of Students in 2009

Satisfaction with	Average
1. Loan administration	4.20
2. Service and public relations of the SLF	4.14
3. Service and public relations of educational institutions	4.08
4. Services of the SLF staff	4.27
5. Services of education institution staff	4.21
6. Services of Krung Thai Bank PCL staff	4.41
7. Facilities	4.31
Total	4.42

Table 4.10 Satisfaction for Teachers and Staff of Educational Institutions in 2009

Satisfaction with	Average
1. SLF administration process	3.86
2. Service and public relations of the SLF	3.91
3. Services of the SLF staff	3.81
4. Services of Krung Thai Bank PCL staff	3.90
5. Facilities	3.94
Total	4.07

(2) The survey of satisfaction with the SLF operations was conducted by a research team under the technical cooperation project between Chandrakasem Rajabhat University and the SLF (Paiboon Paonil, Panya Theeravitthayalert and Kwanchit Phinyocheep: 2012). According to the survey results, based on the quantitative data collected from satisfaction questionnaires with five rating scales, and qualitative data collected from open-ended questionnaires, three aspects were summarized below to discuss the results according to the research objectives as follows:

a) As for satisfaction with the SLF service process, according to the assessment of satisfaction of the four groups of people concerned: students who have been approved to borrow loans, borrowers during loan settlement, the staff of the SLF and the Krung Thai Bank PCL, the overall satisfaction to the SLF operation was very high ($X = 3.78$, $SD = .79$). It showed that sample groups of 1,092 people were very satisfied with the current SLF process, with a standard deviation below 1.00, and the level satisfaction trending in the same direction. These results were reliable and in accordance with the research work of the SLF, in cooperation with Rajabhat Rajanagarindra University, for the fiscal year of 2011. According to the answers of open-ended questions about the SLF process, it was found that 10.28% of 110 approved students, from 1,070 questionnaire respondents, expressed ideas about how the SLF problems should be improved, such as: “the SLF process was troublesome, required a lot of certified documents, the approval process took a long time, the staff did not offer good services, did not provide clear answers and were emotional, the loan transfers were slow, the limited number of loans were not sufficient for borrowers, the screening system was not fair, etc.” The above problems reflect the fact that students still lack experience with borrowing transactions which require a large number of documents, and still adhere to the value of “a one stop service” like fast food. At the same time, they also reflect that they were not interested in learning how to prepare themselves, what kinds of documents are needed, etc and that they also lack work plans and often put the blame on others. The researcher did not blame only borrowers, and also conceded that this can reflect upon the operations of the SLF and educational institutions, which have to jointly plan for educational institutions, increase public relations activities about the borrowing criteria, and

prepare documents and activities for borrowers prior to the submission of their application form in each academic year.

b) As for satisfaction with the SLF staff, there are three large groups: The SLF staff at educational institutions, SLF staff at Krung Thai Bank PCL, and SLF staff at the head office. According to the assessment from the questionnaire, the overall satisfaction with SLF staff was high ($X = 3.76$, $SD = .73$), and the satisfaction of SLF staff at educational institutions with the SLF staff at the head office was high ($X = 4.03$, $SD = .61$), followed by the satisfaction of students whose loans were approved by the operations of SLF staff at educational institutions ($X = 3.98$, $SD = .73$), and the satisfaction of students whose loans were approved by the SLF staff of Krung Thai Bank PCL ($X = 3.86$, $SD = .73$). Krung Thai Bank PCL staff had high satisfaction with the SLF staff at the head office (state project administration) ($X = 3.72$, $SD = .63$). Borrowers during the SLF settlement had high satisfaction with the operations of SLF staff at Krung Thai Bank ($X = 3.49$, $SD = .84$), while at the same time they had high satisfaction with the SLF staff at the head office ($X = 3.48$, $SD = .61$), respectively. The results indicated that there are three interesting satisfaction levels as follows:

Group 1: SLF staff at educational institutions were very satisfied with the operations of the SLF staff at the head office because both groups have a working relationship and have to rely on each other. Therefore, they help each other and have a good attitude towards each other.

Group 2: Students who have to contact the SLF staff at educational institutions have a good relationship with them and were highly satisfied with the operations of SLF staff at educational institutions.

Group 3: Borrowers who are in the process of SLF repayment, Krung Thai Bank PCL staff and the SLF staff at the head office were moderately satisfied. It can be explained by the fact that they felt that they should be treated well when they settled their repayments. However, when the treatment was not as expected, they would be unsatisfied or had a perception of resistance. Similarly, the SLF staff at the head office who have to provide information about loan settlements to borrowers was assessed with moderate satisfaction. After the analysis of in-depth information from open-ended answers, it was found that 5.83% of 514 respondents

thought that Krung Thai Bank had too few staff, so they had to wait for a long time. In addition, they could not answer their questions, gave incorrect information and did not pay attention to the SLF borrowers. The overall analysis revealed that it was an individual problem and people are often liked and disliked depending on personal perceptions. However, if the efficiency of the organization needs to be developed, then training on service mindset and knowledge about regulations and criteria of the SLF will be needed to upgrade the quality of the organization so that the SLF staff can answer questions clearly.

c) Satisfaction with facilities and the SLF news and information: According to the assessment of satisfaction for SLF operators and users, it was found that the overall satisfaction was high ($X = 3.65$, $SD = .67$). In terms of respondent groups, students whose loans were approved were satisfied with SLF facilities and information at a high level ($X = 3.92$, $SD = .64$) and higher than other groups. As for satisfaction with each topic, the issue that students were more satisfied with than other issues was that they could use the website of E-Student loan to search for information. This corresponds to the current period and reflects the value and benefit of ITC to disseminate information to target groups. Borrowers who were in the process of loan settlement were also highly satisfied. However, their satisfaction was lower than other groups ($X = 3.54$, $SD = .69$). After analyzing open-ended questions, the biggest problem found was that 12.84% of 514 respondents thought that they received very little information from the SLF, in particular they had not received an invoice or received it so late that they could not pay it on time. The SLF loan settlement mechanism is a very vital process for its efficiency because loan settlement means the SLF has a revolving fund for younger generations. Therefore, the SLF has to urgently seek guidelines to increase loan repayments by communicating with borrowers who are in the process of loan settlements so that they have access to information, can settle loan conveniently, and realize what the consequence of unpaid loans is. This is preferable applying a legal process because it was found that 54.3% intended to settle loans when the payment was due and when they got a job. While 24.5% intended to pay debt when it was due even though they had not yet got a job. About 90.3% of this group realized that the paid amount will be rotated to younger generations. This shows the intention and consciousness of the SLF borrowers, most

of whom wish to settle their loan but could not because of discontinuous communication about SLF debt information. Consequently, the number of paid loans did not meet the target.

The researcher has proposed strategic suggestions from quantitative and qualitative data collection (answers to open-ended questions). The information was used to formulate the following policies, directions and process of the SLF management, with the aim of enhancing the efficiency of the SLF:

1) Policy of the SLF borrowing process and steps

(1) The improvement of the borrowing process and system, to make it faster and more convenient, can be achieved by using information technology (Website: E-Student loan) as a tool for providing information to borrowers so that they can prepare necessary documents in advance and be prepared prior to the borrowing process. The website of E-Student loan must be developed to give detailed, accurate, complete and up-to-date information in terms of content and technique, and borrowers should be able to quickly login to the system.

(2) The task schedule should be planned clearly, including which period of the academic year loans will be considered, approved, announced, and when the loan will be payable, etc. Plans must be strictly followed so that borrowers can prepare their financial plans in advance.

2) Policy on personnel providing services related to the SLF at educational institutions, Krung Thai Bank PCL and the SLF head office should be formulated as outlined below:

(1) Develop personnel related for SLF services, with a focus on knowledge and understanding for the roles of service providers and regulations of loans and settlement, so that they can clearly answer all the questions of borrowers.

(2) Use seminars to build a cooperation network between the personnel of all parties and organizations providing SLF services, and use information technology such as Facebook/skype/MSN, and telephones etc. as the major tools for linking together organizations.

3) Policy on loan settlement

(1) Urgently reform the debt amount notification system to be more efficient by notifying borrowers regularly through many types of

media, e.g., telephones, letters, email, SMS, etc. However, the information given must be accurate and up-to-date.

(2) Develop loan settlement systems for convenient and quick payments through various channels and in collaboration with pay point networks, such as the Communications Authority of Thailand (CAT) and banks. Payment cards with a bar code should be arranged for borrowers during the loan settlement period so that they can settle loans at any time and at any bank.

4) Policy on facilities and SLF information services

(1) Urgently reform the SLF information technology system (Website: E-Student loan) to mediate between users (customers), SLF staff at all levels and the SLF agency (head office), because this can provide access to target groups quickly, widely and economically. However, the content on the website must be detailed, accurate, precise and up-to-date. Staff should be provided to answer questions or doubts about the borrowing and settlement of loans to the SLF.

(2) Reform communication systems between the organization and external people so that they are efficient. In particular telephone systems, in which there should be a SLF call center providing knowledgeable staff to answer questions without waiting for a long time. Communication must be interactive and staff must reply to questions, even on the website.

(3) Use a wide variety of media outlets to disseminate SLF information, in particular, leaflets, posters and billboards, which are suitable for educational institutions. The SLF should encourage educational institutions to update their information to provide to students. For students who are settling loans at non-educational institutions, they may sometimes need mass media and IT to support them.

(4) Survey the of satisfaction of users with the SLF operations using the surveys conducted by Srinakharinwirot University (August 2015)

The research report on “Survey of Satisfaction of Users with the SLF Operation” was aimed at surveying the satisfaction of the SLF users and provided suggestions by users on staff services, service processes or

procedures, facilities, quality of products/services, including others relating to the SLF operation (E-Student loan), and communication and public relations of the SLF. A descriptive research (survey research) was used in this survey. There were five sample groups as below: 1) 632 Students/borrowers whose loans were approved 2) 400 Students/borrowers in the loan settlement period 3) 453 SLF operators at educational institutions 4) 400 Students/borrowers whose loans were not approved 5) 400 General public

The research tool was a questionnaire or a survey of the satisfaction of users with the SLF operation. There were five questionnaires: questionnaire 1 for students whose loans were approved, questionnaire 2 for students/borrowers during the loan settlement period, questionnaire 3 for SLF operators at educational institutions, questionnaire 4 for students/borrowers whose loans were not approved, and questionnaire 5 for the general public. The survey was a checklist with a five-level rating scale and open-ended questions, in which questioning techniques are used an online survey and a questionnaire is used for the general public. The quantitative analysis was based on a top-two-box, average standard deviation, T-test for independent samples, one-way ANOVA and content analysis. The following issues were found in the qualitative analysis:

Results of data analysis among students/borrowers whose loans were approved.

1) Overall satisfaction and satisfaction with each issue: The overall satisfaction was high with a top-two-box of 86.9%. As for satisfaction with each issue, the following was found: (1) Concerning staff services, their satisfaction with all topics was high, especially the operators worked transparently and did not ask for bribes (the satisfaction was highest). Considering the top-two-box, the top three issues were: operators worked transparently and did not ask for bribes (97.3%); service providers' characters and dress were polite (95.2); and staff could solve problems arising (89.0%). (2) Concerning service processes or procedures, most of them were very satisfied. Based on the top-two-box, the top three issues were equality of services (first come, first served, 93.8%); appropriateness and clarity of the service process (90.6%) and clarity of the SLF criteria (89.5%). (3) Concerning facilities, the satisfaction was high in all aspects. The top three top-two-

box lists were the safety of agency location (95.1%), the cleanliness and order of service agencies (93.6%) and the convenience of traveling to the location of service agencies (91.8%). (4) Concerning quality of products/services, the satisfaction was high in all items. Based on the top-two-box, the top three items were clear and complete products/services (93.9%), the overall quality of products/services (83.9%) and products/services were in accordance with conditions, criteria and regulations (82.9%).

2) In comparison to the overall satisfaction and satisfaction of students whose loans were approved on each topic, there was no statistically significant difference (0.5) in the overall satisfaction and satisfaction with each issue between males and females.

3) In comparison to the overall satisfaction and satisfaction of students whose loans were approved categorized according to educational level on each topic, there was no statistically significant difference (0.5) in the overall satisfaction and satisfaction with each issue for students at secondary school, vocational school and higher education levels.

4) In comparison to the overall satisfaction and satisfaction of students whose loans were approved categorized according to educational level on each topic, there was no statistically significant difference (0.5) in the overall satisfaction and satisfaction with each issue for students at public schools and private schools.

5) In comparison to the overall satisfaction and satisfaction of students whose loans were approved categorized according to the region on each topic, there was no statistically significant difference (0.5) in the overall satisfaction and satisfaction with each issue for students in all regions.

6) As for comments by students/borrowers whose loans were approved about increasing the communication channels of the SLF with new services, most of them agreed with increasing channels (62.3%), followed by satisfaction with the existing services (37.7%).

7) As for comments about new services to students/borrowers whose loans were approved, the top three new service types that were most required were counter services (43.8%); social media (17.3%) such as facebook, line; and applications on smart phones and SMS (11.7%).

8) Regarding problems found caused by SLF services among students/borrowers whose loans were approved, the top three problems were: the operations were delayed (28.0%), few and non-real time PR channels (18.1%) and the website did not support other browsers, except IE (14.7%).

9) Concerning additional suggestions for the SLF operations for students/borrowers whose loans were approved, the top three suggestions were increasing communication channels using social media, facebook, line, and applications for smart phones (26.4%), the improvement and development of the website to serve all browsers (16.7%) and the operation should be carried out quickly (16.4%).

According to the data analysis of students/borrowers during loan settlement:

1) The overall satisfaction and satisfaction with each aspect of students/borrowers during loan settlement were high and the top-two-box scores were 69.4%. Regarding each aspect, it was found that:

(1) As for staff services, the satisfaction was high in all aspects, especially staff who worked transparently and did not ask for any bribes got the highest satisfaction. In terms of the top-two-box, the top three aspects included staff working transparently without asking any bribes (81.1%), polite characteristics and dressing of staff (74.6%) and the polite behavior of staff (73%).

(2) Regarding service processes or procedures, most of the respondents were very satisfied with them. Based on the top-two-box, the top three issues were convenient service procedures (74.5%), equal services with first come, first served (73.5%) and clear criteria concerning loan grants (72.1%).

(3) Regarding facilities, the satisfaction was high in all aspects. When considering the top-two-box, the top three aspects included safety of agency locations (74.3%), cleanliness and orderliness of service locations (73.3%) and appropriate facilities, such as toilets and parking (70.3%).

(4) Regarding the quality of products/services, the satisfaction was high in all aspects. When considering the top-two-box, the top three aspects included products or services were in accordance with their conditions, criteria and regulations (72.3%), the overall quality of products or services (70%) and products or services were clear and complete (68%).

(5) Regarding other aspects related to the SLF operations, the satisfaction was high in all aspects. When considering the top-two-box, the top three aspects included safety and privacy in using the information system (70.5%), accessibility to the borrowing information system (69.3%) and easy and quick access (66.8%).

2) In comparison to the overall satisfaction and the satisfaction of each aspect for students during loan settlement, it was found there was no statistically significant difference (0.5) in the satisfaction between males and females, except for staff services because the satisfaction of male students was higher than that of females with statistical significance at 0.5.

3) In comparison to the overall satisfaction and satisfaction with each aspect for students during loan settlement, categorized according to educational levels, it was found that there was no statistically significant difference (0.5) in the satisfaction among students at secondary, vocational and higher education levels, except for others related to the SLF operations because the satisfaction of students at vocational schools was higher than that of students at the higher education level.

4) In comparison to the overall satisfaction of students during loan settlement categorized according to loan settlement situations, it was found that there was no statistically significant difference (0.5) in the overall satisfaction and the satisfaction with each issue of students who could and could not settle loans in due time.

5) As for comments about increasing the channels for SLF new services by students/borrowers during loan settlement, most of them agreed with increasing new channels (68.83%), followed by satisfaction with the existing service (31.2%).

6) As for comments about new services to students and borrowers during loan settlement, it was found that the most required new types of services were counter services (48.7%), increasing channels for loan settlement, such as internet banking, monthly automatic deduction from salaries, automatic deposit and m-pay (29.3%), and loans shall be payable at all financial institutes (7.6%).

7) Concerning the causes of incapability for the loan settlement of students and borrowers, it was found that the first top three causes included low salaries that were not sufficient for the high cost of living (50.2%), unemployment (22.3%) and the consciousness and responsibility of borrowers (9.2%).

8) Concerning additional suggestions to the SLF operations made by students and borrowers during loan settlement, the first top three suggestions included increasing channels for providing information, including channels for loan settlement (21%), monthly loan settlement according to their minimum capability (15.6%) and warnings when due dates arrive (9.2%).

Concerning information provided by educational institution staff.

1) The overall satisfaction and satisfaction with each aspect of the educational institution staff were high, with a top-two-box of 92.3. The satisfaction on each aspect was as follows:

(1) Regarding the services of staff, they provided services to users politely and friendly, could answer questions clearly, were eager to provide services and did not ask for any bribes. Therefore, the satisfaction level was highest compared to other topics. The satisfaction was high on the topic of staff could solve problems, were patient and did not show any dissatisfaction with users. The top three top-two-box issues included transparent working without any bribes (99.3%), polite behavior (96.5%) and respect to service users (95.6%).

(2) Concerning service procedures, most of the respondents were very satisfied with all aspects, especially the most satisfaction was clarity of borrowing criteria. In terms of the top-two-box, the first top three rankings were coverage and clarity of the website content (95.8%), equal services (first come, first served) 95.8%) and clarity of loan criteria (95.6%).

(3) Concerning facilities, the satisfaction was high in all aspects. As for the top-two-box, the first three priorities were the cleanliness and orderliness of service locations (93.1%), safety of service locations (93%) and appropriate facilities, such as toilets and parking (91.1%).

(4) Concerning the quality of products and services, the satisfaction with all aspects was high. As for the top-two-box, the first

three rankings were the products and services were in accordance with the conditions, criteria and regulations (91.4%), the products and services were clear and complete (90.5%) and the overall quality of products and services (89.2%).

(5) As for other aspects related to the SLF operations, the satisfaction with all aspects was high. As for the top-two-box, the first three rankings were safety and privacy when using the information technology system (95.6%), clarity and appropriateness of news (92.1%) and diversity of public relations media (91.8%).

2) In comparison to the overall satisfaction and satisfaction of the SLF staff at educational institutions with each topic, there was no statistical significance (0.5) difference in the overall satisfaction and satisfaction with each issue between males and females.

3) In comparison to the overall satisfaction and satisfaction of the SLF staff at educational institutions categorized by age, it was found that there was no statistically significant difference (0.5) in the satisfaction of students with different ages. As for staff services, the satisfaction for the services of SLF staff at educational institutions aged between 41 and 45 was higher than those aged 20-40, the satisfaction for staff aged 46-50 was higher than that of staff aged 31-40, and the satisfaction for staff aged 51-55 was higher than that of staff aged 31-35. Concerning service processes or procedures, the satisfaction for staff aged 36-45 was higher than that of staff aged 31-35, the satisfaction for staff aged 51-55 was higher than that of staff aged 31-35, the satisfaction for staff aged 41-45 was higher than that of staff aged 56-60, and the satisfaction for staff aged 51-55 was higher than that of staff aged 56-60. The overall satisfaction indicated that the satisfaction for staff aged 41-45 was higher than that of staff aged 31-35, the satisfaction for staff aged 41-45 was higher than that of staff aged 36-40, and the satisfaction for staff aged 41-45 was higher than that of staff aged 56-60.

4) As for the comments of the SLF staff at educational institutions about increasing channels for new services, they agreed with increasing channels for new services (66.1%), followed by that they were satisfied with the existing services (33%) and some suggested that expenses arising due to increasing channels should be considered (0.9%).

5) As for comments about new services for the SLF staff at educational institutions, the top three new service types required most were counter services (39.7%); social media, such as facebook, line, and applications (26.3%) and loans shall be payable at all financial institutions (10.8%).

6) Concerning problems relating to the SLF services of staff at educational institutions, the three problems found most were it was difficult make contact by phone and students were kept waiting for a long time on the phone (29.2%), duplicate documents were sent (12.3%) and the E-Student loan should support other browsers (9.5%).

7) Concerning additional suggestions for the operations of the SLF staff services at educational institutions, the top three suggestions were increasing communication channels using social media, facebook, line, and applications for smart phones (18.8%), meetings and seminars for staff in each region (14.5%) and increasing the number of staff for coordinating and answering questions (11.8%).

As for students and borrowers whose loans were not approved.

1) The overall satisfaction and satisfaction with each aspect of students/borrowers whose loans were not approved were high and the top-two-box accounted for 69.4. The satisfaction on each aspect revealed that:

(1) As for staff services, the satisfaction with all aspects was high, especially the satisfaction was the highest with staff who provided services politely and transparently without taking any bribes. Concerning the top-two-box, the top three aspects included transparent working staff without taking any bribes (96.8%), polite characteristics and dress of staff (94.8%), polite manner and language (94.3%).

(2) Concerning service processes or procedures, most of the respondents were satisfied with them, especially the clarity of borrowing procedures was the highest satisfaction. As for the top-two-box, the top three ranking were coverage and completeness of website content (92.8%), clarity of borrowing criteria (92%) and appropriateness and clarity of service processes and procedures (89.8%).

(3) Regarding facilities, the satisfaction was high in all aspects, especially safety of agency locations which received the highest satisfaction level. When considering the top-two-box, the top three aspects included safety of agency locations (95.3%), cleanliness and orderliness of service locations (94.8%) and appropriate facilities, such as toilets and parking (90.8%).

(4) Regarding other aspects related to the SLF operations, the satisfaction was high in all aspects, and safety and privacy of the E-Student loan which received the highest satisfaction. When considering the top-two-box, the top three aspects included safety and privacy in using the information technology system (94.3%), clarity and appropriateness of news (90.8%) and coverage and access to users (89%).

2) In comparison to the overall satisfaction and satisfaction of students whose loans were not approved categorized by gender on each topic, there was no statistically significant difference (0.5) in the overall satisfaction and satisfaction with each issue between males and females.

3) In comparison to the overall satisfaction and satisfaction with each aspect for students whose loans were not approved categorized according to educational levels, it was found that there was no statistically significant difference (0.5) in the satisfaction of students at secondary, vocational and higher education levels, except for the services of staff because the overall satisfaction of students at secondary schools was higher than that of students at higher education level.

4) In comparison to the overall satisfaction of students and borrowers whose loans were not approved categorized according to educational institutions, it was found that students at public and private schools were satisfied with staff services at a statistical significance of 0.5. As for service processes or procedures, facilities and others related to the SLF operations, the students at public schools were more satisfied than those at private schools.

5) In comparison to the overall satisfaction and satisfaction with each aspect for students whose loans were not approved categorized according to the region, there was no statistically significant difference (0.5) in the satisfaction of students in all regions. As for other aspects related to the SLF

operations, it was found that students in the northeast were more satisfied than those in the central plain and Bangkok.

6) As for comments by students whose loans were not approved about increasing channels for new SLF services, most of them agreed with increasing channels (61.7%), followed by satisfaction with the existing service (38.3%).

7) As for comments about new services to students/borrowers whose loans were not approved, it was found that the most required new types of services were counter services (43.5%), information services via mobile phones (16.2%) and increasing channels for loan settlements, such as internet banking, monthly automatic deduction from salaries, and automatic deposit and m-pay (14.1%).

8) Regarding the problems found caused by SLF services among students/borrowers whose loans were not approved, the top three problems were the operations were delayed (30.4%), the website did not support other browsers (29%) and duplicate documents were sent (18.7%).

9) As for additional suggestions for the SLF operations by the students/borrowers whose loans were not approved, the most suggested issues were a quota increase for new borrowers (21.6%), the operations should be quick (20%) and an increase in PR channels via advertising and text messages on mobile phones (16.7%).

The results of data analysis of general public.

1) The overall satisfaction of the general public was high with the top-two-box of 73.6%. The satisfaction on each aspect was as follows:

(1) Concerning staff services, their satisfaction with all topics was high, especially the operators worked transparently and did not ask for bribes (the satisfaction was highest). Considering the top-two-box, the top three issues were service providers' characters and dress were polite (80.8%), operators answered questions and gave suggestions clearly (77%), and their polite manner and language (76.8%).

(2) Concerning service processes or procedures, most of them were very satisfied with all aspects. Based on the top-two-box, the top

three issues were the appropriateness and clarity of the service processes (78.3%), clarity of the SLF criteria (76.8%) and equality of services (first come, first served) 75.3%).

(3) Concerning facilities, the satisfaction was high in all aspects. The top three top-two-box lists were appropriateness of service facilities, such as photo copy services (75.8%), and the appropriateness of service centers such as tables, chairs, book corners and safety of agency location (75%).

(4) Regarding other aspects related to the SLF operations, the satisfaction was high in all aspects. When considering the top-two-box, the top three aspects included clarity and appropriateness of news (77.6%), safety and privacy in using the information technology system (74.5%) and access to the E-Student loan (73.8%).

2) In comparison to the overall satisfaction and satisfaction for each topic of the general public categorized by gender, it was found that there was no statistically significant difference (0.5) in satisfaction between males and females. As for other service processes or procedures related to the SLF operations, it was found that the satisfaction of males in the general public was higher than that of females.

3) In comparison to the overall satisfaction and satisfaction of each topic for the general public categorized by age, it was found that the whole and part satisfaction of students at the secondary, vocational and higher education levels was not statistically significant (0.5). Especially service processes or procedures, it was found the satisfaction of the general public aged 16-20 was higher than that of people aged 10-15.

4) In comparison to the overall satisfaction of the general public categorized by educational levels, it was found that the satisfaction of the general public with staff services was statistically significant (0.5). As for service processes or procedures, it was found that the satisfaction of people finishing their studies at less than a bachelor's degree level was higher than those with a bachelor's degree. Concerning facilities, the satisfaction of people finishing lower than the bachelor's degree level was higher than those with the bachelor's degree. At the same time, the satisfaction of those higher than the bachelor's degree level was higher than those with a bachelor's degree.

5) In comparison to the overall satisfaction and satisfaction for each topic of the general public classified by types of respondents, there was no statistically significant difference (0.5) in the overall satisfaction and satisfaction with each issue.

6) In comparison to the overall satisfaction and satisfaction for each topic of the general public classified by the SLF demand, the overall satisfaction and satisfaction with staff services were statistically insignificant at (0.5). As for service processes or procedures, facilities and other aspects related to the SLF operations, as well as the overall satisfaction, the satisfaction of those who required the SLF was higher than those who did not require the SLF.

7) As for comments of general people about increasing new service channels for the SLF, it was found that most of people agreed with increasing new service channels (75%), followed by satisfaction with the existing service (25%).

8) As for comments about new services for the general public, it was found that the three most required new types of services were counter services (31.6%), loan settlements through ATMs, internet banking, monthly automatic deductions and credit cards (26.3%) and internet systems such as websites, email and social media, such as facebook, line and applications on smart phones (13.2%).

9) Regarding problems caused by SLF services for the general public, the top three problems were news dissemination and PR was not thorough (31.6%), the operations were delayed (26.3%) and the explanation of details and conditions was unclear (13.2%).

10) Concerning additional suggestions for the SLF operations made by the general public, the first top five suggestions included a warning when due dates arrive (19.1%), detailed explanations of the steps from borrowing to repayments (19.1%), thorough PR (14.3%), speedy loan approval (14.3%) and continuous loan collections (9.5%).

The overall satisfaction of the five target groups with the SLF operations based on the top-two-box was 82.2%. The weighted satisfaction scores of the five target groups were 82.7% as shown in Table 4.11.

Table 4.11 Survey of User's Satisfaction with SLF Implementation

Target group	Percent of satisfaction (Top-Two-Box)	Percent (weighted)
1) Students/borrowers whose loans are approved	86.9	26.1
2) Students/borrowers during the payment delay	69.4	20.8
3) Operators of educational institution fund	92.3	27.7
4) Students/borrowers whose loans are not approved	88.8	4.4
5) General public	73.6	3.7
Overview	82.2	82.7

Note: Percent of Weighted Scores of Five Target Groups is 30%, 30%, 30%, 5% and 5%, Respectively.

Suggestions for the SLF operations.

1) The SLF should increase PR channels to cover various kinds communications, such as social media (facebook, line, and applications on smart phones), improve and develop the E-Student loan website to serve the display of all browsers and mobile communication equipment, increase the operational speed in all steps, and provide real-time services.

2) The SLF should add more loan settlement channels, such as counter services, internet banking, monthly automatic deductions from salaries, automatic deposits, and m-pay credit cards. As well, they should specify that loans can be paid at all financial institute.

3) The SLF should have more warning systems when repayments are due, including balanced debts which should be followed.

4) The SLF should improve the conditions of loan settlement for low-income earners and consider borrowers facing unemployment. They can change the type of loan settlement so that borrowers can settle loans monthly and according to their potential to make minimum payments.

5) The SLF should give a reward to borrowers who settle their loans on time.

6) The SLF can reduce document duplication during the operations of each step.

7) The SLF should organize meetings and seminars to train staff in each region, and increase staff coordination for answering all questions and explaining the detailed conditions needed to serve increasing borrowers.

8) The SLF should increase the quota of new borrowers and speed up the borrowing approval process.

The operations in compliance with the SLF regulations.

The analysis of the SLF operations in compliance with the SLF regulations shows that the Office of the Auditor General of Thailand will audit the books of accounts. According to the Student Loan Fund Act, B.E. 2541 (1998), Chapter 6, Finance and Accounting, Section 58, it states that the Fund shall prepare a financial statement and submit it to the auditor for examination within one hundred and twenty days from the last day of each accounting year. The Office of the Auditor General shall audit the books of accounts for the Fund, and then prepare an audit report and submit it to the Minister. According to Section 59, the Office of the Auditor General shall be the auditor responsible for examining and certifying every type of account and finance for the Fund.

4.1.1.16 The SLF Strategic Plans, 2015-2017.

According to the SLF strategic plans, for the period of 2015-2017, the following strategic plans were formulated as summarized below:

Goals:

- 1) To enhance the efficiency of loan grants.
- 2) To enhance the efficiency of debt management.
- 3) To enhance the efficiency of the operational

Strategic plans for the period of 2015-2017.

Strategy 1: Drive policies and the mission of the organization to meet the achievement of the organization

Strategy 1: Merge the SLF and the TICAL together as “the Student Fund.”

Strategy 2: Improve the borrowing criteria.

Strategy 3: Increase loan settlements with encouraging measures.

Strategy 2: Upgrade the services to meet the expectations and requirements of stakeholders.

Strategy 1: Increase service channels.

Strategy 2: Increase public relations to create a good understanding of the organization:

Strategy 3: Enhance management efficiency.

Strategy 1: Develop a new process and working systems.

Strategy 2: Improve the SLF information technology system so it provides services constantly and efficiently.

Strategy 3: Improve the efficiency of loan management.

Strategy 4: Be determined to become a well governed organization, with personnel participating in organizational development, social responsibility and be ready for adaptation.

Strategy 1 Manage and develop human resources.

Strategy 2 Improve and develop management systems in the SLF so they are efficient.

4.1.1.17 The Results of Loan Borrowing, Loan Settlements and the Unpaid Debt of the SLF.

1) The results of loan Borrowing are shown in tables 4.12-

Table 4.12 Result of Loan Borrowing from the SLF for the Academic Year 2011 as of September 30, 2015

Education level	Former borrowers					New borrowers					Total				
	Submitted	Allocated		Result		Submitted	Allocated		Result		Submitted	Allocated		Result	
	Number of people (cases)	Number of people (cases)	Amount (baht)	Number of people (cases)	Amount (baht)	Number of people (cases)	Number of people (cases)	Amount (baht)	Number of people (cases)	Amount (baht)	Number of people (cases)	Number of people (cases)	Amount (baht)	Number of people (cases)	Amount (baht)
High school	75,864	79,701	1,085,399,135	74,990	1,010,106,271	151,239	119,533	1,662,145,135	109,691	1,477,319,429	227,103	199,234	2,747,544,270	184,681	2,487,425,700
Vocational certificate	60,903	64,458	1,862,441,474	58,699	1,652,419,917	65,122	53,183	1,465,601,810	51,184	1,398,287,052	126,025	117,641	3,328,043,284	109,883	3,050,706,968
Technical/ high vocational certificate	77,965	78,036	3,164,691,790	75,416	2,877,755,485	35,686	31,164	1,172,501,266	30,094	1,118,216,558	113,651	109,200	4,337,193,056	105,510	3,995,972,043
Diploma/ bachelor's degree	479,481	481,030	26,051,465,150	455,989	23,868,377,982	101,220	71,003	3,975,036,874	68,955	3,822,071,112	580,701	552,033	30,026,502,024	524,944	27,690,449,094
Total	694,213	703,225	32,163,997,549	665,094	29,408,659,655	353,267	274,883	8,275,285,085	259,924	7,815,894,151	1,047,480	978,108	40,439,282,635	925,018	37,224,553,806

Table 4.13 Result of Loan Borrowing from the SLF for the Academic Year 2012 as of September 30, 2015

Education level	Former borrowers					New borrowers					Total				
	Submitted	Allocated		Result		Submitted	Allocated		Result		Submitted	Allocated		Result	
	Number of people (cases)	Number of people (cases)	Amount (baht)	Number of people (cases)	Amount (baht)	Number of people (cases)	Number of people (cases)	Amount (baht)	Number of people (cases)	Amount (baht)	Number of people (cases)	Number of people (cases)	Amount (baht)	Number of people (cases)	Amount (baht)
High school	78,152	77,439	1,046,899,161	77,434	1,046,789,259	146,979	89,770	1,219,722,710	87,909	1,179,760,264	225,131	167,209	2,266,621,871	165,343	2,226,549,523
Vocational certificate	57,224	55,584	1,678,549,492	55,543	1,676,056,811	58,881	59,150	1,790,061,757	47,429	1,392,894,378	116,105	114,734	3,468,611,249	102,972	3,068,951,189
Technical/ high vocational certificate	72,729	69,624	2,646,006,781	69,579	2,641,949,140	28,585	28,538	1,076,546,171	24,788	918,032,330	101,314	98,162	3,722,552,951	94,367	3,559,981,469
Diploma/ bachelor's degree	488,377	465,859	23,953,836,416	464,330	23,818,460,609	76,630	59,026	3,209,422,637	57,993	3,135,879,394	565,007	524,885	27,163,259,053	522,323	26,954,340,003
Total	696,482	668,506	29,325,291,850	666,886	29,183,255,819	311,075	236,484	7,295,753,274	218,119	6,626,566,365	1,007,557	904,990	36,621,045,124	885,005	35,809,822,184

Table 4.14 Result of Loan Borrowing from the SLF for the Academic Year 2013 as of September 30, 2015

Education level	Former borrowers						New borrowers						Total			
	Submitted		Allocated		Result		Submitted		Submitted		Allocated		Result		Submitted	
	Number of people (cases)	Number of people (cases)	Amount (baht)	Number of people (cases)	Number of people (cases)	Number of people (cases)	Amount (baht)	Number of people (cases)	Number of people (cases)	Number of people (cases)	Amount (baht)	Number of people (cases)	Number of people (cases)	Amount (baht)	Number of people (cases)	Number of people (cases)
High school	61,326	60,608	816,389,797	60,607	816,376,597	138,306	89,996	1,221,357,997	82,922	1,107,522,374	199,632	150,604	2,037,747,794	143,529	1,923,898,971	
Vocational certificate	55,135	53,753	1,617,971,674	53,750	1,617,866,762	51,875	52,305	1,606,369,545	41,939	1,211,116,210	107,010	106,058	3,224,341,219	95,689	2,828,982,972	
Technical/ high vocational certificate	66,576	64,207	2,433,310,287	64,197	2,432,922,322	24,879	24,871	998,629,934	20,570	744,906,528	91,455	89,078	3,431,940,221	84,767	3,177,828,850	
Diploma/ bachelor's degree	479,221	460,258	23,207,462,282	459,460	23,160,580,236	64,578	46,547	2,480,167,639	44,578	2,359,833,612	543,799	506,805	25,687,629,921	504,038	25,520,413,848	
Total	662,258	638,826	28,075,134,039	638,014	28,027,745,916	279,638	213,719	6,306,525,115	190,009	5,423,378,724	941,896	852,545	34,381,659,154	828,023	33,451,124,640	

Table 4.15 Result of Loan Borrowing from the SLF for the Academic Year 2014 as of September 30, 2015

Education level	Former borrowers						New borrowers						Total					
	Submitted		Allocated		Result		Submitted		Submitted		Allocated		Result		Submitted		Result	
	Number of people (cases)	Number of people (cases)	Amount (baht)	Number of people (cases)	Number of people (cases)	Number of people (cases)	Amount (baht)	Number of people (cases)	Number of people (cases)	Number of people (cases)	Number of people (cases)	Amount (baht)	Number of people (cases)	Number of people (cases)	Number of people (cases)	Amount (baht)		
High school	46,806	46,102	619,114,998	46,102	619,114,998	121,912	93,390	1,259,101,153	89,901	1,189,527,497	168,718	139,492	1,878,216,151	136,003	1,808,642,495			
Vocational certificate	50,695	49,135	1,482,388,183	49,134	1,482,356,443	41,754	42,202	1,240,051,894	33,567	963,671,376	92,449	91,337	2,722,440,077	82,701	2,446,027,819			
Technical/ high vocational certificate	60,507	57,548	2,141,419,404	57,547	2,140,994,233	16,897	17,112	644,796,626	13,419	487,074,052	77,404	74,660	2,786,216,030	70,966	2,628,068,286			
Diploma/ bachelor's degree	435,386	421,523	21,172,606,771	416,031	20,823,559,922	47,686	43,542	2,249,756,012	33,275	1,739,927,755	483,072	465,065	23,422,362,783	449,306	22,563,487,677			
Total	593,394	574,308	25,415,529,356	568,814	25,066,025,596	228,249	196,246	5,393,705,685	170,162	4,380,200,681	821,643	770,554	30,809,235,041	738,976	29,446,226,276			

Table 4.16 Result of Loan Borrowing from the SLF for the Academic Year 2015 as of September 30, 2015

Education level	Former borrowers					New borrowers					Total				
	Submitted	Allocated		Result		Submitted	Allocated		Result		Allocated	Allocated		Result	
	Number of people (cases)	Number of people (cases)	Amount (baht)	Number of people (cases)	Amount (baht)	Number of people (cases)	Number of people (cases)	Amount (baht)	Number of people (cases)	Amount (baht)	Number of people (cases)	Number of people (cases)	Amount (baht)	Number of people (cases)	Amount (baht)
High school	44,941	47,527	637,343,895	44,496	592,624,897	118,932	59,983	815,634,881	42,557	562,786,421	163,873	107,510	1,452,978,776	87,053	1,155,411,318
Vocational certificate	42,694	49,464	1,479,318,309	41,436	1,238,477,625	37,276	60,000	1,824,000,000	20,997	593,008,080	79,970	109,464	3,303,318,309	62,433	1,831,485,706
Technical/ high vocational certificate	52,877	53,136	1,982,716,518	50,250	1,856,580,624	20,132	29,887	1,147,660,800	12,123	429,325,224	73,009	83,023	3,130,377,318	62,373	2,285,905,848
Diploma/ bachelor's degree	376,375	375,389	18,703,822,559	354,549	17,654,286,634	51,999	49,648	2,575,353,671	33,315	1,742,435,933	428,374	425,037	21,279,176,230	387,864	19,396,722,567
Total	516,887	525,516	22,803,201,281	490,731	21,341,969,780	228,339	199,518	6,362,649,352	108,992	3,327,555,658	745,226	725,034	29,165,850,633	599,723	24,669,525,438

2) The results of loan settlements are shown in tables 4.17 and 4.18. and the Summary of Unpaid Debt are shown in tables 4.19-4.22

Table 4.17 Number of People Paying Back the Loan from 1999 to 2010

Unit: Case

Due year	Borrowers with due payment	All payers	Borrowers who have not contacted for payment (percent)	Dead/disabled/mi ssing borrowers deducted	Remaining non-contact borrowers
1999 (Batch 1)	14,950	12,772 (84.43%)	2,178 (14.57%)	429	1,749 (11.70%)
2000 (Batch 2)	56,610	48,313 (85.34%)	8,297 (14.66%)	1,083	7,214 (12.74%)
2001 (Batch 3)	120,579	100,900 (83.68%)	19,679 (16.32%)	1,866	17,813 (14.77%)
2002 (Batch 4)	189,676	153,137 (80.74%)	36,539 (19.26%)	2,419	34,120 (17.99%)
2003 (Batch 5)	211,152	163,858 (77.60%)	47,294 (22.40%)	2,233	45,061 (21.34%)
2004 (Batch 6)	232,558	184,755 (79.44%)	47,803 (20.56%)	1,789	46,014 (19.79%)
2005 (Batch 7)	266,280	209,049 (78.51%)	57,231 (21.49%)	1,676	55,555 (20.86%)
2006 (Batch 8)	260,278	197,024 (75.70%)	63,254 (24.30%)	1,349	61,905 (23.78%)
2007 (Batch 9)	252,024	187,280 (74.31%)	64,744 (25.69%)	954	63,790 (25.31%)
2008 (Batch 10)	267,256	194,432 (72.75%)	72,824 (27.25%)	801	72,023 (26.95%)
2009 (Batch 11)	215,437	164,821 (76.51%)	50,616 (23.49%)	6,430	44,186 (20.51%)
2010 (Batch 12)	206,118	158,959 (77.12%)	47,159 (22.88%)	776	46,383 (22.50%)
Total	2,292,918	1,775,300 (77.43%)	517,618 (22.57%)	21,805	495,813 (21.62%)

Table 4.18 Number of Loan Settlements from 1999 to 2009

			Unit: Million Baht
Due year	Base debt	Balance due	Amount paid
1999	383.05	252.79	128.53 (50.84%)
2000	2,407.84	1,353.21	760.26 (56.18%)
2001	6,808.62	3,208.47	1,887.58 (58.83%)
2002	13,153.76	5,121.31	2,956.08 (57.72%)
2003	18,669.99	5,924.56	3,393.81 (57.28%)
2004	21,824.58	5,545.98	3,255.60 (58.70%)
2005	27,188.58	5,413.61	3,180.90 (58.76%)
2006	27,408.92	4,322.54	2,462.70 (56.97%)
2007	28,531.67	3,323.74	1,967.84 (59.21%)
2008	27,650.04	2,213.70	1,459.58 (65.93%)
2009	26,484.84	1,276.76	942.61 (73.83%)
2010	21,607.09	570.54	494.31 (86.64%)
Total	222,118.98	38,527.21	22,889.80 (59.41%)

Note: Krung Thai Bank PCL informed that the base debt means the debt amount according to the contract to be deducted, which borrowers had paid.

Table 4.19 Summary of Unpaid Debt Categorized by Affiliated Educational Institutions Where Last Loans Were Borrowed as of September 2012

Affiliation	Number of educational institutions	Loan amount					Number of borrowers (people)				
		Payment due	Total unpaid amount	Partial unpaid amount	Whole unpaid amount	Percent of unpaid amount	Payment due	Total unpaid amount	Partial unpaid amount	Whole unpaid amount	Payment due
OBEC-public	2,621	2,733,673,555.79	1,145,662,137.56	775,822,300.43	369,839,837.13	41.91%	477,460	294,545	220,173	74,372	61.69%
OVEC- public	424	5,891,057,354.09	2,694,531,474.66	1,836,383,237.71	858,148,236.95	45.74%	473,691	314,818	235,273	79,545	66.46%
ONIE- public	430	132,841,013.95	55,265,623.73	39,162,832.60	16,102,791.13	41.60%	19,554	11,748	9,686	2,062	60.08%
No affiliation with the											59.94%
Ministry of	106	1,639,702,940.53	632,756,941.67	455,861,080.67	176,895,861.00	38.59%	66,776	40,026	31,738	8,288	
Education- public											
OHEC- public	98	27,272,783,155.87	10,844,251,341.80	8,299,842,774.14	2,544,408,567.66	39.76%	960,234	586,478	483,322	103,156	61.08%
Public educational institutions	3,679	37,670,058,020.21	15,372,467,519.42	11,407,072,225.55	3,965,395,293.87	40.81%	1,997,715	1,247,615	980,192	267,423	62.45%
OVEC-private	63	16,347,344,508.11	9,257,121,218.39	6,987,968,562.74	2,269,152,655.65	56.63%	347,926	257,207	201,907	55,300	73.93%
OPEC-private	787	8,437,268,617.40	4,948,557,863.62	2,756,953,061.38	2,191,604,802.24	58.65%	467,002	349,907	224,578	125,329	74.93%
Private educational institutions	850	24,784,613,125.51	14,205,679,082.01	9,744,921,624.12	4,460,757,457.89	57.32%	814,928	607,114	426,485	180,629	74.50%
Total	4,529	62,454,671,145.72	29,578,146,601.43	21,151,993,849.67	8,426,152,751.76	47.36%	2,812,643	1,854,729	1,406,677	448,052	65.94%

Note: Office of the Basic Education Commission (OBEC), Office of the Vocational Education Commission (OVEC)
Office of the Non-formal and Formal Education (ONIE), Office of the Higher Education Commission (OHEC)
Office of the Private Education Commission (OPEC)

Table 4.20 Summary of Unpaid Debt Categorized by Affiliated Educational Institutions of the First and Second Payment Account
Sub-committees as of September 30, 2012

Affiliation with the First Account Sub- Committee	Number of educational institutions	Loan amount				Percent of unpaid amount	Payment due	Number of borrowers			
		Payment due	Total unpaid amount	Partial unpaid amount	Whole unpaid amount			Total unpaid amount	Partial unpaid amount	Whole unpaid amount	Percent of unpaid amount
OBEC-public	2,621	2,733,673,555.79	1,145,662,137.56	775,822,300.43	369,839,837.13	41.91%	477,460	294,545	220,173	74,372	61.69%
OVEC- public	424	5,891,057,354.09	2,694,531,474.66	1,836,383,237.71	858,148,236.95	45.74%	473,691	314,818	235,273	79,545	66.46%
ONIE- public	430	132,841,013.95	55,265,623.73	39,162,832.60	16,102,791.13	41.60%	19,554	11,748	9,686	2,062	60.08%
No affiliation with the Ministry of Education- public	106	1,639,702,940.53	632,756,941.67	455,861,080.67	176,895,861.00	38.59%	66,776	40,026	31,738	8,288	59.94%
OHEC- public	787	8,437,268,617.40	4,948,557,863.62	2,756,953,061.38	2,191,604,802.24	58.65%	467,002	349,907	224,578	125,329	74.93%
Public educational institutions	4,368	18,834,543,481.74	9,476,774,041.24	5,864,182,512.79	3,612,591,528.45	50.32%	15,044,483	1,011,044	721,448	289,596	67.20%
Demonstration school	8	110,274,844.00	283,674.43	165,760.99	117,913.44	25.72%	89	31	20	11	34.83%
Open university	2	3,709,913,778.91	1,857,102,528.69	1,019,193,639.65	837,908,889.04	50.06%	148,577	104,143	69,489	34,654	70.09%
Buddhist university	2	8,441,264.17	4,462,290.62	2,818,045.62	1,644,245.00	52.86%	1,422	947	633	314	66.60%
Rajabhat university	40	9,841,306,988.92	4,194,935,101.17	3,321,677,297.42	873,257,803.75	42.63%	399,156	253,512	212,575	40,937	63.51%
Rajamangala University of Technology	9	2,986,234,167.03	1,201,612,680.51	1,023,903,873.38	177,708,807.13	40.24%	129,434	77,283	69,174	8,109	59.71%
Community university	13	4,710,784.82	2,392,516.86	1,581,155.13	811,361.73	50.79%	1,272	886	620	266	69.65%
Public universities- others	24	10,721,073,423.58	3,583,462,549.52	2,930,503,001.95	652,959,547.57	33.42%	280,284	149,676	130,811	18,865	53.40%
Private universities	63	16,347,344,508.11	9,257,121,218.39	6,987,968,562.74	2,269,152,655.65	56.63%	347,926	257,207	201,907	55,300	73.93%
Total	161	43,620,127,663.98	20,101,372,560.19	15,287,811,336.88	4,813,561,223.31	46.08%	1,308,160	843,685	685,229	158,456	64.49%

Table 4.21 Number and Percent of Educational Institutions according to Percent of Unpaid Amount Categorized by Affiliated Educational Institutions

Affiliation		Percent of unpaid amount per payment due										Total
		below 10	11-20%	21-30%	31-40%	41-50%	51-60%	61-70%	71-80%	81-90%	91-100%	
OBEC-public	institute	6	22	192	776	997	445	141	29	8	5	2,621
	percent	0.23%	0.84%	7.33%	29.61%	38.04%	16.98%	5.38%	1.11%	0.31%	0.19%	100%
OVEC- public	institute	1	0	3	53	199	121	35	9	0	3	424
	percent	0.24%	0.00%	0.71%	12.50%	46.93%	28.54%	8.25%	2.12%	0.00%	0.71%	100%
ONIE- public	institute	19	37	63	110	106	47	22	7	9	10	430
	percent	4.42%	8.60%	14.65%	25.58%	24.65%	10.93%	5.12%	1.63%	2.09%	2.33%	100%
No affiliation with the Ministry of Education- public	institute	4	14	33	7	8	29	9	1	0	1	106
	percent	3.77%	13.21%	31.13%	6.60%	7.55%	27.36%	8.49%	0.94%	0.00%	0.94%	100%
OHEC- public	institute	2	0	12	30	41	10	1	2	0	0	98
	percent	2.04%	0.00%	12.24%	30.61%	41.84%	10.20%	1.02%	2.04%	0.00%	0.00%	100%
Public educational institutions	institute	32	73	303	976	1,351	652	208	48	17	19	3,679
	percent	0.87%	1.98%	8.24%	26.53%	36.72%	17.72%	5.65%	1.30%	0.46%	0.52%	100%
OHEC- private	institute	2	0	0	1	11	27	15	7	0	0	63
	percent	3.17%	0.00%	0.00%	1.59%	17.46%	42.86%	23.81%	11.11%	0.00%	0.00%	100%
OPEC- private	institute	11	12	23	55	126	244	230	58	11	17	787
	percent	1.40%	1.52%	2.92%	6.99%	16.01%	31.00%	29.22%	7.37%	1.40%	2.16%	100%
Private educational institutions	institute	13	12	23	56	137	271	245	65	11	17	850
	percent	1.53%	1.41%	2.71%	6.59%	16.12%	31.88%	28.82%	7.65%	1.29%	2.00%	100%
Total	institute	45	85	326	1,032	1,488	923	453	113	28	36	4,529
	percent	0.99%	1.88%	7.20%	22.79%	32.85%	20.38%	10.00%	2.50%	0.62%	0.79%	100%

Table 4.22 Unpaid Debt and Average SLF Borrowing Categorized by Affiliated Educational Institutions Where Last Loans Are Borrowed as of July 31, 2015

Affiliation	Number of educational institutions	Loan amount (baht)			percent	Payment due	Number of borrowers		Average loan per borrower
		Loan contract	Payment due	Total unpaid amount			Total unpaid amount	Percent of unpaid borrowers	
OBEC-public	2,633	8,781,112,975.52	3,410,689,938.17	2,100,277,902.25	61.58	416,083	314,540	75.60%	21,104.23
OVEC- public	427	25,778,364,395.53	9,082,288,229.34	4,992,020,019.27	54.96	502,564	374,865	74.59%	51,293.69
ONIE- public	427	196,530,118.98	132,643,063.58	90,152,294.39	67.97	11,796	10,708	90.78%	16,660.74
No affiliation with the Ministry of Education- public	163	7,842,494,289.07	2,596,209,222.88	1,184,595,766.87	45.63	77,777	52,895	68.01%	100,833.08
OHEC- public	105	164,206,354,730.36	46,799,015,855.41	20,962,720,697.80	44.97	1,173,030	780,494	66.54%	139,984.79
Public educational institutions	3,755	206,804,856,509.46	62,020,846,309.38	29,329,766,680.58	47.29	2,181,250	1,533,502	70.30%	94,810.25
OHEC- private	67	104,341,323,399.53	29,136,134,297.96	19,487,547,521.45	66.88	449,182	356,156	79.29%	232,291.86
OPEC- private	899	35,253,423,326.79	13,410,077,575.56	9,384,283,857.36	69.98	513,669	427,811	83.29%	68,630.62
Private educational institutions	966	139,594,746,726.32	42,546,211,873.53	28,871,831,378.81	67.86	962,851	783,967	81.42%	144,980.63
Total	4,721	346,399,603,235.78	104,567,058,182.90	58,201,598,059.39	55.66	3,144,101	2,317,469	73.71%	110,174.45

4.1.2 Future Income-based Education Loan Fund (Ko Ro O)

4.1.2.1 Background

The Future Income-based Education Loan Fund (Ko Ro O) was established in accordance with the resolution by the cabinet on the 7th of April 2004, who approved the principle and direction of higher education financing reforms. The key points have been summarized below:

1) The state changes its role from being the primary provider of education, to becoming the sponsor, regulator and policymaker on higher education policy, with the aim of lessening its role as the provider.

2) The financial mechanism is to be used as a tool to improve the effectiveness of education provisions, including the implementation of education policy in regards to human resource development to meet the needs of the country and society.

4.1.2.2 The Objectives of Ko Ro O

The Ministry of Finance regulations for the Management of Education Fund B.E. 2549, and its amendment in article 7, stated the objectives of Ko Ro O for the provision of education loans to students in alignment with the National Education Policy. In addition, it also assigned The Office for Education Loan Fund to be responsible for the administrative work related to the fund management. In Article 11, it established the fund management committee called the “Education Fund Committee.” Its membership consists of: the Ministry of Finance Permanent Secretary, as its Chairperson, the Ministry of Education Permanent Secretary, Secretary-General of the Education Council, Secretary-General of the Office of the Higher Education Commission, Secretary-General of the Office of Vocational Education Commission, Secretary-General of the Office of Basic Education Commission, Director of the Budget Bureau, Secretary-General of the National Economic and Social Development Board, Director-General of the Comptroller-General Department, Director-General of the Revenue Department, Director of the Fiscal Policy Office, one state university president who was nominated by the Office of the Higher Education Commission, the President of The Association of Private Higher Education Institutions of Thailand, and the President of The Confederation of Private Education of Thailand. The Minister of Finance may nominate a maximum of

5 additional members to the previous list, each of whom must be from one of the following areas of expertise: Information Technology, Law, Finance, Economics or Accounting. The manager of the office shall be a member and secretary, while one other employee shall be a member and assistant secretary of this committee.

This committee shall have the authority to develop policies and regulations, as well as manage the funds according to its objectives and approve student loans. Furthermore, it has the power to appoint subcommittees in order to carry out specific duties assigned by the committee, as well as to appoint the fund manager who is responsible for overseeing the student loan awards process and repayment as specified in the contract. Later, the Committee announced on October 19th, 2007 the appointment of Krungthai Bank as the fund manager.

In addition, the Committee has appointed several subcommittees as follows:

- 1) The administrative Subcommittee consists of the Director-General of the Comptroller-General Department as the Chair, and the Manager of the Education Loan Fund as a subcommittee member and secretary. This subcommittee is responsible for developing the management direction for Ko Ro O, which complies with the policies set out by the government and the Committee. It is also responsible for reviewing the Committee meeting agenda, providing observations and recommendations on the operations of the Ko Ro O to the Committee, and other assignments as directed by the Committee.

- 2) The Strategic Subcommittee consists of an external as its Chair, and the Manager of the Education Loan Fund as a member and secretary. This subcommittee is responsible for analyzing, studying and formulating strategies, in addition to direction and operational planning for the Ko Ro O which are aligned with government policies. It is also required to monitor strategic plans to ensure that tasks and objectives have been completed in an effective and efficient manner. The Subcommittee may also be assigned other tasks as per the direction of the Committee.

- 3) The Legal Subcommittee consists of an external as its Chair, and the Associate Manager the Education Loan Fund as member and secretary, and mainly responsible for providing legal advice and recommendations related to the operations of Education Fund to ensure the funds activities comply with the law and regulations. It may also be given other responsibilities by the Committee.

4) The Audit Subcommittee consists of an external as its Chair, and the Director of the Audit Department in Ko Yo So as the secretary. Its main responsibilities are as follows:

(1) Financial and accounting auditing to ensure correct financial reporting, adequate transparency and outlining the impact of the financial report.

(2) Coordinate with the accountant to outline the scope, direction and plans for the external audit, as well as the problems and issues found during the audit. All of which are to be reported to the Committee.

(3) Re-examine the suitability and efficiency of the internal audit system within the Fund for Educational

(4) Re-examine the efficiency and effectiveness of the Education Fund's operations and monitor its activities to ensure that they are carried out according to the law and regulations, as well as the Committee directives.

(5) Re-examine the administration, risk management, and conflict of interests within the Education Fund.

(6) Regulate and re-examine the operations of internal audit functions so that it covers the internal systems which have an important impact on the work done by the Education Fund.

(7) Jointly consult with the Manager to propose a recommendation to the committee related to the operational plan and resources used in the audit process.

(8) Re-examine and assess the suitability of the Audit Subcommittee Charter, and submit a revision proposal to the Committee for approval.

(9) Arrange a meeting between the management team, External & Internal Auditors, relevant staff, and other external individuals as appropriate, as well as request relevant information from staff as necessary.

(10) Report to the Committee at least twice a year on the activities of the Audit Subcommittee and provide relevant recommendations. This report will be part of the Education Fund's Annual Report, which will be signed by the Chair of the Audit Subcommittee.

(11) Other duties as assigned by the Committee.

4.1.2.3 Criteria for Education Loan

1) The person who is eligible for an education loan must meet the following criteria:

- (1) Thai National.
- (2) Aged not above 30 years as of 1st January 2014.
- (3) Not an existing recipient of assistance from the Future Income-based Education Loan Fund (Ko Ro O)

(4) A new 1st year student or pupil applying for assistance for 2014 who is not an existing recipient of assistance from the Education Loan Fund (Ko Yo So).

(5) A Student or Pupil who has been accepted to study at an education institution which provides education at the level of diploma, higher vocational education, bachelor degree or other equivalent qualification.

2) Students or pupil applying for assistance must study at an institution participating in the program under Ko Ro o and under the The Office for Education Loan Fund.

3) Students or pupils who are eligible must enroll for the courses with the following criteria:

(1) Courses at the level of diploma, higher vocational studies, bachelor degree or the equivalent.

(2) Course subjects included in the announcement of the Education Fund Committee on curriculum. The subject types and areas must have clear needs and direction for human resources development, and they are for students and pupils who wish to join the assistance program (subjected to annual announcement). In 2015, the courses and subjects eligible for assistance are listed in Table 4.23

Table 4.23 Curriculum, Subject Types and Areas which Have Clear Needs and Direction for Human Resources Development, for Students and Pupils Who wish to Join the Assistance Program for 2015

Qualifications and Subject Types	Subject Areas	Maximum Loan Limit (Baht/year)
1. Higher Vocational Studies or equivalent		
Commerce or Business management, Handicraft and Arts, Agriculture or Fishery, Textile, Food and Nutrition Science, Tourism Industry	All Areas	25,000
Industrial Mechanics, Information Technology, Optics and Health Science	All Areas	30,000
2. Diploma or Bachelor Degree		
Social Science, Arts, Human Science, Education	Details in the appendix of the announcement	60,000
Liberal Arts and Architecture	Details in the appendix of the announcement	70,000
Engineering, Science and Technology	Details in the appendix of the announcement	70,000
Agriculture	Details in the appendix of the announcement	70,000
Public Health, Nursing, Pharmaceutical Science	Details in the appendix of the announcement	90,000
Medicine, Veterinary, Dentistry	Details in the appendix of the announcement	200,000

4) Students or pupils can receive the loan, within the maximum loan limit, only for one course in each academic year and not exceeding the annual study fees as invoiced by the enrolled institution for the length of study specified in the enrolled curriculum. In the case that the recipient is entitled to education reimbursement from a government agency, the loan will only cover the outstanding fees which exceed the reimbursement allowance.

5) Students or pupils are entitled to monthly living allowance of 2,200 baht if their household income does not exceed 200,000 baht per year. To determine the household income of the student, the institution must consider based one of the following criteria:

(1) The income of the student and his/her parents in the case that they are also the student's guardian.

(2) Total income of the student and his/her guardian in the case that the guardian is not his/her parents.

(3) Total income of students and his/her spouse in the case that he/she is married.

6) Students who wish to apply for the loan must submit their applications within the specified times through the electronic system, which is provided by The Office for Education Loan Fund , unless stated otherwise by the Committee.

7) The Education Fund will provide the loan along with the following conditions:

(1) Study fees will be paid directly to the education institution for which the recipient enrolled in. It will go directly to the institutional "Ko Ro O" bank account according to the announcement by the Education Fund Committee on the duties, procedures and responsibilities of education institutions which participate in the Future Income-based Education Loan Fund (Ko Ro O) for the academic year of 2013, B.E. 2555.

(2) The monthly living allowance will be paid to the eligible students (loan recipients) through the bank account of the students as notified to the Education Fund.

4.1.2.4 Ko Ro O Loan application procedures

Applications must be submitted through the e-student loan system on www.studentloan.or.th within the specified time. The procedures are as follows:

1) Students can check their eligibility and allowed courses for the Ko Ro O through the announcement which is published on the fund's website.

2) Students who wish to apply can register to obtain a password in the e-student loan system. Initial checks will be performed to assess

students' eligibility by the Department of Provincial Administration, which should take approximately 1 hour. After passing this check, the student can proceed to step 3.

3) Students can submit their loan application through the e-student loan system, and attach a print out of this form, together with other supporting documents, when applying for a course within the desired educational institution.

4) The educational institution calls student for an interview and checks the their eligibility for consideration and approval of their enrolment and loan application.

5) In the case of approval, the institution will record the loan limit for individual students related to the study fees and other expenses for each semester. However, the combined loan amount must not exceed what is allowed by the fund as specified in the e-student loan system.

6) Educational institutions publish a list of students who successfully applied for the loan through the e-student loan system and on the notice board to inform the students.

7) Students can check their application results through the institution's announcement, or on the e-student loan system.

8) Students must open a savings account with a branch of Krungthai Bank or the Islamic Bank of Thailand which they wish to use, unless they already have one.

9) Students must sign the loan contract and record their information in the e-student loan system, print out 2 copies of the contract, and submit the signed copies to the enrolled education institution along with all the required supporting documents.

10) The education institution checks the contract and confirms if it was submitted correctly with all the necessary documents in the e-student loan system.

11) The students (loan recipients) must record the study fees and other related expenses on the e-Student loan system as invoiced by the institution.

12) Ko Ro O confirms whether the students are eligible for a living allowance or not (if applied for).

13) The education institution makes a record of the study fees and expenses for that semester as requested by the recipient, but not exceeding the loan limit. The registration form can be printed for the recipient to review and sign.

14) The students (recipients) review and confirm the loan amount and sign the registration form.

15) The education institution reviews the registration form of the recipient in the e-student loan system.

16) Students receive the living allowance (if applied for).

17) The education institution compiles the contract, registration form and supporting documents received from the students (recipients) for that semester.

18) The education institution creates the contract forwarding slip, and records all the relevant information on the form for an authorized person to sign off (no stamped signature allowed) and stamp the institution's seal.

19) The education institution submits all the documents to Krungthai Bank or the Islamic Bank of Thailand.

4.1.2.5 Guarantee

1) A guarantor for the loan contract can be the following:

- (1) Parent or guardian.
- (2) The guardian, in the case of deceased parents.
- (3) An individual with a credible income and occupation.
- (4) A guarantor can sign alone without spouse consent.
- (5) Asset(s) can be used if there is no guarantor.

2) The guarantor must be present and sign the loan contract at the education institution. If the guarantor lives in a location which is far away from the institution, the contract can be sent to the guarantor's location for his/her signature but the local district/municipal registration officer must co-sign to certify the signature of the guarantor.

4.1.2.6 Regulations on Repayment

For students who first received a loan in 2006/2008/2009

The loan recipients are responsible to make repayments on the loan with an interest rate of 1% per year after graduation or after finishing the study period for

2 years. The loan and its interest must be repaid back within 15 years after the first repayment was made. For the first repayment, only the principle amount is required as follows:

1) The loan recipients who has been approved for graduation or stopped studying in the academic years of 2006 and 2007 must make the first repayment on July 5th, 2011.

2) The loan recipients who have been approved for graduation or stopped studying from the academic year 2008 onwards, must make the first repayment on July 5th of the following year after graduation or after the 2-year grace period has expired for those who stopped studying. For the subsequent installments, both the principle amount and interest must be repaid by July 5th, which will be considered as the repayment due date. If that day coincides with a bank holiday, the next working day will be considered as the due date for that year. Interest will be calculated based on the outstanding amount from the previous repayment.

In the case that the recipients stopped their studies before the end of the academic year, it will be considered the same as if the recipients stopped their studies at the end of the academic year. The first repayment will need to be made on July 5th after 2-years grace expires.

3) The recipients can choose to pay in monthly or annual installments. The principle amount to be paid on a monthly or annual basis must not be below the minimum rate, as shown in table 4.24.

Table 4.24 Minimum Principle Repayment Rates

Repayment Year	Percentage of principle Amount to be repaid	Repayment Year	Percentage of principle Amount to be repaid	Repayment Year	Percentage of principle Amount to be repaid
1	1.5	6	4.5	11	9.0
2	2.5	7	5.0	12	10.0
3	3.0	8	6.0	13	11.0
4	3.5	9	7.0	14	12.0
5	4.0	10	8.0	15	13.0

4) In the case that the recipients wish to request a deferral of repayment or temporary repayment suspension, the request must be made to Krungthai Bank according to the following conditions, criteria and procedures:

(1) If the recipients do not have any income or suffered from natural disasters, war perils, or civil unrests which resulted in catastrophic damage to their assets, repayment suspension can be approved for 6 months per request without penalty. The combined period for suspension cannot exceed 2 years.

(2) If the recipients have an income less than 4,700 baht per month, repayment can be made for only the interests incurred for that instalment but the amount repaid must be no less than 300 baht per month, or 2,400 baht per year.

(3) The recipients must process their request before the due date or they will need to make the repayment on the principle and interest for that month as normal.

5) In the case that the recipients wish to make monthly repayments, they must contact Krungthai bank to make an additional agreement for the loan contract.

6) If the recipients miss their due date, the following penalties will be applied:

(1) In the case of the monthly instalment plan, if the outstanding repayment is more than 1 month but not exceeding 12 months, there will be a penalty of 1% of the outstanding principle amount. If the outstanding payments are more than 12 months, the penalty will be at a rate of 1.5% of the outstanding principle amount.

(2) In case of annual instalments, a 1.5% penalty of all the outstanding principle will be applied.

7) If the recipients wish to pay back the loan amount before the due date or during the 2-year grace period, they may do so without paying any interest.

8) In the case that the recipients wish to terminate the loan, they must pay back the loan within 30 days and can do so without paying any interest. If they are unable to pay within this period, a 1% penalty will be applied on the

outstanding amount that is less than 12 months. 1.5% penalty will be applied on an outstanding amount of more than 12 months.

9) For each repayment, the bank will charge a transfer fee of 10 baht per transaction by debiting from the recipients' account.

10) The recipients must keep the following document as repayment evidence: 1) Copies of the deposit slip 2) Records of the recipient's bank account book 3) A bank statement

11) Before the first repayment due date, the bank will send a notification letter to the recipients for the repayment.

12) The recipients can make the repayment through Krungthai bank or the Islamic Bank of Thailand, depending on which bank they use.

4.1.2.7 A Permanent Suspension of Repayment Can Occur in the Following Two Cases:

1) The recipients become handicapped or permanently disabled which prevent them from working.

In this case, the disabled recipients who wish to suspend the payments must submit the following evidence for their cases to be considered.:

(1) A copy of valid disabled card.

(2) A medical certificate which has been issued in the past 90 days by a hospital and certify the specific physical disability in details.

(3) A copy of the recipient's ID card and house registration.

(4) A copy of the Guarantor's ID card and house registration (if there is more than one, all guarantors' documents are required). If a guarantor is deceased, a copy of his/her death certificate is required.

(5) Copies of loan records, a study fees invoice, and loan contract (if available).

(6) An occupational capability certificate for the disabled.

2) The recipient becomes deceased.

To process a request for the permanent suspension of repayments, the recipient must sign and certify all supporting documents. If obtaining a signature is not possible, thumb prints can be used with 2 witnesses co-signing the documents to

verify the thumb prints. Then all the certified documents must be submitted to the debt management department of the Education Loan Fund for further processing.

4.1.2.8 Methods of Repayment

1) Recipients Who Began their Studies in 2012-4

Once the recipients become graduated or stop their studies, and have income of 16,000 baht per month or 192,000 baht per year, they are required to make a repayment on the principle amount and interest at the rate of 1% per year, and the loan must be completely paid off in 15 years after they meet the criteria. The first repayment will be on the principle amount only with no interest and must be made by the 5th of July that year. For subsequent repayments, interest will also need to be paid together with the principle on the 5th of July for the following years, which will be the repayment due date. The interest will be calculated based on the outstanding principle amount after the previous repayment. When the recipients graduate or stop their studies, even if they have any income or not, they must report the income that they received in the past calendar year to the fund manager in March of every year. The first report must be made in March of the following year after their graduation or after they have stopped their studies. If a report is not made, it will be considered that the recipients now have sufficient income to start their repayments. The rate of repayment will be based on the recipient's income as shown in Table 4.25

Table 4.25 Rates of Repayment According to Income

Income Level (baht)		Repayment Rates (as percentage of income)
Per Month	Per Year	
16,000 - 30,000	192,000 - 360,000	5
30,001 - 70,000	360,001 - 840,000	8
More than 70,000	More than 840,000	12

2) Methods to determine the due date for the recipients who have just become graduated

Example: Mr. A borrowed from Ko Ro O for his 2-year higher vocational course for the academic years of 2012 and 2013, and he graduated in 2014. Mr. A is required to report to the fund manager for the first time about his previous annual income by March of 2015 as shown in Table 4.26

Table 4.26 Methods to Determine the Due Date for the Recipients Who Have jJst Become Graduated

2012	2013	2014	2015
← 2012 Academic Year →		← 2013 Academic Year →	
		The year of graduation	First income report to be made to fund manager

3) Guidance on Repayment to the Ko Ro O

(1) Students who are the recipients of Ko Ro O must make repayments when they have graduated or stopped their studies and receive income of more than 16,000 baht per month or 192,000 baht per year.

(2) Repayment to the Fund will be done through the Revenue Department, which will be at a progressive rate based on the recipient's income. Ko Ro O will adjust the principle loan amount on the 1st of August every year based on the consumer price index (CPI), as announced by the Ministry of Commerce, but not exceeding 5% per year.

(3) The average of the CPI will be calculated from the index announced from July to June of the following year.

(4) The principle amount will be adjusted based on this average CPI. However, if the CPI increased by more than 5%, the adjustment will be limited to 5% only.

(5) The principle amount will be adjusted once a year on the 1st of August each year until the recipients have totally paid off the loan. The adjustment will start from the first year that the loan was received.

(6) The recipients are responsible to inform their employers and companies of their obligation to make repayments to Ko Ro O as soon as they start their employment.

(7) In the case that the recipients are self-employed, repayment can be made via payment methods which are specified by the Revenue Department, which may include the local revenue office and other payment points.

(8) In the case that the recipients change their address or employer, or if there is a change on income level, this must be reported to the revenue department within 30 days.

(9) The recipients may choose at any time to repay the total loan amount, which has been adjusted based on the current CPI before they meet the repayment criteria by earning at least 16,000 baht per month or before the next due date.

(10) When the recipients reach the age of 60, but still do not meet the income criteria of 16,000 baht per month to make repayment, or have not completely repaid the loan, the outstanding loan amount to Ko Ro O will be cancelled.

(11) If the recipients become deceased, handicapped, or permanently disabled resulting in an inability to work, the outstanding loan amount with Ko Ro O will be cancelled.

(12) In the event the recipients miss their repayment, the Revenue Department will send out a reminder letter and an officer to follow-up with the recipients at the address which was reported to the Department or other relevant agencies.

(13) If the recipients miss a repayment without a good reason, the Revenue Department will penalize the recipient at the rate of no more than 1.5% of the outstanding amount per month or proceed with the seizure, impounding of assets, and/or legal prosecution.

4.1.2.9 Other Good Practices

1) Information provided in the student loan application must be true.

2) The recipients must comply with relevant rules and regulations related to the management of the education fund, B.E. 2549, and its

amendment, as well as other announcements, guidelines, and methodologies concerning the loan.

3) The students must navigate through the electronic application process themselves and not reveal their passwords to anyone. If the students allowed someone else to apply on their behalf, they will be responsible for whatever actions performed by the person who accesses the system with the student's password.

4) Any changes to the name, address, education institution, graduation or termination of study must be reported to the fund manager within 15 days of the change.

5) If the recipients are still studying but payment is not received, they should report their student status to the fund manager.

6) Other responsibilities which may be announced by the Committee should also be carried out.

4.1.2.10 The Results of Ko Ro O Loan Approval

From the statistics between 2013-2015 on Ko Ro O loan approval are shown in table 4.27 and table 4.28

Table 4.27 Ko Ro O Loan Statistics between 2013-2015 (as of 31st December 2015)

Level of Education	December 2013			December 2014					December 2015				
	Existing Recipients	New recipients	Total recipients	Existing Recipients	New recipients	Total recipients	Increase (decrease) compared to previous year		Existing Recipients	New recipients	Total recipients	Increase (decrease) compared to previous year	
							Number	%				Number	%
General/ Higher Vocational Study Diploma/ Bachelor Degree	1,831	2,483	4,314	2,157	5,683	7,840	3,526	81.73	4,533	5,911	10,444	2,604	33.21
Total	13,098	20,266	33,364	27,316	39,679	66,995	33,631	100.80	54,959	36,493	91,452	25,457	36.50
Loan amount (Million baht)	2,129.4709			4,451.2900			2,321.8191	109.03	6,160.1823			1,708.89	38.39

Table 4.28 Amount of Outstanding Ko Ro O Loan in 2014-2015

Year	Loan Amount			Number of Recipients		
	Due	Unpaid	% Unpaid	Due	Unpaid	% Unpaid
2014	984.65	617.66	62.73	277,230	193,440	69.78
2015	1,416.28	801.33	56.58	284,447	204,218	71.79

4.1.3 Difference in Criteria between Ko Yo So and Ko Ro O

From the different sources of information above, the difference between the two funds can be compared in Table 4.29

Table 4.29 Comparison of Criteria between Ko Yo So and Ko Ro O

Items	Ko Yo So	Ko Ro O
Loan Process		
Target Group	1) Students who lack financial resource 2) The age of recipients at the time of application, combined with course duration, 2-year grace period, and 15-year repayment period must not exceed 60 years.	1) No limit upper limit on family income 2) Age of 30 years or less
Level of education	1) High School, General Vocational Study, Higher Vocational Study, Diploma and Bachelor Degree (any subjects)	1) Higher Vocational Study (any subjects), Diploma, and Bachelor Degree (only selected subjects according to national needs)
Types of expenses covered by the loan	1) Tuition fees 2) Other education-related expenses	1) Tuition fees 2) Other education-related expenses

Table 4.29 (Continued)

Items	Ko Yo So	Ko Ro O
	3) Living Expenses	3) Living Expenses (for low-income students)
Repayment		Recipients in 2006, 2008 and 2009 use the same regulations as Ko Yo So
Terms of repayment	After graduation or study termination for 2 years. Loan must be completely paid off in 15 years after first repayment	After graduation or study termination for 2 years. Loan must be completely paid off in 15 years after first repayment
Interest rate	1% per annum	1% per annum Recipients in 2012-4 First repayment starts when income reach 16,000 baht per month or 192,000 per annum. Loan must be completely paid off in 15 years after first repayment.

4.1.4 Proposal for Law Amendment

From the study, it was found that the Ministry of Finance, as the main agency responsible for the oversight of Ko Yo So and Ko Ro O, and their mother organization The Office for Education Loan Fund, proposed a new law amendment to combine Ko Yo So and Ko Ro O to be governed under the same law, called the Education Fund Act (draft) B.E. and transform the “Education Fund” to be a legal entity. The changes can be summarized below.

4.1.4.1 Summary of key points in the Education Fund Act (draft) B.E. ...

The law concerning the Education Fund will be enforced instead of the law on the Education Loan Fund with the following important content.

1) The Objectives of the Law

A fund shall be set up, called the “Education Fund,” to be a legal entity independent from the government and state enterprise, which will be bound by the law concerning budgetary practices, but it will be under the oversight of the Ministry of Finance. Its objective is to support and promote education by providing funding support to students who lack the financial means, or for those who wish to pursue further study in subject areas which are in high demand at the national level with a clear human resources development plan to either fulfill a needs gap, or to promote national excellence in a specific subject area. The support provided for students shall be in a form of a loan which must be paid back into the funds (Draft Article 6).

2) Basic Principle of the Fund Operations

The basic principle of the Fund is to provide assistance for education in the form of public services, which will allow citizens to be able to equally access educational opportunities. The Fund will use its governance to administrate the distribution of financial support and collect back the funds, instead of pursuing this through loan contracts as governed under the Civil and Commercial Code.

3) Education Fund Committee Composition and Authority

The Education Fund Committee shall be established with the authority to develop policies and an operational framework, as well as the regulations and procedures which comply with the Fund objectives. The Manager of the Education Fund Office will act as the secretary of this Committee (Draft Article 14 and 19).

4) The Establishment of Education Fund Office

The Education Fund Office shall be established to act as the Secretariat Office of the Education Fund Committee, and will be responsible for the Fund’s operations and coordinating with other agencies in the government. The manager of this office will represent the Fund in its activities when related to an external, and have authority over all the employees within the Fund to manage all the office activities under the fund objectives and policies as passed down from the committee (Draft article 27, 28 and 32)

5) Education Fund Management

The Education Fund Office has the authority to manage the Education Fund in accordance with the regulations which the committee developed. It is able to hire a financial institution as needed to act as the Fund Manager (Draft Article 43).

6) Standards of Education Institutions

The Minister shall issue ministerial regulations to set the procedures, methods and conditions for the education institutions to participate in providing educational financial support with the Subcommittee on Education Institution Regulation and Assessment. It also has the duty to monitor and regulate those institutions in order to ensure their effectiveness and ensure that they are operated in accordance with the policies and directions which the committee allowed for the benefit of the Fund. The participating institutions must be authorized by the agency that they are under before they can submit their request and sign the agreement with the Fund (Draft Article 19 and 37).

7) Request for Education Financial Support

Students who wish to receive educational financial support for their studies, according to Article 6, must submit their request to the committee according to the form and methods which the committee set for their particular type of study. For the purpose of fund management and collection, students who received support must allow the fund to access their personal information, and allow the fund to disclose the information for receiving support and repayments. This is in compliance with the regulations, procedures and conditions set in the Ministerial Regulations (Draft Article 39 and 41)

8) Repayment of education support and collection

Students who receive support in the form of a loan must make repayments back to the fund after graduation or after their studies have been termination for 2 years. They are responsible for paying back the total amount used for their studies to the fund according to the regulations which the committee has set (Draft Article 44)

The Subcommittee for Repayment Regulations shall be set up to provide recommendations and advice to the committee on the regulations related to

student loan repayments. The subcommittee is also responsible for providing operational guidance for the manager to make collections from the students who are the recipients of educational financial support from this fund. (Draft Article 23 and 24).

In the case that the students fail to make a repayment within the due date, the manager has the authority to issue an administrative order and an official reminder for them to make the repayment. If they still fail to do so, the manager can use administrative enforcement measures as allowed by the administrative procedure law (Draft Article 49).

The Education Loan Fund Act, B.E. 2541 which is currently in effect, is intended to solve the problems related to education inequality within society by increasing the opportunities to access higher education for those students who come from low-income families.. This kind of educational support is not effective enough to develop human resources for the country. So there is a need to increase educational opportunities, which is linked to these policies on human resources development, by raising the students' ability to pay for higher education. In addition, it provides additional support for studying in subject areas which are considered as high priority, especially for students with the right capabilities and attributes.

From all the reasons above, it is appropriate and necessary to legislate this law in order to allow the integration of education fund operations for both Ko Ro O and Ko Yo So, so they may be governed under the same law.

4.1.4.2 Deliberation on Needs Assessment for New Legislation

As supporting a document for a new legislation proposal, the following deliberation has been made.

1) Objective and Mission Goal

(1) The objective and mission goal is to establish a fund called the "Education Fund" which is a legal entity independent from the government and state enterprises, and is bound by the law concerning budgetary practices. However, it will be under the oversight of the Ministry of Finance. Its objective is to support and promote education by providing funding support to students who lack the financial means, or for those who wish to pursue further study in subject areas which are in high demand at the national level with a clear human resources development plan to either fulfill a needs gap or to promote national excellence in a specific subject

area. The support provided for students shall be in a form of a loan which must be paid back into the fund.

(2) It is necessary to carry out this mission in order to increase the opportunity for education, which linked to the national policy on human resource development to satisfy the nation's needs in specific areas. Support will be provided to students with the right capabilities and attributes to study in these areas and to ensure the high standards of the education institution that they attend.

(3) The problems and shortcomings that need to be rectified in the Education Loan Fund Act B.E. 2541, the Ministry of Finance Regulations on the Management of Education Fund B.E.2549, and the amendments which are currently in effect, are not comprehensive enough in terms of their objectives, as they do not cover the educational financial support in subject areas which are aligned with national priorities. In addition, there is no clause which increases the effectiveness of collectioning repayments and outstanding loan amounts .

(4) Measures to achieve the mission objectives

The legislation will set up an Education Fund with the objective to provide educational financial support for those who lack the means to finance their studies themselves and/or intend to study in high priority subject areas. This financial support will be allocated according to the needs of the students, and the participating education institutions have to meet the high standards set by the fund in order to ensure the quality of education provided to the students. There are also measures to increase the capabilities of collecting back the repayments and outstanding loan amounts in an appropriate and effective matter by using administrative means, rather than the methods used in a commercial setting.

(5) Other alternatives: No other alternatives can be used to achieve the objectives.

(6) The rationale on the ability of this legislation to solve the problems and shortcomings is that the objectives and coverage governed by this law are more extensive in terms of the distribution of educational financial support, and they also increase the capabilities to collect repayments and outstanding loan amounts in an appropriate manner.

2) Who should carry out the mission?

As the Minister of Finance is the protector of the Education Loan Fund Act B.E. 2541, and the Ministry of Finance Permanent Secretary is the protector of the ministerial regulation of the Management of Education Fund B.E. 2549 and its amendment, the Ministry of Finance should be the sponsor of the legislation drafting process for this law.

3) Necessity of this new legislation

The cabinet resolution on May 1st, 2012 assigned the Ko Yo So Committee and the Education Fund Committee, under the Ministry of Finance Regulation, to urgently draft new legislation to accommodate a long-term project, as well as combine the law governing Ko Yo So To be part of this new legislation.

4) The complexity of the legislation.

5) The burden and cost-effectiveness to provide more opportunities for education and to implement measures for the collection of effective repayments and outstanding loan amounts..

6) The government is well prepared, in terms of both human resources and its budget, to effectively enforce the law.

7) There are no overlapping duties amongst the government agencies under this law.

8) Implementation and Monitoring

9) Authority to make subordinate legislation

This legislation authorizes subordinate legislation where the committee must make a proposal to the Minister to issue ministerial regulations, procedures, methods or conditions, concerning the request of students' personal information who receive financial support from the fund and under the guardianship of others. This allows for the request to disclose their information on the receipt of financial support and repayment, and for the education institutions to participate in providing this financial support.

10) Public Hearing

The procedure to legislate the draft Education Fund Act B.E. ... involved the Ministry of Finance, together with the Education Loan Fund, under the Education Loan Fund Act B.E.2541, and the Education Fund Committee, under the

Finance Ministry Regulation on management of education fund B.E.2549 and its amendment. It consists of the following relevant agencies:

- (1) The Office of the Attorney General
- (2) The Office of the Council of State
- (3) The Office of the National Economic and Social

Development Board

- (4) The Bureau of Budget
- (5) The Ministry of Education
- (6) The Office of the Higher Education Commission
- (7) The Office of the Vocational Education Commission
- (8) The Office of Basic Education Commission
- (9) The Office of the Education Council
- (10) The Association of the Private Higher Education

Institutions of Thailand

- (11) The Confederation of Private Education of Thailand
- (12) The Fiscal Policy Office
- (13) The Revenue Department
- (14) The Comptroller-General Department
- (15) Experts from key educational institutions

4.1.5 Relevant Research

The following key research related to Ko Yo So have been outlined below.

4.1.5.1 Student Loan Fund (2015a) presented a research proposal and recommendations on how to increase the effectiveness of the operations of Ko Yo So (abstract) which included a comparison study of similar systems in England and Australia. The pros and cons of each system are summarized in Table 4.30 and 4.31 below.

Table 4.30 Pros and Cons of Education Loan System in England

Pros	Cons
The Credit Services Association (CSA) which has been dedicated as a debt collecting agency is experienced and credible which make this activity more effective.	Student Loan Company (SLC) can only revise the database of the students until after the end of the tax year, when the HMRC send their reports, and so the outstanding loan amount for each student will not be known until then. Students have to check this amount by themselves.
Repayment can be made in the tax system through HM Revenue and Customs (HMRC).	Repayment based on self-assessment and not on the information available on the tax system. Student honesty is required for the correct repayment to be received.
Income contingent system is used to calculate repayment and allow the students the ability to pay because the amount due is based on income, not on outstanding amount.	Several agencies needed to carry out a variety of functions.
Living expenses can vary based on the student's living address and type of education institutions attended. SFE is the sole administrator.	Require a lot of manpower to manage the system.

Source: Student Loan Fund, 2015b.

Table 4.31 Pros and Cons of Education Loan System in Australia

Pros	Cons
Student loan is only allowed for vocational study	The fees for student loan is high. Students are required to pay 25% for 'FEE-HELP' loan, and 20% for 'VET-FEE-HELP' loan.
The loan limit varies depending on the subject areas	

Table 4.31 (Continued)

Pros	Cons
Income used to calculate repayment amount also include non-wage income	
Interest-free loan but loan amount will be adjusted based on CPI to reflect the actual present value.	

Source: Student Loan Fund, 2015b.

In addition, the problems and issues for the improvement in its effectiveness are summarized below.

1) The issue concerning the inability to repay a loan may occur as a result of unemployment, which is influenced by educational factors such as the institution, the subjects studied, and study performance (grades). Similarly, the students may have insufficient income to make repayments, which may be due to an increase in the repayment amount which far exceeds their income. The problem will be worsened if their financial discipline is poor or repayment is considered a low priority for the students. For example, the interest rate of the education loan is lower compared to other types of loans or a mortgage. The repayment condition may not encourage students to pay in monthly instalments, or not enough emphasis is given from the education institutions on embedding the right values for students who take out financial support. So, the study made the recommendation to improve the effectiveness of repayments and reduce the instances of outstanding loan amounts in Ko Yo So in an integrative manner. It suggested modifying the attitude and behavior of the students, as well as the revision of procedures and main operations. This includes activities such as loan approval, repayments and collections. This is so that operations become smoother and more effective in order to further support the activities of allocating this financial support to other students. This is an important part of the foundation to develop educational opportunities for social and national development.

2) The following has been proposed to improve the composition which is relevant to Ko Yo So's main operation of providing financial support, including the allocation of funds, loan approvals, repayments and collections.

a) Allocation of Funds

(1) The restructuring of the fund management, concept, and allocation process in Ko Yo So should consider halting the allocation of funds through the subcommittee. Instead, an automatic allocation system should be developed and then audited by the Audit Subcommittee for Fund Allocation. The concept and process will also need to be changed from the quota system given to the education institutions, to a system which provides support based on student's needs. In addition, the allocation process should be faster and may be done more than once per round to allow students who are better prepared to make the registration deadline.

(2) The allocation criteria for Ko Yo So should be revised to align with the new allocation concept and be based on the actual needs of the students, instead of using the quota system. A mechanism should be in place to reduce the allocation level from educational institutions with a high rate of loan defaults and/or poor performance, while finding a way for them to be more effective.

b) Loan Approval Process

(1) The process of checking eligibility should be improved by conducting the checks before submitting the request through either the current educational institution that the students attended or through the financial institution.

(2) Increase the role of the national ID card, which can also be used for the eligibility check. Ko Yo So should collaborate with other government agencies to develop a database of those with low income through their ID cards for an easier checking process.

(3) Academic performance should be included as part of the criteria for loan approval in order to increase the likelihood that the students will be employed and therefore able to repay the loan.

(4) Reduce the duration taken for loan allocation and approval by stating a shortened time limit for these processes with the education institutions, so the students do not miss the registration deadline.

(5) Increase the competition for the appointment of the fund manager by allowing other commercial banks to enter the bidding process in order to stimulate the current fund manager and to increase Ko Yo So bargaining power.

(6) Increase the role of the education institution to participate financially in the provision of financial support by ordering or requesting the institutions to reduce tuition fees for those students who receive financial support. This will reduce the burden on them, or allow them to be a co-debtor.

c) Repayment Process

(1) A variety of repayment plans should be introduced according to the income and area of study. For those with a high income, the repayment rate should be 10% per annum to be paid over 10 years, with a grace period of 1 year. For those with a medium income, the repayment rate will be as it currently is, starting from 1.5% and rising to 13% in year 15, with a 2 year grace period. Lastly, for those with a low income, repayments can be made in a step-wise rate not exceeding the current rate over 19 years and with a 2 year grace period.

(2) Repayment can be paid monthly, quarterly, or annually with increasing benefits for those who pay more frequently (i.e. monthly is better than an annual payment), such as lower interest rate or a discount on transfer fees.

(3) A mechanism which allows repayments to be done through their employer, or other relevant agencies, such as Revenue Department or Social Security Systems, should be introduced.

(4) The home address and place of employment of recipients should be verifiable through a government database so tracking can be done more efficiently.

d) Debt Collection Process

(1) Improve the procedure and reduce the duration for collection by immediately starting to take action when the students miss 2 payments in 2 years, instead of 5 payments in 4 years. Alternatively, the administrative mechanism can be used to take legal action, which may be done through an dedicated debt collection agency.

(2) Revise the plan for debt restructuring by making it clearer and more systematic. The repayment plan should be less complicated, and it should decrease the proportion of repayment and extend the time for it, depending on the level of income of the students.

(3) If a debt collection agency is hired, it should be more capable than the current collector.

(4) The disclosure of information on outstanding payments to the National Credit Bureau should be done in order to make the students aware of the consequence of missing repayments.

(5) The improvement and upgrade of the computer system and connectivity is essential for accessing the data of the students.

4.1.5.2 Talasopon (2011), who published an article on the problems on outstanding payments from the Education Loan Fund, suggested that if the government still wanted to continue providing financial support to poorer students, a solution must be found to solve the problems on current loan defaults, and those that will happen in the future. The recommendations were as follows:

Types of Defaults and Causes

The study classified the students who missed their repayments into 2 main types:

1) The students unintentionally forgot or were unaware of the due repayment

2) The students were aware of the due repayment but: a) they intentionally avoided reporting in because they did not want to make payment; b) they wanted to report in but they could not make repayment because of unemployment; and c) they were employed but did not have enough income to pay.

The study concluded that the cause of outstanding payments was from the shortcomings in the implementation of this policy, as not enough action was taken against those who could afford to pay but did not. Apart from taking into account the socioeconomic status of the students, the identification of the right target group and the appropriate subject areas, Ko Yo So must also consider the demand of the labor market from the private sector, which is aligned with the overall national development plan. In addition, medium-term and long-term plans should be developed so graduates

are aware of market needs, while mechanisms should be in place to prevent the oversupplying of a specific type of labor. Furthermore, the attempt to solve the problem of unpaid loans had been on-going since 2004 when Krungthai Bank was hired to manage the debt. However, the approach was to hire lawyers to take legal actions, which resulted in legal expenses of 6,500 baht per case.

From analyzing the problems, the study mentioned that the majority of the defaults were strategic deferred debts, where students intentionally avoided making repayment. So the following recommendations were made:

1) Short-term Measures

(1) Report those who had been under default for more than 10 years to the National Credit Bureau. This will make them aware that missing payments can lead to rejection by credit and other financial institutions.

(2) Legal actions must be taken if it can be proven that the loan recipients had sufficient income to make repayments.

(3) Opportunities for mediation and compromise should be made available to loan recipients who wish to negotiate repayment terms to maximize the chance of repaying the debt.

(4) Benefits should be availed for those who make repayments by the due date, such as an interest rate discount.

2) Long-term Measures

(1) The Revenue Department should also accept repayments. Further study may be required to develop the appropriate method and channel, as well as the need for legal amendment for the implementation of this system.

(2) Further study might be needed to identify the appropriate target groups who should be eligible for the financial support. This will ensure that the loan is used according to the objectives of this policy, which is to respond to the needs of the country and the labor market.

(3) Reform on the procedures or restructuring of the committee may be needed in order to become aligned with working practices, the current socioeconomic context, and the utilization of the information system to monitor and assess performance. This should be done in order to provide feedback into the development of organizational strategies.

(4) Improvement in the coordination and collaboration between the relevant agencies by using legal means to ensure that the objectives of this policy can be achieved and more socially responsible.

4.2 Types of Student Loans Used Abroad

The study of types of student loans focuses on the loan methods used in 2 countries, Britain and Australia. Both countries have a long history of providing student loans and serve as models for many other countries, including Thailand.

4.2.1 Method of Student Loans used in England

4.2.1.1 Background

Student loans in Britain are governed by 3 key organizations: the Department of Business, The Department of Innovation and Skills as the government agency providing oversight, and lastly the management and operations are carried out by the Student Loan Company, or SLC. Regarding loan repayments, they are collected by Her Majesty's Revenue and Customs (HMRC) organization, which is operated through a taxation system called PAYE (Pay as You Earn). Exceptions are given to graduates who are self-employed and those working outside of the UK, or mortgage style loan borrowers for which debt is collected by the SLC and can be summarized as shown in Figure 4.6

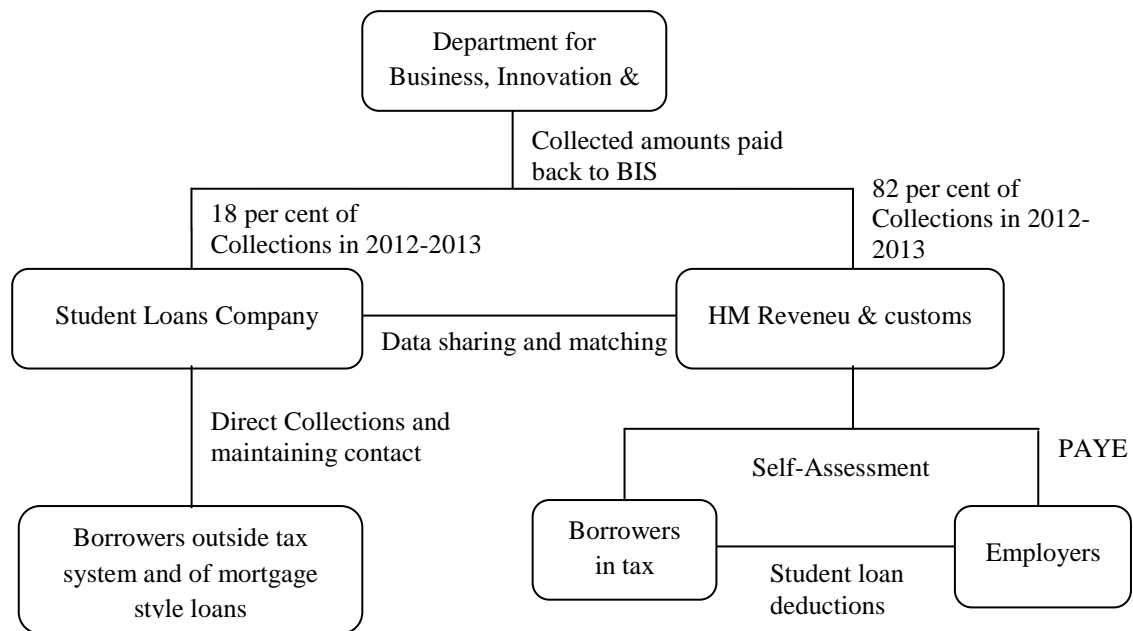


Figure 4.6 Overview of the Student Loan Collection System

The SLC, which is non-profit and came about as a result of policy and laws which established the SLC in 1989, with operations beginning in 1990, has direct financial support from the government and managed as a non-departmental public body. The SLC is responsible for the financial matters of students in England, Wales, Northern Ireland, and Scotland. Nearly all undergraduates at universities in Britain have the right to take out loans, as well as some students who are training to be teachers. However, for this study, the researcher will focus on England, as most loans and lines of credit are in England.

4.2.1.2 Objective

The key objective of the SLC is to provide student loans to students in need of financial support due to various reasons, such as their family situation, physical handicaps, etc. In the initial phase of the program, the focus was on providing loans to poor students, with this later expanding to include all students in need of student loans, provided they were able meet the criteria to receive loans.

4.2.1.3 Qualifications

Students must meet 2 qualifications

1) Personal eligibility, which is evaluated based mainly on their family situation.

2) Course/institution eligibility, for which the borrowers must be an undergraduate student in an institution which has received an award of passed examination by the Higher Education Institution (HEI). In addition, students studying education, youth and community studies are eligible for loans.

4.2.1.4 Type of Loan for Which there are 2 Main Types

1) Tuition Fee Loans

All full time students are eligible to take out loans for the full amount allowed through the loan program, with the SLC paying the university or college directly following confirmation of acceptance by a university or college. Tuition increases each year, and universities were able to charge 3,465 pounds in tuition for students prior to 2012, with this increasing to 9,000 pounds per year for students beginning after 1 September of the 2012/13 academic year for full time students and 6,750 pounds for part-time students in academic institutions which passed evaluation by HEI. A total of 6,000 pounds and 4,500 pounds can be charged for academic institutions which did not pass evaluation by HEI.

2) Maintenance Loans

Maintenance loans are awarded to full time graduates and students receiving training as first time teachers. The SLC pays the maintenance loan directly to the students. Students with a residence in the country are able to take maintenance loans while studying, with the amount determined by their living conditions. Students living at their home residence receive less than students living in London or on campus. In the academic year 2014/15, students living at home received maintenance loans of 2,763 pounds; those living in London received 4,998 pounds and students living on campus in England received 3,564 pounds. Students under the old system (prior to 2012) and the new system (after 2012) received an additional amount of 1 per cent, regardless of whether or not they were living outside or inside London. In the academic year 2014/15, students living outside London were able to take maintenance loans of up to 5,555 pounds, while students who had to leave their homes and live in London were able to receive maintenance loans of up to 7,751 pounds. Students from poor families might receive special consideration for an

increase in their maintenance loan and/or maintenance loans with no commitment to pay back.

4.2.1.5 Types of Loans, Repayments and Interest Rates

1) Mortgage-style System

(1) Prior to the academic year 1998/99, repayments for loans was fixed, or based on a mortgage-style system with the same monthly payments once the borrower earned over a certain level of income, set at 85 per cent of the average national annual income for those working full time. For borrowers with an income less than the set level, a single payment for 12 months was allowed. This system received criticism as regardless of the loan amount, the amount had be paid back within 60 months for those with 4 loans, and within 84 months for those with 5 loans.

(2) The interest rate is determined each September, based on the Retail Price Index (RPI) of the previous March.

(3) Under the mortgage-style system, the loan will be waived in the case of death the borrower becomes handicapped, or is unfit for work. Other exemptions include: 1) Borrowers who are 50 years old and younger than 40 when taking out the last loan. 2) Borrowers who are 60 years old and were 40 or older when taking out the last loan. 3) Upon the 25th year following the last loan taken.

2) Income-contingent Loan: ICL “Plan 1”

(1) Loans for courses between September 1998 and August 2012, which must be paid according to “Plan 1” are income-contingent repayments, with the borrowers not having to make payments until the first April following graduation or completion of their course.

(2) Repayment is set at 9 per cent of annual income exceeding the set limit. The income limit repayment for the academic year 2015/16 was set at 333 pounds per week, 1,444 pounds per month and 17,335 pounds per year. Should there be changes in income, repayments automatically changes.

(3) Interest rates are based on the lowest rate for base rates used by banks, plus a 1 per cent fluctuation each year or based on the Retail Price Index (RPI), which is determined each September based on the previous March.

3) Income-contingent Loan: ICL “Plan 2”

(1) Loans for courses which began in September 2012 (which is when a large number of fees increased) are paid according to “Plan 2.” This is a plan where repayments fluctuate according to future income (ICR scheme) and is not due for repayment until June 2016.

(2) According to this loan, repayment is calculated at 9 per cent of annual income that is over the set limit. In the academic year 2015/16, the income limit for repayment was set at 404 pounds per week, 1,750 pounds per month and 21,000 pounds per year. If there is a change in income, the repayment amount automatically changes.

(3) The interest rate is calculated at the RPI rate plus 3 per cent (RPI plus 3%) when the borrower earns an income, with the interest rate increasing according to income. The interest rate is in the RPI range for borrowers with an annual income reaching 21,000 pounds per year, depending on the highest RPI + 3% for incomes of 41,000 pounds or more.

(4) If a student completes their studies earlier than normal, the interest rate is adjusted down to equal the RPI rate until June 2016 when the loan plan is used.

(5) Loans tied to future income are exempted in the case of death, becoming handicapped, being unable to work, or any of the following exemptions: 1) Borrowers from the period of September 1998 until August 2006 (August 2007 in Scotland) who have reached 65 years of age. 2) Borrowers from the period of September 2006 until August 2012 (England and Wales) who have repaid for 25 years. 3) Borrowers from September 2012 onwards (England and Wales) who have repaid for 30 years.

(6) Repayment tied to future income is implemented through the tax system, with the employers deducting from repayments from the salaries and submitting the amount to Her Majesty’s Revenue and Custom (HMRC), and the tax agency in turn will submit the amount to the SLC at the end of the tax year. However, if the amount repaid during the tax year is over the set annual amount, the amount that is over will be returned upon request.

4.2.1.6 Loan Default

By law, the borrower is responsible for paying the loan according to their agreement and guidelines. If the borrower does not repay the loan, the SLC has the right to use legal procedures to settle the debt. A request may be made to the courts to order the borrower to pay back the loan in full with interest in a single payment, with the borrower responsible for any costs incurred as well.

4.2.1.7 Over Repayment

In the case the borrower has over paid at the end of the loan period, the borrower will receive the amount over paid as well as interest on the amount.

4.2.1.8 Related Research

1) National Audit Office (2013) in England compiled a report investigating student loan repayments, which fall under the monitoring of the Department for Business, Innovation & Skills (BIS), on November 26th, 2013 and was reported on by Mr. Amyas Morse, the Comptroller and Auditor General with the following details:

(1) The purpose of the report was to provide independent opinions on the system for repayment of student loans designed by the BIS and operated by the Student Loan Company and HM Revenue and Customs (HMRC). The aim was find out whether at present this is worth the budget used, and if the various agencies involved are prepared for challenges in the future. The key facts revealed that the total value of outstanding loans as of March 2013 was as high as 46 billion pounds from a total of 55 billion pounds made in loans since 1990 at the time of program inception. It is expected that new loans which will not be repaid will be as high as 35 per cent.

(2) Summary of the Investigation

a) The government started the student loan program in 1990 to initially provide financial support for the everyday life of students and expanded it to include tuition fees beginning in 2006. The BIS was responsible for creating confidence in the repayment system for British and EU citizens studying in the UK, and had the aim of assuring them that this would be an efficient system. The SLC and HMRC were responsible for the repayments.

b) In 1998, the government provided income-contingent repayment loans for which the repayment criteria was dependent upon income. Between 1990-1998, the loans were based on a mortgage-style loan system for which the borrower had to repay a fixed monthly amount for a fixed period. However, under both systems the borrower does not have to make repayments unless their income exceeds the initial set limit. Under the taxation system, the HMRC can make calls for payments on income-contingent repayment loans from borrowers working in England. The Student Loan Company can collect the repayments for mortgage-style loans, and repayments for income-contingent repayment loans, from borrowers working abroad.

c) The loan amount paid out was very high with an increasingly large amount of loan defaults. During 1990- March 2013, the SLC provided approximately 4 billion pounds in mortgage-style loans and approximately 51,000,000,000 pounds in income-contingent repayment loans. In March 2013, the SLC and HMRC received 7 billion pounds for the repayment of income-contingent repayment loans and 3 billion pounds for mortgage-style loans. The government stated that changes would be made in 2012 as below: 1) Support for increasing tuition fees via student loans 2) A hinitial income criteria of 21,000 pounds 3) Income contingent on interest rates and 4) A longer repayment period from 25 to 30 years, following which any outstanding amount will be deducted from borrowers' accounts. The BIS projects that the outstanding amounts will increase from around 46,000,000,000 pounds in 2013 to 200,000,000,000 pounds in 2042, and the number of borrowers will increase from 3 million in 2012-2013 to 6.5 million in 2042. This will result in the loans becoming a large government asset.

(3) Key Findings: BIS Collection Target

a) In 2012-2013, the BIS was able to collect loans from 3 out of 4 groups of income-contingent repayment loans. The BIS set the target in order to collect from as many borrowers as possible regardless of whether the payments were on time or borrowers did not have sufficient funds for repayment.

However, the BIS did not set a definite amount for collection, as this was seen as serving the purpose of setting annual targets for the SLC or HMRC in collecting repayments on student loans, which is not practical as

incomes and economic factors have an impact on the level of repayments. The government announced the estimated amounts collected annually, with the BIS providing the actual amount collected. The amounts from both parties are different with no understandable explanation, except that it concerns a large amount of money. The BIS cannot provide an annual analysis on the reasons for the difference from the estimated amount or why the number of accounts is different.

Not setting a target for measuring key processes resulted in more than 3 out of 4 loans provided to borrowers living abroad being paid late by 1-4 years. The BIS did not set a target for the SLC to reduce old debts for borrowers with income-contingent repayment loans which were delayed in making repayments. In order to provide a comparison, private collection firms set and measure goals for reducing old debt on a continuous basis.

b) Strategy to Add Value to Loan Accounts

The BIS, SLC and HMRC cooperated in order to find methods, and to invest in improvements, for the payment collection system and continuously worked together. In 2008, the SLC and HMRC invested 7 million pounds in improving various systems, with proof that this increased the amount of payments, as well as improved the customer service system. The SLC had clear procedural steps and officials understood the various steps. In addition, the officials had the opportunity to provide recommendations for improvements, with evidence showing these ideas were implemented.

However, the BIS, SLC and HMRC lacked a connection in strategy regarding improvement of the procedures to collect payments despite the SLC development strategy. It was expected that the BIS, SLC and HMRC would have a strategy that all three agencies reviewed together on an on-going basis in order to coincide with improvements in performance as set annually.

The BIS has not yet determined if borrowers currently not registered in the employment system have sufficient income to begin repayments on their loans. The majority of borrowers pay taxes in the UK and collecting their payments is not difficult. However, despite the lack of clear results, two groups were clearly identified; the first group consisted of those registered as no longer paying taxes and the second group had never registered as paying taxes. The SLC did not

have clear data on the current incomes of both groups and had 3 related issues as follows:

(1) While many borrowers may not have sufficient incomes to make payments, the BIS and SLC did a small analysis to confirm the number of borrowers in this group. An external analysis by other agencies revealed that some borrowers work abroad or in the hidden economy. The BIS lacks an understanding of this group and did not have ideal target levels for repayments, leading to mistakes.

(2) The BIS considered borrowers who paid taxes to the SLC as the repayment channel's target and recorded past taxes paid. This means the HMRC should specify them as being employed in the UK, leading them to be categorized in the group with insufficient funds to make repayments. However, the SLC lacked evidence that they worked abroad, etc. If these borrowers had not been included in the repayment channel group, the ratio of borrowers in this group would decrease from 99 per cent to 86 per cent.

(3) In March 2013, 157,000 borrowers did not register as being employed for over a year. The SLC sends letters to these borrowers at least on a yearly basis, but with no follow up as it is seen as not being worthwhile to do so. By improving the data on borrowers, decisions might be reached in terms of increasing investment to bring in more repayments.

In addition, the SLC experienced problems in collecting on mortgage-style loans. It was found that sales of two lots of mortgage-style loans took place in 1998 and 1999 in order to eliminate poorly-performing loans. At the same time, the SLC attempted to contact all borrowers not making repayments but the BIS and SLC decided not to pursue legal actions with the view that it would be difficult to receive any repayments. Therefore, there was a 6 year period when some borrowers made repayments or acknowledged their debt. This resulted in borrowers not making repayments according to the law up to 127 million pounds and the BIS announced that at present, 2 million pounds are considered uncollectable due to this issue.

It was found that the SLC did not attempt to increase repayments overdue on income-contingent loans. The SLC collects directly

from borrowers working abroad more than through the taxation system, in March 2013 a total of 14,000 borrowers living abroad made late repayments. While this group is small compared to all borrowers, the SLC might have specific targets in collecting repayments from this group. The SLC used a collection agency to successfully collect repayments in the past, however at present the SLC only uses these services with groups who are difficult to collect repayments from.

c) Conclusion on Value for Money

Use of the HMRC taxation system leads to clear benefits in the efficient collection of repayments from borrowers paying taxes and work in the UK. In addition, the BIS, SLC and HMRC should cooperate with each other, though the BIS must better utilise their data in order to drive the collection strategy, as well as understand where investment is needed to add value to loan accounts.

With the increase in loan accounts, the BIS must focus and consider methods to increase the value from tax payers, while considering the maintenance of all loan accounts and increasing repayment installments to investors at a fair price. Unless the BIS develops a sound strategy to annually collect more repayments, develops the borrower database, and forecasts annual the collection amount with more accuracy, this is not considered good enough to be worth the value.

d) Recommendations

The BIS must understand how well the loan accounts are performing and how the accounts will perform in the future when the value of the outstanding loans is forecasted to increase sustainably, we have the following recommendations for such: 1) The BIS should publicise their estimates on amounts to be collected in a transparent and easy to understand manner, and provide reports on the differences. The differences occur due to economic fluctuations which are beyond the control of the BIS. However, the BIS must be able to explain the differences, monitor, and show how the loans are managed. 2) Presently, the BIS does not have targets for collection procedures, which would act as incentives for the SLC and HMRC to increase collections. To increase collections, the BIS should do the following: (1) Ensure the target groups are transparent, open and receive accurate procedures. (2) Develop a collections strategy and determine specific compliance activities for the

SLC and HMRC in order to forward information to the target groups. This may include monitoring overdue payments and determining dates for repayments to be made in order to reduce old debt. 3) The BIS lacks sufficient data on borrowers not in the employment registry as to whether their current income is sufficient to begin repayments. Regarding this, the BIS should do the following: (1) Conduct an analysis in order to increase their understanding of the situations borrowers face, in particular those who have not been registered as employed in the UK for a long period, in order to assess the level of repayments which may lead to a loss. (2) Work with other agencies in developing a strategy to share information in order to increase the chance of receiving information on the current status of targeted borrowers, such as those who have not registered employment for a long time. The provision of forecasted government assets will help other agencies consider types of support which can be provided to the BIS and SLC. (3) Borrowers at high risk for avoiding repayments such as those studying in faculties or universities which indicate an ability to earn more than the initial limit amount or work abroad. 4) Currently, approximately 14,000 borrowers living abroad make late repayments. While this group is smaller than the total borrowers, the SLC might be able to learn methods from other agencies for collecting repayments, including implementing either of the following: (1) Prioritise the importance of debts, such as classifying loans based on value outstanding, total outstanding loan value, debt period. (2) Separate procedures, analysing the repayment behaviour of borrowers in the past. (3) Increase the use of services by collection firms, in particular firms with experience in locating borrowers living abroad.

4.2.2 Forms of Student Loans in Australia

4.2.2.1 Background and Objectives

Student loans in Australia are a result of the Higher Education Funding Act 1988 (HEFA) and fall under the Higher Education Support Act 2003. They have the objective of providing support to students in the form of student loans at the university level and they help reduce costs for students under the Higher Education Contribution Scheme (HECS). Individuals entering the program must be registered at institutions supported by the Australian Government or known as Commonwealth

Supported Places (CSP). Currently, this is limited to state universities and some private universities which received government approval to enter the CSP system. Most support is for undergraduate education, with only a small portion being for graduate level studies and under the CSP. Academic institutions under the CSP receive partial support for education from the government, and those registered for studies make student contributions as well. Request for support to pay for their units of study for this portion can be made by the students. The government payments for the units of study are made directly to the academic institutions, resulting in lower costs for students compared to institutions not under the CSP. The government appointed the Australian Tax Office (ATO) as the agency responsible for the oversight of loan repayments. Registration at academic institutions under the CSP includes the following details:

1) Eligibility for Registration in the CSP System

To be eligible for a CSP placing, one must:

- (1) Be a citizen of Australia, New Zealand or the holder of a permanent visa;
- (2) Meet the relevant citizenship and residency requirements;
- (3) Be enrolled in each unit at their university by the census date;
- (4) Read the relevant edition of the HECS-HELP and Commonwealth supported places information booklet;
- (5) Submit a valid Request for Commonwealth support and HECS-HELP form to the university before the census date (or earlier administrative date); and
- (6) Finalise payment arrangements for student contributions with the university by the census date.

2) CSP Application Process

(1) A student applies for a CSP through the Tertiary Admissions Centre in the state or territory where the institution is located. In some cases, a student may be able to apply directly to the institution-but the student must confirm this with their institution directly.

(2) If a student is offered a CSP, a Request for Commonwealth support and HECS-HELP form will be included in the enrolment pack

sent to them by the institution. These forms are only available from institutions and photocopied, faxed or downloaded versions of the form will not be accepted. Some institutions will allow students to complete an online version of the form. If so, in the student's enrolment package the institution will include specific instructions for the student to complete the online version of the form.

(3) The student must submit their form by the requisite date set by the institution, which is normally the census date (or earlier administrative date).

The government has currently identified 3 bands of course areas which can be registered under the CSP, and has set the minimum and maximum loan amounts students can request to pay for each unit of study. The amounts students were responsible for in academic year 2015 are detailed in Table 4.32:

Table 4.32 2015 Student Contribution Amounts

	Student contribution bands	2015 student contribution range
Band 3	Law, dentistry, medicine, veterinary science, account, administration, economics and commerce	\$ 0 - \$ 10,266
Band 2	Mathematics, statistics, science, computing, built environment, other health, allied health, engineering, surveying and agriculture	\$ 0 - \$ 8,768
Band 1	Humanities, behavioural science, social studies, education, clinical psychology, foreign languages, visual and performing arts and nursing	\$ 0 - \$ 6,152

Source: Australian Government Department of Education and Training, 2015: 16-17.

4.2.2.2 Types of Loans

The Australian Government currently provides 5 types of student loans including:

1) The HECS-HELP Loan Scheme (Higher Education Contribution Scheme-Higher Education Loan Program)

(1) Loan Characteristics

HECS-HELP loans fall under the loan program focused on providing support to students by the Australian government under the CPS. They are for the cost of units of study and they cover the student contribution portion. This is a program which provides student loans and student discounts for upfront payments. Students are able to make full upfront payments and receive a discount from paying in advance, or make partial upfront payments and receive a HECS-HELP loan to pay the remaining amount and the discount received is considered added value to future payments. This reduces the loan amount for HECS-HELP loans. This depends on the courses students enroll in and the unit costs of study can be deducted from advance payments and discounts. The remainder is the loan value of the HECS-HELP scheme. The government is responsible for covering the discounts to academic institutions and paying the loan portion to the academic institutions. In the case where advance payments cannot be made, students can take HECS-HELP loans for the entire amount.

(2) Borrower Eligibility

To be eligible for HECS-HELP, you must; 1) study in a Commonwealth supported place; 2) be an Australian citizen; or 3) be a New Zealand special Category Visa holder who meets the long-term residency requirement; or 3) be a permanent humanitarian visa holder; 4) be enrolled in each unit at the university before the census date; 5) meet the relevant HECS-HELP residency requirements; 6) read the HECS-HELP and Commonwealth supported places information booklet; and 7) submit a valid Request for Commonwealth support and HECS-HELP form by the census date (or earlier administrative date) to the university.

(3) Student Loan Procedures 1) Fill in the Request for Commonwealth support and HECS-HELP form to request CSP support or a HECS-HELP loan from the government in order to receive a personal identification number indicating government support. The forms are provided by academic institutions. 2) Complete the student loan request form within the census date 3) Provide a tax file number (TFN) if requesting a HECS-HELP loan

(4) Loan Criteria 1) No loan fee or application fee 2) Students can apply for loans for the full upfront payment, or pay a partial upfront

payment in cash and take a loan for the remaining amount. 3) Students paying cash in the form of a full upfront payment pay 90 per cent, receiving a 10 per cent discount which the government pays directly to the institution the student is enrolled in. 4) Students who pay AUD 500 and more will receive a 10 per cent discount calculated by the payment value. For example, if the student makes a payment amount of AUD500, it is considered that the student has already paid $AUD500 \times 1.1111$ or AUD 555.50 in fees, but it must be paid within the census date. The student must include their TFN number on the form in order to show the amount of HECS-HELP loan they will request.

2) The FEE-HELP Loan Scheme

(1) Type of Loan

FEE-HELP is a student loan program for university students registering at institutions not included in the CSP and are referred to as Fee Paying Places. Students need loans for the entire tuition fee amount or partial amount, not including other additional expenses such as accommodation or text books. An academic institution that provides loans must receive approval from the government. In addition, the subjects which the student is taking out the loan for must be according to the following regulations:

For FEE-HELP purposes, an eligible unit of study is a subject or unit which: 1) is part of a course of study leading to a higher education award undertaken at an academic institution; 2) is made available by an academic institution and accessed through Open Universities Australia (OUA); or 3) is part of a bridging studies program for overseas-trained professionals

(2) Borrower Eligibility

A student may be eligible for a FEE-HELP loan if they are: 1) enrolled in a fee paying place at an academic institution or through OUA; 2) enrolled in an eligible unit of study by the census date; 3) meet the citizenship and/or residency requirements 4) have not exceeded their FEE-HELP limit, and 4) meet the OUA pass rate requirement; if applicable

(3) Necessary Steps for Students 1) Fill in the Request for FEE HELP assistance form for requesting a FEE HELP loan, or the Request for FEE-HELP assistance-Open Universities Australia form for students via Open Universities

Australia. The academic institutions provide these forms. 2) Fill in the student loan request form within the census date. 3) Provide a TFN(tax file number)

(4) Loan Guidelines 1) The total amount of FEE-HELP a person can use over their lifetime is known as the FEE-HELP limit. This is a lifetime limit and is not reset or 'topped up' by any HELP debt repayments a person makes. The FEE-HELP limit is the consolidated amount available to eligible students under both the FEE-HELP and VET FEE-HELP loan schemes. The remaining amount which can be used to request a loan is referred to as the FEE-HELP balance, and students must check the balance to make sure this limit is not exceeded. If exceeded, payment must be made in cash for the amount over the allowed limit.

$\text{FEE-HELP limit} - \text{FEE-Help or VET FEE-HELP loan} = \text{FEE HELP balance}$
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2) There are two types of FEE-HELP limit: For most students, the general FEE-HELP limit in 2015 was \$97,728. For students undertaking medicine, dentistry and veterinary science courses which lead to initial registration to practice in one of those fields, the FEE-HELP limit in 2015 was \$122,162. This limit is indexed on 1 January each year and excludes any loan fee.3) There is a 25 per cent loan fee for undergraduate courses of study. The loan fee is added to a student's FEE-HELP debt, but is not deducted from the FEE-HELP limit so it does not affect their FEE-HELP balance. There is no application fee. 4) There is no loan fee for postgraduate courses of study, including higher degrees for research, enabling courses, units of study undertaken through OUA, and bridging studies for overseas-trained professionals.

3) SA-HELP Loan Scheme

(1) Loan Method

The SA-HELP Loan Scheme is a student loan program for students registered to study in universities approved by the government and in need of loans for student services and amenities. These are not related to academics expenses such as recreational activities, career and employment guidance services, nursery care, financial advice, and food services, for which the student can take a loan for the full amount or partial amount.

(2) Borrower Eligibility

A student is eligible for a SA-HELP loan if they: 1) are enrolled in a higher education course of study with an approved academic institution

(enabling and bridging courses for overseas-trained professionals are also applicable); 2) meet the TFN requirements, and 3) meet the citizenship and/or residency requirements.

(3) Procedures

To apply for a SA-HELP loan, a student will need: 1) TFN 2) a request for SA-HELP assistance form available from institutions 3) to return the form by the 'date payable', as determined by their institution.

(4) Rules for Providing Loans 1) No fees 2) No loan limit and students are able to take a loan for the full or partial amount of their costs according to the institution. This must not exceed the upper limit which the institution is able to collect according to the Higher Education Support Act 2003. The fees for services and amenities for students registered full time was limited to no more than \$286, for which each institution can collect different fees for different groups, such as a different fee for undergraduates and graduates. 3) Students registered for less than 75 per cent of what is considered full time, are charged no more than 75 per cent of the entire amount full time students in the same category must pay.

4) OS-HELP Loan Scheme

(1) Loan Method

The OS-HELP Loan Scheme is for Australian students in CSP studying at the undergraduate level or higher and would like to study some subjects abroad. OS-HELP provides loans for costs such as plane tickets, accommodation, other travel expenses and other costs related to studies. The requirement in 2015 was students could request a loan to study languages in order to prepare for travel to Asia, with loans provided once for a study period of 6 months and requests accepted for this type of loan a maximum of twice.

(2) Borrower Eligibility

To be eligible for OS-HELP assistance for overseas study, a student must be enrolled at an approved academic institution and: 1) be an Australian citizen OR a permanent humanitarian visa holder 2) be enrolled in an accredited course of study as a Commonwealth supported student 3) be undertaking full-time study overseas 4) meet the TFN requirements by giving their institution their TFN 5) have been selected by their institution to receive an OS-HELP loan for a six month

period 6) have lodged a completed OS-HELP debt confirmation form with their institution 7) have not received more than one previous OS-HELP loan 8) have not received a second OS-HELP loan for the same six-month period and 9) have not completed their overseas studies before applying for the OS-HELP loan. In 2015, to be eligible for a supplementary amount to study an Asian Language for a six-month period, a student must; 10) have been selected for OS-HELP assistance for overseas study in Asia for that six-month period 11) undertaking language study in preparation for that overseas study 12) have indicated on their OS-HELP debt confirmation form that they would like to receive a supplementary amount for Asian language study and must be selected by their institution for the supplementary amount; and 13) have not yet completed the Asian language study at the time of application for the supplementary amount

(3) Procedures

To apply for a OS-HELP loan, a student will need: 1) their TFN 2) a Request for OS-HELP debt confirmation form available from institutions 3) submitted directly to the provider

(4) Rules 1) The actual amount that can be borrowed using an OS-HELP loan is determined by the student's institution – and the student can request any amount up to the maximum OS-HELP limit set for the relevant year (as per the Higher Education Support Act of 2003 and OS-HELP Guidelines). 2) In 2015, the maximum OS-HELP loan amount for overseas study for a six-month period was \$7,635 to study in Asia, or \$6,362 to study elsewhere. The maximum supplemental amount for Asian language study for a six-month period was \$1,018. 3) A student is required to repay their OS-HELP debt through the tax system, even if they fail or do not complete their studies in Australia and/or overseas study for which the OS-HELP loan was intended. 4) OS-HELP debts cannot be cancelled or remitted, regardless of the circumstances. 5) There is no loan fee or application fee to access OS-HELP.

5) VET FEE-HELP Loan Scheme

(1) Loan Method

VET FEE-HELP is available to assist eligible students studying higher level vocational education and training (VET) qualifications in paying their tuition fees with an approved provider. Higher level VET qualifications

are at the diploma level and above. VET FEE-HELP can be used to pay all or part of an eligible student's tuition fees, but cannot be used for additional study costs such as accommodation or text books. Eligible VET-accredited courses are as follows: diploma, advanced diploma, graduate certificate, and graduate diploma.

(2) Borrower Eligibility

A student may access a VET FEE-HELP loan if they: 1) are an eligible student 2) are enrolled in an eligible unit, that contributes towards an eligible VET-FEE-HELP course 3) meet the citizenship and residency requirements and 4) have not exceeded their FEE-HELP limit.

(3) Procedures

To apply for a VET FEE-HELP loan, a student will need: 1) their TFN 2) a Request for VET FEE -HELP assistance form which is available from approved providers 3) return the completed form to their approved provider by the specified date.

(4) Rules 1) The total amount of VET FEE-HELP a borrower can request over their lifetime is known as the FEE-HELP limit-this is a lifetime limit and is not reset or 'topped up' by any HELP debt repayments a person makes. The FEE-HELP limit is the consolidated amount available to an eligible student under both the VET FEE-HELP and FEE-HELP loan schemes. This means that any amount borrowed under either VET FEE-HELP or FEE-HELP will reduce a student's FEE-HELP balance until they have reached the FEE-HELP limit. 2) There is a 20 per cent loan fee for all courses for fee paying students. The loan fee is added to a student's VET FEE-HELP loan, but it is not deducted from the FEE-HELP limit so it does not affect the FEE-HELP balance. 3) There is no loan fee for subsidized VET students who are studying in a state or territory that has implemented subsidized VET FEE-HELP arrangements. 4) There is no application fee.

4.2.2.3 Repaying HELP Debts

All HELP debts are consolidated at the Australian Tax Office (ATO) and are referred to as accumulated HELP debt. Repayments on accumulated HELP debt begin when repayment income is above the minimum repayment threshold for compulsory repayment, even if the borrower is still studying. This threshold is adjusted each income year. For the 2014-2015 income year, the threshold was

\$53,345. Repayments are made towards the borrower's accumulated HELP debt, not each individual HELP loan the borrower has accessed.

Repayments are calculated as a percentage of a borrower's repayment income-so the more earned, the higher the repayment percentage will be, up to 8 percent. The ATO will calculate the compulsory repayment for the year and include it on their income tax notice of assessment. Compulsory repayment continues until a borrower has repaid their entire HELP debt amount. Compulsory repayments are based solely on the income of the borrower. Table 4.33 shows the repayment rates for the 2015-16 financial year.

Table 4.33 2015-2016 Repayment Rates

Repayment income in the range:	Repayment rate (% of repayment income)
Below \$54,126	Nil
\$53,345 - \$59,421	4.0%
\$59,422- \$65,497	4.5%
\$65,498- \$68,939	5.0%
\$68,940- \$74,105	5.5%
\$74,106- \$80,257	6.0%
\$80,258- \$84,481	6.5%
\$84,482- \$92,970	7.0%
\$92,971- \$99,069	7.5%
\$99,070 and above	8.0%

Voluntary repayments of HELP debt to the ATO can be made at any time and for any amount. Making a voluntary repayment reduces the debt immediately. Voluntary repayments of \$500 or more receive a 5 per cent bonus. This means the account will be credited with an additional 5 per cent of the value of their repayment, not 5 per cent of their outstanding debt.

4.2.2.4 Related Research

Listed below are related studies on student loans in Australia:

1) Bruce Chapman and Boyd H. Hunter (2009) provided opinions in the article “Exploring Creative Applications of Income Contingent Loans,” which is an article on the proposal to use HECS in Australia under a new context and to study and understand the success of the program, as well as examine its limitations.

(1) Income-contingent loans have unique characteristics including: 1) They promote the effectiveness of the micro economy via guarantees on outstanding loans to prevent failure in capitalism. 2) They provide benefits in terms of income and consumption, meaning greater opportunities for those in the low income bracket. 3) They promote the macro economy by allowing individuals to better manage uncertainties, including income risk or investments.

(2) The weaknesses in the operations of the funds for income-contingent loans include: 1) Open to risk by the tax payer, in this case, Jones (2009) has an opposing view that risk related to benefits is different and this can be taken care of by having risk insurance. Barr (2001) proposed that the government facilitate the providing of incomes which will be beneficial for the fund and used for income-contingent loans in terms of future income. The government should provide income generating opportunities and provide support for the states in order to create stability at the local level. This could be in the form of support for local policies which facilitate restructuring following economic conditions such as drought.

2) Tim Higgins (School of Finance, Actuarial Studies and Applied Statistics, Research School of Business, Australian National University, Canberra, Act, 0200, Australia) carried out research on income support for higher education through income contingent loans and provided recommendations for the HECS system as follows:

(1) Loan Objective and Eligibility 1) Allows all students access regardless of standard of living or economic necessity. 2) Should determine interest rates or special fees in order to limit the eligibility of students who do actually need loans. 3) Limit loans to only costs related to books and accommodation per university conditions. 4) For students in need of education through student service centers and for evaluation of scholarship requests, which some universities provide with no interest or obligations.

(2) The loan period and annual amount provided is approximately AUD1, 500-2,000, which covers expenses resulting from students working full time during term breaks. Students receiving this type of scholarship must make repayments of approximately AUD 6,000 in addition to the loan amount.

(3) Adjustments according to price indexes and collecting additional fees from income earning students will support the operations of the income contingent loans, which may increase the existing debt, though no adjustment according to price index is necessary. A fee of 20 cents is included in the assistance service fee.

(4) Research findings revealed that income-contingent loans have the following strengths and weaknesses: 1) Strengths (1) Source of financial assistance for students. (2) Students use less funds from employment. (3) Income-contingent based loans reduce lack of funds and risk from bankruptcy. 2) Weaknesses (1) The incomes of students under income-contingent loans have a longer repayment period for HECS. (2) Adjustments to the price index result in compound interest impacting accumulated debt, which for low income borrowers may lead to a failure under this policy.

3) Bruce Chapman and Chris Ryan (2003) in their research on “Higher Education financing and Student access: A review of the literature” covered financing at the university level and the access students have using HECS, and studied the impacts. It was found that:

(1) In terms of demand, there was no impact on returning to study among the target group using HECS. There were few applicants who graduated from secondary school, but the number of older adults increased.

(2) There were no factors which impacted the decision to study at the university level overall in the low income group.

(3) Changes in the service fees of HECS did not have an impact on access for disadvantaged groups.

4) Christopher James Rasmussen (2006), in the study on “Effective cost-sharing models in higher education: Insight from low-income students in Australian Universities,” examined the global trend of shifting education costs from universities to students. His focus was on sharing the responsibility for costs at

the university level in Australia, looking at the HECS system, examining individual costs, as well as assessing the structure between the university and low income youth in Australia. Issues covered included the intent to improve education, beliefs and attitudes regarding sharing the costs of education and the decision to register at the undergraduate level and higher. From the research it was found that the student loan system in Australia had value and importance in the decision making of other countries, representing a mechanism of possibility to study at the undergraduate level for each student, some of whom may lack opportunity for education.

4.2.3 Other Related Research

In addition to the research directly related to England and Australia mentioned above, there is other research on theories and methods in providing student loans as detailed below:

4.2.3.1 Moodie (2006) in his article in “Changing Higher Education,” covered changes in academic institutions and the competition to become one of the world’s top universities. This article also looked at financial restructuring, as well as the financial structure at the university level which can lead to an increase in enrollment. Mention was also made regarding universities in the US and UK using income-contingent loans as follows:

1) In the UK, borrowers begin repayments following graduation within the time limit when their income has exceeded a certain limit. Repayments are different, depending on the income of the borrower. As repayments are made within the tax system, there is a low level of default on loans.

2) In the USA many universities allow borrowers to make repayments following graduation with support from private institutions and guarantors, resulting in defaults of approximately 13 per cent.

3) Australia implemented income-contingent loans in 1989 and was able to solve many problems related to continuing education for students.

4.2.3.2 Greenaway and Haynes (2003), in their article on “Funding higher education in the UK: the role of fees and loans,” discussed how many studies found that mechanisms for the funds of income-contingent loans in the UK and Europe provided a greater opportunity for students. This is shown in the increase in

enrollment in higher education from 13 per cent in 1980, to 34% in 1999, and 50% in 2010. Of female students, there was an increase in enrollment of 1 out of 3, and 2 out of 3 for male students. However, higher education has clearly changed over the past 20 years, in particular less funding from the government has impacted university operations, the number of students and instructors. This research indicated the importance of providing support to student loans, as well as presented the benefits of supporting education as follows:

1) In terms of benefits to society and culture, university level students participate in volunteering in democratic process , reducing public costs related to crime and justice processes and making society safer.

2) Investment in education resulted in approximately 11 per cent of the population continuing their education.

3) Countries with a highly educated population experience success and growth, and for countries in the Organization for Economic Co-operation and Development (OECD), it was found they experienced rapid growth as their populations are highly educated and their economies suitable for investment.

In addition, the strengths, weaknesses, obstacles and recommendations related to income-contingent loans are as follows:

1) Strengths

(1) A graduate tax is collected from students and is 1 per cent of their income and collected for the lifetime of the student.

(2) Education coupons allocated to individuals who want to study are equivalent to tuition for their course if they are studying at a private or public institution. In the case where the tuition is higher than the coupon value, the student is responsible for the difference. Universities receiving this coupon can then submit for reimbursement from the government.

(3) Students, as the party receiving services in the form of education, should bear more in terms of the cost of education, as there are more opportunities to receive quality education at the regional and international levels, as well as studying in fields that are in high demand.

(4) Income-contingent loans are options for (1) students who are not able to pay fees immediately and confident that study can take place with

no related fees for the duration of their study period; (2) income-contingent loans; (3) public loans

2) Weaknesses

(1) Outstanding loans are a risk as repayment amounts are low and contingent on income.

(2) No public funding.

(3) Costly investment for students lacking responsibility.

3) Obstacles

(1) Few student loan options are available from the government, impacting student selection and continuing studies. This includes experience in learning and the quality of education.

(2) Review of the government financial system and allowing private agencies to become involved in educational loans.

4) Recommendations for future operations of income-contingent loans

(1) Training and improving the capacity of officials, who are involved in quality assurance, in the use technology, management and governance of the educational loan.

(2) Additional scholarships sourced from non-government sources to provide assistance to low income students.

(3) Governments should have a scholarship fund for low income students, a group which has low levels of continuing education.

4.2.3.3 Ismail (2009) in “Income-contingent loan repayment collections for student loans in higher education: An empirical study,” reviewed mortgage-type loans in Malaysia in which students had to begin repayments 6 months after graduation or when they gained employment, whichever took place first.

1) The weakness of mortgage-type loans is that the income of graduates is not stable, graduates can become unemployed and default on repayments.

2) In addition, graduates’ default on loans, there is a lack of officials to keep records, and low income students do not want the risk of taking loans.

4.2.3.4 Johnsonstone (1985) in his research on “Cost-sharing and the cost –effectiveness of grants and loan subsidies for higher education” reviews the complicated policies related to tuition, service fees and assistance from parents, examining loans taken by parents or students, the level of assistance from governments, government or institutional loan policy matching tax payer expenses (parents, students) and different institutional goals. These policies have an impact on student loan policies, participation and the enrollment of students from different economic and cultural backgrounds, and gender. This research also looked at participation in paying fees, with an emphasis on the value of providing educational loans and provided 10 options:

1) Assistance with no ties dependent on low income or family situation:

(1) Strengths 1) Reduces the chance for not continuing education due to lack of funds. 2) Encourages furthering education for talented students. 3) Institutions have a variety of students, adding value to education and fields of study.

(2) Weaknesses in Terms of Value 1) Can be used only with parents wishing to pay tuition for their children at the university level. 2) There must be a value guarantee system and means-testing (ability to self-pay).

2) Assistance with no ties contingent on characteristics such as ethnicity or locality.

(1) Strengths 1) Reduces obstacles to education due to parents with low income. 2) Supports furthering education in targeted groups.

(2) The possibility of becoming a political issue is a weakness.

3) Direct assistance with no ties contingent on academic results or preparedness at the secondary level.

(1) Strengths 1) Secondary students with a good academic record 2) Strength of the institution

(2) Weaknesses 1) Can become a political issue 2) Least impacts on enrollment behaviour

4) Assistance with no ties contingent on academic results at the university level.

(1) Strengths 1) Students with a good academic record 2) Supports excellence in academics and completion of studies

(2) Weaknesses 1) Can become a political issue 2) Least impacts on enrollment behavior 3) Not clear in terms of academic results

5) Assistance with no ties contingent on special qualities, abilities or needs of the academic institutions, such as sports or music

(1) The strength is well-known academic institutions.

(2) Weaknesses 1) Little or no value 2) An issue of conflict among athletes in the US

6) Government support in the form of assistance for tuition at low interest rates contingent on the income of parents during the loan period.

7) Government support for tuition payments at low interest rates contingent on special characteristics, such as ethnicity or locality.

(1) Strengths 1) Students in target groups take loans for personal use 2) Reduces defaults 3) Increases the intent to take out loans

(2) Weaknesses 1) High price for services 2) Lack of clarity regarding interest of loans in relation to defaults or the intent in taking out the loan.

8) Loan forgiveness contingent on income

(1) Strengths 1) Students who graduate and have a low income for the duration of their working life and are unable to make full repayments, eventually receive loan forgiveness. 2) Reduces the risk of loans that cannot be managed and the possibility of loan reduction. 3) Increases the intent to take loans.

9) Reducing debt contingent on academic results while studying.

(1) The target group has outstanding academic results.

(2) Weaknesses 1) Lack of clarity on whether academic results are due to loan reductions. 2) Loan reduction may be awarded to those who do not need it.

10) Loan reduction is contingent on occupation following graduation and the students' geographical area.

(1) A strength is that students in target groups, such as nurses, complete their studies and work in rural areas.

(2) A weakness is the lack of clarity concerning value when compared to having incomes with bonuses or additional income.

4.2.3.5 Johnston (2015) in their article on Income-Based Repayment and Loan Forgiveness: Implications on Student Loan Debt, tested the impacts of the IBR plan and student loan forgiveness in order to provide information to financial planners.

Most students who graduate in the US receive some form of financial assistance, and from data provided by the National Center for Education Statistics it was found that in 2012, the average loan for a student graduating was USD 25,900.

Leaving during the academic year to enter the workforce with huge amounts of debt may result in life-long financial challenges. However, those with low incomes or high debt normally benefit from the IBR plan for which repayments are made according to their ability to pay, rather than being based on the loan amount and interest rates.

Families with children, and who are planning for education in the future, may need more advice due to the increased complexities regarding repayments.

From the State of Student Loan Debt Report it was found that information from the Federal Reserve Bank of New York indicated that student loans increased 328 per cent from USD 241 million in 2003 to USD 1.08 billion in 2013. Data as a percentage of student loans and the remaining average is shown in Table 1. In 2012, the average student loan for undergraduates was USD 25,900, and the amount increased to USD 46,620 for graduate students and USD 102,460 for students in medicine and law. Students in private universities have a higher than normal amount of loans. Belfiedl (2013) found that students at private colleges had four times the amount of loans than students at public colleges, and had a much lower repayment rate. McGuire (2012) also showed that students at private universities had much worse financial conditions following enrollment due to the loans.

Many students found that the assistance provided was confusing and the debt incurred was unmanageable. Andruska, Hogarth, Fletcher, Forbes, and Wohlgemuth (2014) found that 37 per cent of students with loans did not consider their loan amount when taking out the loans, and 13 per cent of students with loans wrongly believed that they did not have student loans. Fuller (2014) argued that providing financial assistance for education became a confusing program, which is inefficient and in need of reform. Worse yet, only a few options are available and provide minimum relief for students with massive debt. KIM (2007) and Minicozzi (2005) found that high debt has a negative impact on completing education choices and decisions regarding employment.

Income-Based Repayment information shows that the IBR plan, which began on July 1st, 2009, is calculated based on the income and size of households, instead of basing repayments on standard practices based on loan amount and interest rates. This program will help reduce the financial burden for borrowers now and in the future, with options for repayments but focused mainly on three key aspects:

- 1) Repayments are on a monthly basis, calculated from the percentage of discretionary income which is normally 10-15 per cent.
- 2) The repayment period is limited to 20-25 years.
- 3) The remaining amount at the end of the repayment period will be forgiven.

The IBR plan can be implemented at the same time as forgiving debt for public service employees in order to reduce the debt burden for education in the future.

Public Service Loan Forgiveness: PSLF is a program forgiving the remaining amount of student loans following repayments for 10 years and accompanied by qualified employment. This means that the borrower has been a full time state employee (federal, state or local) or with a non-profit organization with 501(c)(3) tax status, as well as other non-profit organizations providing public services as identified.

The Comparison of Repayment Plan shows that the amount paid on the loan, the total amount and forgiven amount based on different income levels and the loan amount, and different methods for repayment, are all clear. The amount paid

based on normal standards is a 10 year repayment plan, with no impact coming from the level of income earned by a borrower. On the other hand, borrowers with incomes of \$35,000 pay the same amount as those with loans of \$60,000, while the borrower may have a loan of \$100,000. As part of the IBR plan, if the borrower has a low enough income, the criteria used for repayments is zero due to the low income and considered a normal repayment calculated on the day of loan forgiveness.

In terms of marriage and dependents, if the borrower is married, the spouse's income must be calculated in the AGI, unless the couple files taxes separately. If the couple files separately, the repayment amount is the same as if single. If the couple has children and either parent claims the children as dependents, this can be used to reduce the repayment amount for either parent. Married couples or couples planning on getting married should consider these options in order to reduce their repayment amount.

Other considerations for repayments are put on hold if the borrower is still enrolled in studies or in the grace period for inclusion in the IBR plan or PSLF. Low incomes may result in the loan being zero if calculated following the IBR plan. The zero amount due to low income is not considered to be a repayment, both under the IBR and PSLF. Repayments under IBR increase when the borrower has a higher income. However, repayments under the IBR is a continuation of the normal practices for loans which have a ten year repayment period.

The IBR plan does not cover interest due, and for the first three years interest is not calculated. Beginning with year four if the repayments under the IBR do not cover interest, the interest will be calculated but not included in the initial loan amount unless the payment is moved out of the IBR plan.

Finally, for tax calculations, the loan amount under the IBR plan is treated as taxable income. The loan amount under PSLF is not considered taxable income. Therefore, participants in the IBR plan must be prepared to pay taxes on the amount forgiven in the final year.

From all articles, the following conclusions were made:

The IBR plan and PSLF led to different impacts for the general public. Student loans, which in the past were too big to handle, will not be a problem as has been the case. Repayments are not contingent on the loan amount unless income

exceeds a certain threshold. For borrowers with incomes below the limit, repayments are based on a reasonable percentage of income. In reality, it might be better if students have higher education related debts, rather than credit card or other personal debt. However, normally student loans cannot be included in cases of bankruptcy. The repayment period of 20 years is also long enough for payments to be made on the loans.

For individuals with an income close to the poverty line, repayments will begin again when their incomes have sustainably increased. The borrowers can move the debt burden to the state if their student loans are considered to be in default and their income does not increase. This is regardless of whether the borrower's income increases following higher education or by making a certain amount of payments, or in the case where there is no change in income, the borrower will not be made to make payments. It is possible that some institutions may benefit from payments made by tax payers, which is an issue that must be examined.

In principle, the IBR plan and PSLF transfer some costs related to education to the federal government. This may be a positive result for the general public but the complexities in operations are not efficient. Increasing expenses related to undergraduate education are monitored only to a certain extent and there is a possibility that fraud will take place. In addition, this results in an increase in deferred liabilities for the federal government.

At present, the IBR plan can only be used by borrowers from the federal government, with the first loan being made after September 30th, 2007. However, the Department of Education in the US received a policy directive to extend this program, and was expected to be presented in mid 2015 (Carrns, 2014).

The general public making decisions on the IBR plan and the PSLF must take into consideration the context of student loans, marriage and having children. In addition, they may find that public service jobs are more attractive, which will result in debt forgiveness following 10 years of making an income. Borrowers may be willing to switch jobs, especially public service jobs after working for a few years.

4.3 Comparison of Types and Loan Guidelines for Education between Thailand, England, and Australia

Table 4.34 Comparison of Types and Loan Guidelines for Education between Thailand, England, and Australia

Issues	Thailand		England	Australia
	SLF	ICL		
1. Objectives	1) To increase educational chances for people whose family has a low income. 2) To support the development of the demand side of education.	To provide a loan for the students who want to apply for an educational loan and support industries and fields experiencing manpower shortages. .	To provide educational loans the student who could not afford to have higher education initially and expand the coverage to all the people who want to have the student loan for higher education.	To provide student loans at the university level and share the students' burden of tuition expenses.
2. Organizational structure/operational division/Project	Office of the Student Loan Fund is an operational division run by the committee, formulates the policy, control and manage under the supervision of the Ministry of Finance.	The Office of the Student Loan Fund is an operational division run by the committee which formulates policies, and is controlled and managed under the supervision of the Ministry of Finance.	Student Loan Company (SLC) is an organization controlled by a company board that supervises the overall policies of the loans, including setting the interest rate by the Department of Business, innovation, skills, and debt collected by HM Revenue and Customs (HMRC).	HELP or the Higher Education Loan Programme is supported by the Australian government in providing loans for students through educational institutions.
3. Types/criteria for loan approval	1) Borrower qualifications (1) The borrowers must be Thai nationals and have a low income (whose family income is less than 200,000 baht per year). They have a good academic record or passed the assessment of their educational institution and have good behavior. The borrowers haven't graduated from any university before and	1) Borrower qualifications (1) Thai national and not over 30 years of age (2) Studying a diploma, high vocational certificate or equal or bachelor's degree whose majors are needed by the country. (3) Must attend a university that participates in the ICL scheme.	1) Borrower qualifications (1) Personal qualifications will be considered based on family status. (2) Qualifications of the program or institute must offer bachelors' degree that is checked by Higher Education Institutions, Teacher Program, or Juvenile and Community Program.	1) Borrower qualifications are determined by the type of the loan as follows: (1) Enrolled in an eligible university with an approved institution. (2) Meet the TFN requirements. (3) Meet the citizenship and/or residency requirement. (4) Submit a valid Request form by the

Table 4.34 (Continued)

Issues	Thailand		England	Australia
	SLF	ICL		
do not have a part-time job. On the day of applying for a student loan, the borrowers should be studying in high school, or for a Vocational Certificate, High Vocational Certificate, diploma, or bachelor's degree in all majors.		(4) Study in the eligible fields announced by the committees of the fund.		census date. (5) And have not exceeded their FEE-HELP limit (for FEE-HELP & VET FEE-HELP).
2) Student loans cover:		2) Student loans cover:	2) The loans cover:	2) Student loan coverage depends on the types of the loans and overall expenses for the following:
(1) Tuition fees and educational expenses which are paid directly to the university the borrowers attend, and ranges of the student loan amounts will be announced every academic year.	(1) (Similar to SLF)	(1) (Similar to SLF)	(1) Tuition fee loans	(1) Tuition fees
(2) Living expenses during studying will be transferred to the borrower's bank account.	(2) (Similar to SLF)	(2) (Similar to SLF)	All full-time students are eligible to apply for a full tuition loan as specified. The SLC will pay the tuition fee directly to the university or college after student status has been confirmed.	(2) Student services fees or facilitating services fees
3) Application date			(2) Maintenance loans	(3) Some fields of study require the students to attend a university overseas and the loan also covers expenses, such as air tickets, residence, travel costs, and other related expenses.
The borrowers can apply for the student loans every year since their high school, until they finish their bachelor's degree. And the contract must be renewed every year.	The students can apply for a loan to study in a field in each academic year, not exceeding the tuition fee requested by the universities.	The students can apply for a loan to study in a field in each academic year, not exceeding the tuition fee requested by the universities.	Full time students and students of the teacher training program for the first time are eligible for the loans. The SLC will transfer the loan directly to the students. Students whose residence is in Britain are eligible to apply for a loan for living expenses and the loans will be given according to the status of residence.	3) Application date
	3) Application date	3) Application date	(2) Maintenance loans	-NA-
	The borrowers can apply for the student loans every year until they finish their bachelor's degree. And the contract must be renewed every year.	The borrowers can apply for the student loans every year until they finish their bachelor's degree. And the contract must be renewed every year.	Full time students and students of the teacher training program for the first time are eligible for the loans. The SLC will transfer the loan directly to the students. Students whose residence is in Britain are eligible to apply for a loan for living expenses and the loans will be given according to the status of residence.	4) Loan application process
			3) Application date	The process is similar to that of England is as follows:
			-NA-	(1) The borrowers fill in a form according to the type of the loan.
			4) Loan application process	

Table 4.34 (Continued)

Issues	Thailand		England	Australia
	SLF	ICL		
			The borrowers must submit the application to the SLC, along with their National Insurance Number, and the application must be fully filled in. Otherwise, the SLC will not proceed.	(2) Their tax file number or TFN must be filled in. (3) The form must be submitted by the specified time.
4) Loan application process	4) Loan application process	4) Loan application process	5) Types of the loan	5) Types of the loan
The borrowers submit their loan application to the university they are studying at by using the form that is created by the Ministry of Finance. Currently, they can apply for the student loan via e-student loan and by the specified date. The borrowers must create a password, submit the application and make a contract via this system. A guarantor is required for the student loan and should guarantee that the borrowers cannot afford to pay for higher education as specified in the criteria.	The borrowers submit the loan application to the university they are studying at by using the form that is created by the Ministry of Finance. Currently, they can apply for the student loan via e-student loan and by the specified date. The borrowers must have the password, submit the application and make a contract via this system. A guarantor is required for the student loan and should guarantee that the borrowers cannot afford to pay for higher education as specified in the criteria.	The borrowers submit the loan application to the university they are studying at by using the form that is created by the Ministry of Finance. Currently, they can apply for the student loan via e-student loan and by the specified date. The borrowers must have the password, submit the application and make a contract via this system. A guarantor is required for the student loan and should guarantee that the borrowers cannot afford to pay for higher education as specified in the criteria.	(1) Mortgage-style System or Fixed Term Loan This is the loan for borrowers who applied for the loan during 1998/99. The loan required the borrowers to repay the debt in an equal amount and on a monthly basis for 60 months when the borrowers had a higher income which exceeded the conditions of the minimum income. In contrast, the borrowers whose income was less than the specified conditions were allowed to repay the loan one time per year.	(1) HECS – HELP Loan Scheme An AustraliaGovernment loan scheme helps eligible students to enroll in CSPs to pay their student contributions. Before 2005 this was known as ‘HECS.’ (2) The FEE-HELP Loan Scheme An Australian government loan scheme to help eligible higher education students, enrolled in fee paying institutions, with paying their tuition fees.
			(2) Income-contingent Loan: ICL “Plan 1” It is the loan that began in September 1998 and lasted until August 2010. The borrowers were required to return the loan based on income contingent repayments.	(3) SA-HELP Loan Scheme An AustraliaGovernment loan scheme that helps eligible higher education students pay their student services and amenities fee (4) OS-HELP Loan Scheme AnAustralian Government loan scheme to help eligible students enrolled in CSPs to undertake part of their course

Table 4.34 (Continued)

Issues	Thailand		England	Australia
	SLF	ICL		
4. Loan and debt management	1) Loan management	1) Loan management	(3) Income-contingent Loan: ICL “Plan 2” This is the loan that began in September 2012. The borrowers are required to return the loan based on income contingent repayments.	overseas. (5) VET FEE-HELP Loan Scheme An Australian Government loan scheme that helps eligible students enrolled in higher level VET courses at providers
	(1) The committee will allocate the budget for the subcommittee related to accounting 1 and for the subcommittee related to accounting 2 to be used as the framework for proving loans to the educational institutions under the supervision for both existing borrowers and new borrowers. (2) The educational institutions will consider which students are eligible on an annual basis. Whether the borrowers will be approved for the loan depends on the budget allocated.	(1) The committee will approve the loan required to make repayments for the educational loans. (2) The universities will approve the loans on an annual basis. Whether the borrowers will be approved for the loan depends on the budget allocated.	1) Loan management The SLC will be in charge of loan management and its management is in the form of the committee. The committee is responsible for loan applications, database management, the setting of the interest rate, returning an outstanding balance, and replying to questions.	1) Loan management (1) The Australian Government subsidies are given directly to the universities. (2) For HECS-HELP, to pay the full student contribution for a study period upfront, rather than access a HECS-HELP loan, an eligible student only needs to pay 90 per cent of the total because they will receive a 10 per cent discount – Known as the HECS-HELP discount. (3) For FEE-HELP, there is a 25 per cent loan fee for undergraduate courses of study.

Table 4.34 (Continued)

Issues	Thailand		England	Australia
	SLF	ICL		
				(4) For VET FEE-HEL, there is a 20 per cent loan fee for all courses for fee paying students.
				(5) he loan fee is added to a student loan, but it is not deducted from the FEE-HELP limit so it does not affect their FEE-HELP balance.
2) Debt management		2) Debt management	2) Debt management	2) Debt management
(1) Responsible agency		(1) (Similar to SLF)	(1) Responsible agency	(1) Responsible Agency
KTB and IBANK are assigned to manage the loans, transferring the loans to the educational institutions and borrowers, keeping the contracts and repayment receipts, debt collection, filing lawsuit, and managing the database.			For mortgage style loans, the borrowers must repay to the SLC directly.	All HELP debts are consolidated at the ATO (Australian Tax Office) and are referred to as an accumulated HELP debt.
			For ICL, HM Revenue and Custom (HMRC) is assigned to be the debt collector through tax payment system called PAYE (Pay AS You Earn).	
(2) Debt repayments		(2) Debt repayments	(2) Debt repayments	(2) Debt repayments
The borrowers can make the loan repayments on either a monthly basis or an annual basis. The principle and interest must be repaid not less than the amount specified.		(Similar to SLF)	(2.1) Mortgage-style System	A person starts repaying their accumulated HELP debt when their repayment income is above the minimum repayment threshold for compulsory repayment. Even if the person is still studying.
			The loan requires the borrowers to repay the debt in an equal amount on a monthly basis when the borrowers have higher income which exceeds the conditions of minimum income. In contrast, borrowers whose income is less	

Table 4.34 (Continued)

Issues	Thailand		England	Australia
	SLF	ICL		
			than the specified amount are allowed to repay the loan one time per year.	Repayments are calculated as a percentage of a person's repayment income, up to 8 per cent.
The borrowers must repay the loans with 1.5-13 percent of the principle from the first principle year until year 15, with a 1 percent interest rate or charge . The repayment must be made on 5 th July.	The duration for repayments with interest is similar to the SLF. There is an exception that borrowers who applied for the loans during 2012/2013/2014 must repay the debts when their income is 16,000 baht per month or 192,000 baht per year.		The interest rate is set every September based on the RPI, which is determined in the previous March. (2.2) Income-contingent Loan: ICL "Plan 1" The repayment should be 9 percent of income per year that exceeds the conditions specified.	HELP debts are indexed annually in accordance with the higher Education Support Act of 2003. In 2015, the Act provided an indexation based on changes in the Consumer Price Index.
The borrowers must make the first repayment after the two year debt free exemption period expires. The repayment should be 1.5 percent of the principle loaned without an interest payment.		(Similar to SLF)	If there is a change in income, the repayment will change accordingly. The interest rate is similar to the RPI or basic interest by the banks plus 1 percent . The interest rate is set on the 1 st of September every year and will be calculated along with the principle on a monthly basis.	Your debt will be indexed, which is applied on June 1st each year to maintain its real value by adjusting it in line with changes in the cost of living. A person can make a voluntary repayment of their HELP debt to the ATO at any time and for any amount. Voluntary repayments of \$500 or more receive a 5 per cent bonus.

Table 4.34 (Continued)

Issues	Thailand		England	Australia
	SLF	ICL		
			(2.3) Income-contingent Loan: ICL“Plan 2” The repayment should be 9 percent of income per year that exceeds the conditions specified. If there is a change in income, the repayment will change accordingly. The interest rate is similar to the RPI or basic interest charged by the banks plus 1 percent . The interest rate is set on September 1 st every year and will be calculated along with the principle on a monthly basis. If the borrowers finish their period of study early, the interest rate will be reduced to the RPI.	
	(3) Repayment methods At Krung Thai Bank (KTB): The repayments will be made by deducting money from the borrower’s bank account and the bank record will be used as	(3) Repayment methods (Similar to SLF)	(3) Repayment methods Repayment can be by any of the following methods: (1) credit or debit card, (2) Direct Debit, (3) standing order,	(3) Repayment methods The ATO will calculate a person’s compulsory repayment for the year and include it on their income tax notice of assessment. Voluntary repayment can be made

Table 4.34 (Continued)

Issues	Thailand		England	Australia
	SLF	ICL		
	<p>repayment receipts.</p> <p>For repayments that are made over-the-counter at the bank the receipts are considered as evidence.</p> <p>The repayments can be made through an ATM and an ATM slip will be used as repayment evidence.</p> <p>The repayment can be made online via KTB ONLINE and the account statement will be used as repayment evidence.</p> <p>The repayment can be made via mobile phone and the account statement will be used as repayment evidence.</p> <p>The repayment can be made via Tele Bank (1551).</p> <p>At the Islamic Bank of Thailand (IBANK):</p> <p>The repayment will be made by deducting the money from the bank account and the bank record will be</p>		<p>(4) through the tax system,</p> <p>(5) cheque</p> <p>(6) payment by International Bank Transfer</p> <p>Repayments on a Fixed Term Loan are collected directly by the SLC in monthly instalments by direct debit.</p> <p>HMRC collects student loan repayments from employers through the UK tax system (the PAYE scheme).</p> <p>If you are an employee paying UK tax, your employer will take repayments from your pay, along with tax and National Insurance contributions, and these will be shown on your pay slip.</p> <p>The SLC will tell HMRC when you finish or leave your course and give them details such as your name and National Insurance number.</p>	<p>by BPAY, direct credit, credit card, or by posting a cheque to the ATO.</p>

Table 4.34 (Continued)

Issues	Thailand		England	Australia
	SLF	ICL		
used as repayment receipts. The repayments are made over-the-counter at the bank and the receipts are used evidence. The repayment can be made through an ATM and the ATM slip will be used as repayment evidence			HMRC will check to see if you're working and if you are, they will tell your employer you have a loan (but not the amount). If the borrowers are self-employed, they will have to send HMRC a tax return each year under the self-assessment (SA) system. Your student loan repayments will be due as part of your SA bill for tax.	
(4) Transfer fee for repayments The borrowers must pay a fee for credit reduction of 10 baht to the management and manager of the loan.	(4) Transfer fee of repayments (Similar to SLF)		(4) Transfer fee for repayments -NA-	(4) Transfer fee for repayments -NA-
(5) The fine for delayed repayments: For monthly installments, if the repayment is overdue more than a month but less than 12 months, the borrowers must pay	(5) The fine for delayed repayments: (Similar to SLF)		(5) The fine for delayed repayments: Employers have a legal responsibility to send HMRC the correct amounts of student loan repayments. They may have	(5) The fine for delayed repayments: -NA-

Table 4.34 (Continued)

Issues	Thailand		England	Australia
	SLF	ICL		
	<p>a 1 percent interest rate per month of the principle that is overdue. If it exceeds 12 months, the borrowers must pay a 1.5 percent interest rate fine for the principle outstanding.</p> <p>If the repayments are made on a monthly basis and the borrowers have less than 1 month outstanding debts, they must pay additional 1 percent interest rate per month of the outstanding principle. If the borrowers have more than one month outstanding installment, they must pay 1.5 interest rate per month for all outstanding principle.</p>		<p>to pay fines if they don't do this.</p> <p>The SLC can get a court order to make you repay the total plus interest and penalties in a single payment. You'll be responsible for all costs.</p>	
(6) How to extend the limit of debt repayment	(6) How to extend the limit of debt repayment	(6) How to extend the limit of debt repayment	(6) How to extend the limit of debt repayment	(6) How to extend the limit of debt repayment
The borrowers who do not have income can extend the limit of debt repayment for not higher than 6 installments and not exceeding 2 years without a fine or fee.	Borrowers who do not have an income can extend the limit of debt repayment for not higher than 6 installments and not exceeding 2 years without a fine or fee.		-NA-	A person can apply to the ATO to defer repayment by completing the Deferring compulsory HELP form.

Table 4.34 (Continued)

Issues	Thailand		England	Australia
	SLF	ICL		
	Borrowers who have an income less than 4,700 baht can repay the loan in an amount not less than 300 baht/month or 2,400 baht/year, and not less than the interest payment. If the due repayment is 2,400 baht, the borrowers are required to pay the full amount.	The borrowers who have an income less than 4,700 baht can repay the loan in an amount not less than 300 baht/month or 2,400 baht/year and not less than the interest payment. If the due repayment is 2,400 baht, the borrowers are required to pay the full amount.		
	If the borrowers are faced with natural disasters, wars or chaos, and their property are seriously damaged, they are allowed to make one time repayment but not over 6 months and not over 2 years without the fine or fee.	-		
	(7) Repayment before the due date The borrowers are allowed to make early repayment without interest rate or benefits.	(7) Repayment before the due date (Similar to SLF)	(7) Making Extra repayments You can do this anytime. You can't get a refund for any amounts you repay voluntarily, unless you've finished paying off your loan and repaid too much.	(7) Making Extra repayments A voluntary repayment of \$500 or more receives a 5 per cent bonus. This means an account will be credited with an additional 5 per cent of the value of repayment, not 5

Table 4.34 (Continued)

Issues	Thailand		England	Australia
	SLF	ICL		
			If you over repay, you'll get a full refund for the over repayments, together with interest.	per cent of outstanding debt.
(8) Extinguishment of debt	(8) Extinguishment of debt	(8) Extinguishment of debt	(8) Extinguishment of debt	(8) Debt remitted
The loans are repaid because of the following conditions.	(Similar to SLF)		(8.1) Mortgage-style System	The person's estate is liable to pay any outstanding compulsory repayment related to the period before their death, but the remainder of their accumulated HELP debt is cancelled.
The borrowers are dead.			The borrowers can extinguish their debt when they are dead or become disabled and they cannot work.	
The borrowers become disabled and cannot earn income by working, but the approval is needed.			The borrowers turn 50 years old and 40 years old during the last loan made.	
(9) Extinguishment of debt			The borrowers turn 60 years old and 40 years old during the last loan made.	A person will still be required to repay their accumulated HELP debt if they have been declared bankrupt.
The loans are repaid because of the following conditions.			Reach the period of 25 years since the last loan made	
The borrowers are dead.			(8.2) ICL "Plan 1" and "Plan 2"	
The borrowers become disabled and cannot earn an income by working, but the approval is needed.			Loan Cancellation, if you: took out the loan before September 1 st 2006, your outstanding loan balance, plus any interest, will be cancelled when you reach the age	

Table 4.34 (Continued)

Issues	Thailand		England	Australia
	SLF	ICL		
			of 65. - took out the loan on or after September 1 st , 2006, but before September 1 st 2012, your outstanding loan balance plus any interest will be cancelled after 25 years.	

4.4 Summary of Survey

The scope of this study contains two main sections. The first section asks the student borrowers of the Student Loan Fund (SLF) and the Income Contingent Loan (ICL) about their opinions. The respondents are the Mahasarakham University and Sakon Nakhon Rajabhat University students. The respondents come from two groups: undergrad student borrowers and graduated borrowers. The number of respondents were determined based on a 30 percent proportion of the borrowers of the Student Loan Fund and the Income Contingent Loan of each university. Finally, the total number of respondents in this research is 480 and broken down into different categories as follows:

Table 4.35 Number of Student Borrowers and Sampling of the Respondents

	Number of Borrowers						
	Studying		Graduated		Total	Total	Grand
	Sarakham	Sakhon	Sarakham	Sakhon	Studying	Graduated	Total
SLC	12,867	4,749	42,467	7,998	17,616	50,465	68,081
Sample	67	30	221	42	97	263	360
ICL	869	195	5,760	1,496	1,064	7,256	8,320
Sample	30	30	30	30	60	60	120
Total	13,736	4,944	48,227	9,494	18,680	57,721	76,401
Sample	97	60	251	72	157	323	480

There are two separate sets of questionnaires for the studying borrowers and graduated borrowers. The first set is for the studying borrowers and the second set is for the graduated borrowers. The researcher would analyze the data according to the questionnaire.

Set 1: The questionnaire in this set is designed for the studying students and comprises three parts: general information, family, and opinions about policy, loan guidelines, and loan repayments.

Set 2: The questionnaire in this set is designed for the graduated borrowers and includes two parts: general information and opinions about policy, patterns, loan guidelines, and loan repayments.

The results indicated as the following.

4.4.1 The Results from the Studying Borrowers

The results from the studying borrowers are divided into three sections as follows:

4.4.1.1 Part 1: this part is a general information of the respondents which includes sex, age, education, university, major, residence during studying, source of income for education, formats of student loan, awareness of the scheme's purposes, reasons why they apply for student loan, and channel of communication for the fund.

The questionnaire was distributed and collected from the borrowers who applied for the Student Loan Fund (SLF) and Income Contingent Loan (ICL) from Mahasarakham University and Sakon Nakhon Rajabhat University, with a total of 157 samples. 97 borrowers were selected from the Student Loan Fund (SLF). The graduated borrowers from Mahasarakham University and Sakon Nakhon Rajabhat University were 67 and 30, respectively. The Income Contingent Loan borrowers in this category were 30 from Mahasarakham University and 30 from Sakon Nakhon Rajabhat University. The results from the studying borrowers are illustrated in Table 4.36.

Table 4.36 Number and Percentage of the Respondents Based on their General Information

General information	Frequency	Percentage
1. Sex		
Male	63	40.13
Female	94	59.87
Total	157	100
2. Age		
18 – 20 years old	96	61.15
21 – 23 years old	58	36.94
Above 24 years old	3	1.91
Total	127	100

Table 4.36 (Continued)

General information	Frequency	Percentage
3. Level of education		
First Year	43	27.39
Second Year	65	41.40
Third Year	36	22.93
Total	157	100
4. Educational institution		
Maharakham University	97	61.78
Sakon Nakhon Rajabhat University	60	38.22
Total	157	100
5. Major		
Law	16	10.19
Political Science	28	17.83
Education	28	17.83
Humanities	14	8.92
Economics	12	7.64
Business Administration	9	5.73
Sciences	7	4.46
Others	43	27.39
Total	157	100
6. Residence House		
Dormitory	130	82.80
Others	1	0.64
Total	157	100
7. Main source of income during studying		
Father	14	8.92
Mother	23	14.65
Both father and mother	117	74.52
Others	3	1.91
Total	157	100
8. Types of student loan		
Student Loan Fund	97	61.78
Income Contingent Loan	60	38.22
Total	157	100

Table 4.36 (Continued)

General information	Frequency	Percentage
9. Do you know the objectives of the loan scheme?		
Yes	112	71.34
No	28	17.83
Not sure	17	10.83
Total	157	100
10. Reason to apply for student loans (more than 1 answer is welcome)		
My parents are poor and cannot afford my education.	80	29.41
The money received from the parents is insufficient.	82	30.15
I do not want to be a burden for my family.	99	36.40
I was invited to make a student loan.	3	1.10
I want to use it for personal purposes.	7	2.57
Others	1	0.37
11. How do you know the fund is available?		
Television	0	0.00
Radio	0	0.00
Newspaper	0	0.00
Website/Social media	26	16.56
Brochure/leaflet	0	0.00
University/Guidance teacher	130	82.80
Poster/Public Relation board	1	0.64
Others	0	0.00
Total	157	100

Table 4.36 indicates that the frequency and percentage of the respondents based on general information. It is found that the highest percentage was between 18-20 years old with 64.15 percent (96), followed by a range of 21-23 years old with 36.94 percent (58), and a range of 24 years old or above with 1.91 percent (3), respectively. For education, the highest percentage starts from second year with 41.40 percent (65), followed by the first year with 27.39 percent (43), the third year with 22.93 percent (22.93), and finally the fourth year with 8.28 percent (14). The respondents from Mahasarakham University student were 61.78 percent (97) and from Sakon Nakhon Rajabhat University with 38.22 (60). The majority of the

respondents were majoring in Political Science and Education with 17.83 for each major subject (each 28), followed by Law with 10.19 (16), Humanities with 8.92 percent (14), Economics with 7.64 percent (12), Business Administration with 5.73 percent (9), Sciences with 4.46 percent (7), and Others with 27.39 (43), respectively.

Moreover, it was found that most of the respondents stayed at the university dormitories with 82.80 percent (130), followed by houses with 16.56 (26), and others with 0.64 (1). For income, the majority of the respondents received income from their parents with 74.52 percent (117), income from their mother with 14.65 percent (23), income from father with 8.92 percent (14), and other sources with 1.91 percent (3). The respondents mostly knew the objectives of the Fund with 71.34 percent (112), followed by the respondents who are aware of the objectives with 17.83 percent (28), and the respondents who are not sure with 1.83 percent (17).

In terms of reasons for taking out a student loan, the highest percentage falls into the range of “I do not want to be a burden of my family.” with 36.40 (99), followed by “The money received from the parents is insufficient.” with 30.15 percent (82), “My parents are poor and cannot afford me for education.” with 29.41 percent (80), “I want to use it for personal purposes.” with 2.57 percent (7), “I am invited to make a student loan.” with 1.10 percent (3), and others with 0.37 percent (1). The majority of the respondents of “How do you know the fund is available? from “University/Guidance Teachers” with 82.80 (130), from “Websites/Social Media” with 16.56 (26), and from “Posters/Public Relation board” with 0.64 percent (1).

4.4.1.2 Part 2: This part is concerned with the questions related to respondents’ families. The questions include parents, occupation, salary, parents’ debt, number of family members, number of family members employed, and number of family members studying as shown in Table 4.37.

Table 4.37 Frequency and Percentage of the Respondents' Family Information

Information of the respondents' family	Frequency	Percentage
1. Respondents' parents		
Father	16	10.19
Mother	29	18.47
Father and mother	111	70.70
Relatives	0	0.00
Others	1	0.64
Total	157	100
2. Parent's occupation		
Farmer	71	45.22
Buyer and seller	36	22.93
Work for wages	40	25.48
Government employee/state-owned enterprise employee	8	5.10
Others	2	1.27
Total	157	100
3. Parent's average income per month		
Not over 5,000 baht	14	8.92
5,001-10,000 baht	37	23.57
10,001-15,000 baht	77	49.04
15,001-20,000 baht	13	8.28
20,001-25,000 baht	5	3.18
25,001-30,000 baht	6	3.82
30,001-35,000 baht	0	0.00
35,001-40,000 baht	0	0.00
More than 40,000 baht	5	3.18
Total	157	100
4. Do your parents have any debts?		
Yes	139	88.54
No	10	6.37

Table 4.37 (Continued)

Information of the respondents' family	Frequency	Percentage
I have no idea.	8	5.10
Total	157	100
5. Number of family members		
1-3persons	45	28.86
4-6persons	105	66.88
More than 7persons	7	4.46
Total	157	100
6. Number of family members who are employed		
1-2persons	111	70.70
3-4persons	46	29.30
Total	157	100
7. Number of family members who are studying		
1person	110	70.06
2persons	47	29.94
Total	157	100

Table 4.37 shows the frequency and percentage of the respondents' families. The highest percentage of respondents' parents were in the range of "father and mother" with 70.70 percent (111), followed by "mother" with 18.47 percent (29), "father" with 10.19 percent (16), and other with 0.64 (1). For parents' occupation, the highest percentage falls into "farmers" with 45.22 percent (71), "work for wages" with 25.48 (40), "buyer and seller" with 22.93 percent (36), "government employee/state-owned employee" with 5.10 percent (8), and other with 1.27 percent (1.27), respectively.

For parents' income, the majority were in a range of 10,001-15,000 baht with 49.04 percent (77), followed by a range of 5,001-10,000 baht with 23.57 percent (37), a range of less than 5,000 baht with 8.92 percent (17), a range of 15,001-20,000 baht with 8.28 percent (13), a range of 25,001-30,000 baht with 3.82 percent

(6), a range of 20,001-25,000 baht, and a range of more than 40,000 baht with 3.18 percent (5), respectively. For parents' debt, the highest percentage is "Yes" with 88.54 percent (139), "No" with 6.37 percent (10), and "I have no idea" with 5.10 percent (8) respectively.

For the number of family members, it was found that the highest percentage was in a range of 4-6 persons with 66.88 percent (105), a range of 1-3 persons with 28.86 percent (45), and a range of more than 7 persons with 4.46 percent (7), respectively. For family members employed, the majority were in a range of 1-2 persons with 70.70 (111) and a range of 3-4 persons with 29.30 (46). For family member studying, the highest percentage was "1 Person" with 70.06 percent (110) and "2 Persons" with 29.34 percent (47).

4.4.1.3 Part 3: This part asks the respondents' opinion about policy, patterns, and loan & repayment guidelines for education (It consists of two sections. The first section includes 1-12 questions and is designed for the borrowers of the Student Loan Fund only. The second section includes 13-23 questions and is designed for the borrowers of the Income Contingent Loan only). There are five ranges of scores and they are interpreted as 4.21-5.00: very high degree of agreement, 3.41-4.20: high degree of agreement, 2.61-3.40: neutral degree of agreement, 1.81-2.60: low degree of agreement, and 1.00-1.80 least degree of agreement.

The results regarding opinions about policies, patterns, and loan & repayment guidelines for education by the studying respondents are shown in Table 4.38.

Table 4.38 Opinion about Policies, Types, and Loan & Repayment Guidelines for Education

Opinions	Frequency and Percentage in each level					Mean Interpretation	Rank
	Strongly agree	Agree	Not sure	Disagree	Strongly disagree		
Section 1 This is for the borrowers of the Student Loan Fund							
1. Policy is interested in the borrowers who have low income to get higher education.	25 (25.77)	62 (63.92)	10 (10.31)	0 (0.00)	0 (0.00)	4.15 High	1
2. Policy focuses on the tuition fee and personal expenses.	23 (23.71)	62 (63.92)	12 (12.37)	0 (0.00)	0 (0.00)	4.11 High	2
3. Receiving the loan lightens parents' burden.	23 (23.71)	52 (53.61)	22 (22.68)	0 (0.00)	0 (0.00)	4.01 High	3
4. Receiving the loan enables me to continue higher education and complete my program. .	22 (22.68)	20 (20.62)	54 (55.67)	1 (1.03)	0 (0.00)	3.68 High	6
5. The loan increases the chance of education for the borrowers.	22 (22.68)	20 (20.62)	54 (55.67)	1 (1.03)	0 (0.00)	3.65 High	7
6. The loan enhances motivation to study after the loan is approved.	12 (12.37)	30 (30.93)	50 (51.55)	5 (5.15)	0 (0.00)	3.50 High	10
7. The conditions offer fixed loan repayments, not depending on salary.	5 (5.15)	49 (50.52)	40 (41.24)	3 (3.09)	0 (0.00)	3.58 High	9
8. The borrowers are not required to repay the loan for 2 years after graduation.	10 (10.31)	68 (70.10)	18 (18.56)	1 (1.03)	0 (0.00)	3.90 High	4
9. The duration for repayment is 15 years.	10 (10.31)	66 (68.04)	21 (21.65)	0 (0.00)	0 (0.00)	3.89 High	5
10. Interest rate is only 1 percent annually.	16 (16.49)	31 (31.96)	49 (50.52)	1 (1.03)	0 (0.00)	3.64 High	8
11. The interest rate for delayed repayments is only 1.5 monthly.	5 (5.15)	23 (23.71)	67 (69.07)	2 (2.06)	0 (0.00)	3.32 Neutral	12
12. The borrowers will be sued if they do not repay the loan.	12 (12.37)	21 (21.65)	62 (63.92)	2 (2.06)	0 (0.00)	3.44 High	11
Section 2 This is for the borrowers of the Income Contingent Loan.							
13. The policy allows all people to have a student loan for education.	15 (25.00)	40 (66.67)	4 (6.67)	0 (0.00)	1 (1.67)	4.13 High	1
14. The policy is given to borrowers who major in needed fields. It is clear that nurturing manpower is in line with the needs of the private sector.	12 (20.00)	43 (71.67)	5 (8.33)	0 (0.00)	0 (0.00)	4.12 High	2

Table 4.38 (Continued)

Opinions	Frequency and Percentage in each level					Mean Interpre- tation	Rank
	Strongly agree	Agree	Not sure	Disagree	Strongly disagree		
15. Personal expenses are given to the people whose family income is less than 200,000 baht per year.	15 (25.00)	26 (43.33)	18 (30.00)	1 (1.67)	0 (0.00)	3.92 High	7
16. The policy cancels the loan if the borrowers have less than 16,000 baht in debt.	17 (28.33)	16 (26.67)	27 (45.00)	0 (0.00)	0 (0.00)	3.83 High	8
17. The loan increases the chance for higher education.	24 (40.00)	12 (20.00)	23 (38.33)	1 (1.67)	0 (0.00)	3.98 High	6
18. The loan enhances motivation to study after the loan is approved.	21 (35.00)	23 (38.33)	13 (21.67)	3 (5.00)	0 (0.00)	4.03 High	5
19. The borrowers are not required to repay the loan for 2 years after graduation.	17 (28.33)	31 (51.67)	11 (18.33)	1 (1.67)	0 (0.00)	4.07 High	4
20. The duration for repayment is only 15 years.	17 (28.33)	33 (55.00)	10 (16.67)	0 (0.00)	0 (0.00)	4.12 High	3
21. Interest rate is only 1 percent annually.	16 (26.67)	17 (28.33)	26 (43.33)	0 (0.00)	1 (1.67)	3.78 High	9
22. The interest rate for delayed repayments is only 1.5 monthly.	12 (20.00)	15 (25.00)	30 (50.00)	2 (3.33)	1 (1.67)	3.58 High	11
23. The borrowers will be sued if they do not repay the loan.	13 (21.67)	13 (21.67)	33 (55.00)	1 (1.67)	0 (0.00)	3.63 High	10

Table 4.38 revealed that there are 157 students who are studying at Mahasarakham University and Sakon Nakhon Rajabhat University. Of these, there are 97 borrowers of the Student Loan Fund and 60 borrowers of the Income Contingent Loan. The following is a summary from the respondents in relation to their opinions.

1) Opinions of 97 borrowers of the Student Loan Fund is in a high degree of agreement. The highest mean score was 4.15 (63.92) for “The loan increases the chance for higher education,” followed by “Policy is placed upon the tuition fee and personal expenses,” with a 4.11 mean score (63.92), “Receiving the loan lightens parents’ burden,” with a 4.01 mean score (53.61), “The borrowers are not required to repay the loan for 2 years after graduation,” with a 3.90 mean score (70.10), “The duration for repayment is only 15 years,” with a 3.89 mean score (68.04), “Receiving the loan enables me to continue higher education and allows me

not to stop the education shortly.,” with a 3.68 mean score (55.67), “The loan increases the chance of education for the borrowers.,” with a 3.65 mean score (55.67 for unsure), “Interest rate is only 1 percent annually.,” with 3.64 mean score (50.52 for unsure), “The conditions offer fixed loan repayment, not depending on salary.,” with 3.58 mean score (50.52 percent for agreement), “The loan enhances motivation for study after the loan is approved.,” with a 3.50 mean score (51.55 for unsure), “The borrowers will be sued if they do not repay the loan.,” with a 3.44 mean score (69.07 for unsure), “The interest rate for delayed repayments is only 1.5 monthly.” with a neutral degree of agreement with a 3.32 mean score (63.2 for unsure). The majority of the borrowers of the Student Loan Fund agreed with the Fund regarding six issues as follows: The loan increases the chance for higher education, a policy is placed upon the tuition fee and personal expenses, receiving the loan lightens parents’ burden, the conditions offer fixed loan repayments not dependent on salary, the borrowers are not required to repay the loan for 2 years after graduation and the duration for total repayment is 15 years. However, the majority do not agree with the following: receiving the loan enables me to continue higher education and allows me to complete my program, “The loan increases the chance of education for the borrowers.,” “The loan enhances motivation to study after the loan is approved.,” “Interest rate is only 1 percent annually.,” “The interest rate for repayment delay is only 1.5 monthly.” and “The borrowers will be sued if they do not repay the loan.,” respectively.

2) The opinions of the 97 borrowers of the Income Contingent Loan is in high degree of agreement. The highest mean score was 4.13 (66.67 percent for agreement) for “The policy allows all people to make a student loan for education.” followed by “The policy is placed upon the borrowers who major in needed fields. It is clear that nurturing manpower is in line with the private sector.” with a 4.12 mean score (71.67 percent for agreement), “The duration for repayment is only 15 years.” with a 4.11 mean score (55 percent of agreement), “The borrowers are not required to repay the loan for 2 years after graduation.” with a 4.06 mean score (51.67 percent for agreement), “The loan enhances motivation for study after the loan is approved.” with a 4.03 mean score (38.33 percent of agreement and 35 percent for highest agreement), “The loan increases the chance of education for the

borrowers.” with a 3.98 mean score (40.00 percent for agreement and 38.33 for unsure), “Personal expenses are given to the people whose family income is less than 200,000 baht per year.” with a 3.92 mean score (43.33 percent for agreement and 30 percent for unsure), “The policy cancels the loan if the borrowers have less than 16,000 baht debt.” with a 3.83 mean score (45 percent for unsure), “Interest rate is only 1 percent annually.” with a 3.78 mean score (55 percent of agreement), “The borrowers will be sued if they do not repay the loan.” with a 3.63 mean score (55 percent for unsure), and “The interest rate for repayment delay is only 1.5 monthly.” with a 3.58 mean score (50 for unsure).

It is concluded that the majority of borrowers of the Income Contingent Loan have a high degree of agreement for “the loan increases the chance of education for the borrowers,” followed by “The policy allows all people to access a student loan for education.” “The policy is given to borrowers who major in needed fields. It is clear that nurturing manpower is in line with the needs of the private sector.” “Personal expenses are given to the people whose family income is less than 200,000 baht per year.” “The loan enhances motivation for study after the loan is approved.” and “The borrowers are not required to repay the loan for 2 years after graduation,” respectively. Of these, there are the borrowers who are not sure about the policy as follows: “The policy cancels the loan if the borrowers have less than 16,000 baht debt.” followed by “Interest rate is only 1 percent annually,” “The interest rate for repayment delay is only 1.5 monthly.” and “The borrowers will be sued if they do not repay the loan.”.

4.4.2 The Results from the Graduated Borrowers

This section presents the results from the analysis as the following.

4.4.2.1 Part 1: This part is concerned with the general information of the borrowers. The questions include sex, age, status, university, major, occupation, salary, types of the fund borrowed, the objectives, reasons for making a student loan, debt, channel of loan repayment and how the borrowers knew the fund is available

The sample is divided into two groups: the Student Loan Fund and the Income Contingent Loan. The data was collected from Mahasarakham University and Sakon Nakhon Rajabhat University with a total of 323 respondents. There were 263

borrowers of the Student Contingent Fund. Of these, there were 221 borrowers who graduated from Mahasarakham University and 42 borrowers who graduated from Sakon Nakhon Rajabhat University. For the Income Contingent Loan, there were 60 respondents who graduated from Mahasarakham University and 30 respondents who graduated from Sakon Nakhon Rajabhat University. The results are indicated in Table 4.39.

Table 4.39 Frequency and Percentage of the Respondents

General information	Frequency	percentage
1. Sex		
Male	100	30.96
Female	223	69.04
Total	323	100
2. Age		
22 – 26 years old	90	27.86
27 – 31 years old	116	35.92
Above 32 years old	117	36.22
Total	323	100
3. Status		
Single	204	63.16
Marriedwith children	103	31.89
Divorced/widow with children	16	4.95
Total	323	100
4.Number of children		
0 person	217	67.18
1 person	60	18.58
2 persons	43	13.31
More than 3 persons	3	0.93
Total	323	100
5.University attended		
Mahasarakham University	251	77.71
Sakon Nakhon Rajabhat University	72	22.29
Total	323	100
6. Major		
Law	21	6.50

Table 4.39 (Continued)

General information	Frequency	percentage
Political Science	26	8.05
Education	18	5.57
Humanities	19	5.88
Economics	12	3.72
Business Administration	163	50.47
Sciences	19	5.88
Others	45	13.93
Total	323	100
7. Occupation		
Government employee/state-owned employee	152	47.06
Business/trader	68	21.05
Private employee/work for wages	92	28.48
Others	11	3.41
Total	323	100
8. Income per month		
Less than 10,000 baht	74	22.91
10,001-15,000 baht	138	42.72
15,001-20,000 baht	70	21.67
20,001-25,000 baht	27	8.36
25,001-30,000 baht	10	3.10
More than 30,000 baht	4	1.24
Total	323	100
9. Do you know the purposes of the Loan scheme?		
Yes	307	95.05
No	7	2.17
Not sure	9	2.78
Total	323	100
10. Reason to apply for student loans		
Parents are poor and cannot afford my education	137	27.79
The money received from parents is not sufficient.	177	35.90
I don't want to be a burden for my family.	133	26.98
I was invited to make a student loan.	25	5.07
I want to spend for my personal purposes.	20	4.06
Others	1	0.20
Total	323	100

Table 4.39 (Continued)

General information	Frequency	percentage
11. Do you have any debts?		
Yes	263	81.42
No	60	18.58
Total	323	100
12. Do you make the loan repayment for education currently?		
I always repay the student loan (skip to 14)	168	52.01
Occasionally	99	30.65
Never	56	17.34
Total	323	100
13. Reasons you did not repay the loan		
The 2 year exemption for repayment	45	28.48
Income does not meet the conditions	5	3.16
Low income/not enough for expenses	73	46.20
Unemployed/no income	3	1.90
The Fund did not contact you.	6	3.80
Limited channels for repayment/not convenient	5	3.16
You have a higher interest rate of debt that you are repaying.	16	10.13
You do not know the conditions for repayment.	3	1.90
Others	2	1.27
Total	323	100
14. How do you repay the loan?		
Monthly	124	38.39
Yearly	199	61.61
Total	323	100
15. How do you know the news of the Fund?		
Television	80	24.77
Radio	3	0.93
Newspaper	4	1.24
Website/Social media	76	23.53
Brochure/Leaflet	6	1.85
University/Guidance teacher	147	45.51
Poster/Public Relation board	4	1.24
Others	3	0.93
Total	323	100

Table 4.39 showed that the highest percentage of respondents according to sex was 69.04 for 223 females and 30.96 for 100 males. The highest percentage of respondents were aged above 32 years old with 36.22 (117), followed by a range of 27-31 years old with 35.92 percent (116) and a range of 22-26 years old with 27.86 percent (90), respectively. The highest percentage of respondents for marital status was 'single' with 63.16 percent (204), 'married with children' with 31.89 percent (103) and 'divorced/widow with children' with 4.95 percent (16), respectively. However, most of the respondents do not have children with 67.18 percent (217), followed by having 1 child with 18.58 percent (60), having 2 children with 13.31 percent (43) and having more than 3 children with 0.93 percent (3).

The highest percentage of respondents for income ranges from 10,001-15,000 Baht with 42.72 percent (138), less than 10,000 Baht with 22.91 percent (74), 15,001-20,000 Baht with 22.91 percent (70), and 20,001-25,000 Baht with 8.36 percent (27), 25,001-30,000 Baht with 3.10 percent (10), and more than 30,000 Baht with 1.24 percent (4), respectively. The highest percentage of respondents who know the objectives of the Fund starts from "Yes" with 95.05 percent (307), "Not Sure" with 2.78 percent (9) and "No" with 2.17 percent (7).

The highest percentage of respondents regarding the reason for making a student loan starts from "The money received from parents is not sufficient." with 35.90 percent (177), followed by "Parents are poor and cannot afford my education" with 27.79 percent (137), "I don't want to become a burden for my family" with 26.98 percent (133), "I was invited to make a student loan." with 5.07 percent (25), "I want to spend for my personal purposes." with 4.06 percent (20) and others with 0.20 percent (1). The highest percentage of respondents for debt was "Yes" with 81.42 percent (263) and "No" with 18.58 (60). The highest percentage of respondents who make loan repayment was "Yes" with 52.01 percent (168), followed by "Occasionally" with 30.65 percent (99), and "Never" with 17.34 percent (56). The highest percentage of respondents for the reason why they don't make loan repayments ranges from "Low income/Not enough for expenses" with 46.20 percent (73), followed by "In the 2 year exemption for repayment" with 28.48 (45), "You have a higher interest rate of debt that you are repaying." with 10.13 percent (16), "The Fund did not contact you." with 3.80 percent (6), "Income does not meet the

conditions” and “Limited channels for repayment/Not convenient” with 3.16 percent (5), “Unemployed/No income” and “You do not know the conditions for repayment.” with 1.90 percent (3), and others with 1.27 percent (2). The highest percentage of respondents for method of repayment was “Annual Repayment” with 61.61 percent (199) and “Monthly repayment” with 38.39 percent (124). The majority of the respondents who know the fund is available from “University/Guidance teacher” with 45.51 percent (147), followed by “Television” with 24.77 percent (80), “Websites/Social Media” with 23.53 percent (76), “Brochure/Leaflet” with 1.86 percent (6), “Posters/Public Relation board” with 1.24 percent (4) and “Radio” and others with 0.93 percent (3).

4.4.2.2 Part 2: This part asks the respondents about policies, patterns, and loan and repayment guidelines in 3 sections. Section 1 is for the borrowers of the Student Loan Fund and the Income Contingent Loan. Section 2 is for the borrowers of the Student Loan Fund and Section 3 is for the borrowers of and the Income Contingent Loan as in Table 4.40.

Table 4.40 Opinion About Policy, Patterns, and Loan and Repayment Guidelines

Opinion	Frequency and percentage in each level					Mean	Rank
	Strongly agree	agree	Not sure	disagree	Strongly disagree	Interpretation	
Section 1 This is for the borrowers of the Student Loan Fund or the Income Contingent Loan (323 samples)							
1. The loan increases the chances of higher education for the borrowers.	188 (58.20)	113 (34.98)	21 (6.50)	1 (0.31)	0 (0.00)	4.51 Very High	1
2. The loan increase motivation to study hard.	139 (43.03)	131 (40.56)	47 (14.55)	5 (1.55)	1 (0.31)	4.24 Very High	3
3. The duration for repayment is 15 years.	139 (43.03)	105 (32.51)	61 (18.89)	17 (5.26)	1 (0.31)	4.13 High	5
4. Interest rate is only 1 percent annually.	135 (41.80)	97 (30.03)	69 (21.36)	13 (4.02)	9 (2.79)	4.04 High	7
5. The borrower are not required to repay the loan for 2 years after graduation.	133 (41.18)	104 (32.20)	62 (19.20)	19 (5.88)	5 (1.55)	4.06 High	6

Table 4.40 (Continued)

Opinion	Frequency and percentage in each level					Mean	Rank
	Strongly agree	agree	Not sure	disagree	Strongly disagree	Interpretation	
6. The interest rate for delayed repayment is only 1.5% monthly.	75 (23.22)	92 (28.48)	102 (31.58)	35 (10.84)	19 (5.88)	3.52 High	9
7. The borrowers will be sued if they do not repay the loan.	103 (31.89)	104 (32.20)	69 (21.36)	24 (7.43)	23 (7.12)	3.74 High	8
8. The project is launched for reducing or easing the interest or fine.	155 (47.99)	101 (31.27)	57 (17.65)	6 (1.86)	4 (1.24)	4.22 Very High	4
9. The project reminds the borrowers to realize the importance of loan repayments for the next generation of borrowers. .	151 (46.75)	117 (36.22)	47 (14.55)	6 (1.86)	2 (0.62)	4.27 Very High	2
Section 2 This is for the borrowers of the Student Loan Fund.							
10. The policy enables the people who have a low income to receive higher education.	173 (65.78)	71 (27.00)	13 (4.94)	5 (1.90)	1 (0.38)	4.56 Very High	1
11. The policy provides the fund that eases tuition fees and personal expenses.	152 (57.79)	80 (30.42)	24 (9.13)	6 (2.28)	1 (0.38)	4.43 Very High	4
12. Receiving the loan lightens parents' burden.	163 (61.98)	72 (27.38)	24 (9.13)	4 (1.52)	0 (0.00)	4.50 Very High	2
13. Receiving the loan allows you to continue your higher education and complete the program.	155 (58.94)	80 (30.42)	24 (9.13)	3 (1.14)	1 (0.38)	4.46 Very High	3
14. The amount of repayment is fixed, not depending on salary.	115 (43.73)	85 (32.32)	48 (18.25)	8 (3.04)	7 (2.66)	4.11 High	5
Section3 This is for the borrowers of the Income Contingent Loan (60 samples)							
15. The policy allows all people to get the loan.	29 (48.33)	19 (31.67)	9 (15.00)	3 (5.00)	0 (0.00)	4.23 Very High	1
16. The policy is given to borrowers who major in needed fields. It is clear that nurturing manpower is in line with the needs of the private sector.	20 (33.33)	28 (46.67)	10 (16.67)	2 (3.33)	0 (0.00)	4.10 High	2
17. Personal expenses are given to the people whose family income is less than 200,000 baht per year.	18 (30.00)	31 (51.67)	9 (15.00)	2 (3.33)	0 (0.00)	4.08 High	3
18. The policy cancels the loan if the borrowers have less than 16,000 baht debt.	22 (36.67)	25 (41.67)	10 (16.67)	2 (3.33)	1 (1.67)	4.08 High	4

Table 4.40 demonstrated that there are 323 borrowers who graduated from Mahasarakham and Sakon Nakhon Rajabhat University. There are 263 borrowers of the Student Loan Fund and 60 borrowers of the Income Contingent Loan. The following is a summary of the opinions about policies, patterns, and loan and repayment guidelines.

1) Section 1: The borrowers of the Student Loan Fund and the Income Contingent Loan expressed their opinions about the policies, patterns, and loan and repayment guidelines. Their degree of agreement was as the following. The highest percentage of respondents ranged from “The loan increases the chances of higher education for the borrowers.” with 4.51 percent (58.2 for agreement), “The project reminds the borrowers to realize the importance of loan repayment for the next generation of borrowers .” with 4.27 percent (46.75 for agreement), “The loan increases motivation to study after the loan is approved.” with 4.24 percent (43.03 for agreement) and “The project was launched for reducing or easing the interest or fine.” with 4.22 percent (47.99 for agreement). The following questions received a very high degree of agreement with 4.13 (43.03 for agreement) for “The duration for repayment is only 15 years.,” 4.06 percent (41.18 for agreement) for “The borrower are not required to repay the loan for 2 years after graduation.,” 3.74 (32.20 for agreement and 31.89 for very high agreement) for “The borrowers will be sued if they do not repay the loan.,” and 3.25 percent (31.58 for unsure) for “The interest rate for repayment delay is only 1.5 monthly.”.

2) Section 2: The borrowers of the Student Loan Fund expressed their opinions about the policies, patterns, and loan and repayment guidelines. Their degree of agreement was as follows: The highest percentage starts from “The policy enables the people who have little income to receive higher education.” with 4.56 percent, followed by “Receiving the loan lightens parents’ burden.” with 4.50 percent, “Receiving the loan allows you to continue your higher education and complete my program .” with 4.46 percent, “The policy provides the fund that eases tuition fees and personal expenses.” with 4.43 percent and “The amount of repayment is fixed, not depending on salary.” with 4.11 percent.

3) Section 3: The borrowers of the Income Contingent Loan expressed their opinions about the policies, types, and loan and repayment guidelines.

Their degree of agreement was as follows: The highest percentage was “The policy allows all people to get the loan.” with 4.23 percent (48.33 percent for agreement), followed by “The policy is given to the borrowers who major in needed fields. It is clear that nurturing manpower is in line with the needs of the private sector.” with 4.10 percent (46.67 percent for agreement), “Personal expenses are given to the people whose family income is less than 200,000 baht per year.” with 4.08 percent (51.67 percent for agreement) and “The policy cancels the loan if the borrowers have less than 16,000 baht debt.” with 4.08 percent (41.67 percent for agreement).

4.5 Summary of the In-depth Interviews

In addition to documentary research and survey, the researcher conducted an in-depth interview with the key informants. The key informants for this research are 6 executives who are in charge of the Student Loan Fund and the Income Contingent Loan with the aim to examine their opinions about Thailand’s student loans. The questions for the in-depth interview included: strengths and weaknesses, performance in terms of policies and practices, qualitative and quantitative objective achievements, social objectives, reducing a gap of educational inequality, economic objectives, income generation, the country’s development, expectations for the Student Loan Fund and the Income Contingent Loan, and the patterns of Thailand’s student loans which are suitable for the country. Moreover, a comparison between Thailand’s student loan systems and those of foreign countries are conducted. The issues arising from the interviews are summarized as follows:

4.5.1 Background, Objectives, and Types of the Fund

All the interviewees stated that Thailand established the student loan funds based on different objectives and concepts. That is, the Student Loan Fund was founded to help the people who have low income or lack the resources to get higher education, reduce a gap of educational inequality and increase the chances for low income people to have higher education. In contrast, the Income Contingent Loan was established to provide an opportunity to the people who wish to get the student loan, with the aim of enhancing competitiveness and generating more income for the

country. In particular, the Income Contingent Loan was created for producing more manpower in fields that are experiencing a shortage or are needed by the country and which are specified in the laws and regulations of work. Therefore, working guidelines should be carried out accordingly. An interviewee said, “The Fund is important because education is the most important thing. People have different levels of status and some are probably in trouble. In this case, the Fund can support them and enable them to remain in a school.”

4.5.2 Advantages and Weaknesses

Advantages: The interviewees all agreed that the two Funds demonstrated the advantages for the country, since they are the only funds that provide loans for education, increase the chance of higher education for students, support the people who do not have an opportunity for higher education, and lastly provides graduates for the fields that are needed by the country. One of the interviewees mentioned that whether or not the fund should be established was determined by a sufficient number of public educational institutions that can support the students. If public educational institutions offer cheaper tuition fees and expenses than private educational institutions, and the government provided an adequate educational budget, the fund would not have been established. The funds for students who are studying in both public and private universities are creating wealth for the private universities, while at the same time generating debts for the students. If the private universities are good enough, students will attend those universities.

Weaknesses

In terms of weaknesses, most of the interviewees had similar opinions and some provide additional opinions which are summarized as follows:

4.5.2.1 Unclear policy: the work of the fund makes people think that it is free and repayment is not required. This misperception is the main cause of the problems. Without repayments the fund cannot survive, and it is not consistent with the policy that working capital is required to sustain the fund.

4.5.2.2 The management that is placed upon the budget allocation, rather than the loans for education, enables people to emphasize the available budget, instead of emphasizing the development of education.

4.5.2.3 The implementation of the loan does not focus on quality or tighten mandatory measures, and it cannot create the standard of education for each educational institution. Educational quality is not consistent with market demand, since the borrowers cannot enter the labor market or work for the companies whose revenues are low. This condition doesn't allow the borrowers to live comfortably and repay the debt; consequently, it becomes a source of problems for the fund.

4.5.2.4 An interviewee explained that the low quality of education takes place as a result of the following:

The problem is that the fund allows both public and private university students to borrow money and the educational standards of each institution can vary greatly. When a loan is given out without taking into account the standards of the educational institutions, some universities take this as an opportunity to make profit from it, not placing their attention towards educational quality. They hire low quality lecturers, which makes our standards of education lower. Therefore, the Student Loan Fund is part of the cause for education standards becoming worse and universities producing poorly-educated students.

4.5.3 Problems

For problems, all the interviewees agreed that there are three main problems: 1) overdue debts and debt collection 2) debtor database management, and 3) organizational development. These can be summarized as follows:

4.5.3.1 Overdue debts and debt collection are the main problems of the fund. The interviewees said that a list of the factors that encourage overdue debt and debt collection are as follows:

Approving the loans without taking the future into consideration comes from unclear policies that do not consider the demand of the labor market and structure of debt collection in the future that result from people who cannot get a job. When these people do not have any income, they cannot repay the debt and tend to avoid the repayments.

The current database for borrowers is lacking due to two factors: the debtors and the fund. The debtors have not provided information about their new place of residence, which makes it difficult for the fund to collect the debt. As a result

the fund does not have enough information for debt collection, and the retrieval of information from other sources has not been coordinated, so the fund is afraid of being charged with offences related to giving personal information.

The lack of discipline and awareness amongst debtors is due to the fact that debtors do not place attention to repayments, and they neglect their obligations. Although some people have the capability to repay their debt, the interviewees said that “Why do we have to repay the debt? We are not stupid.”

The interest rate, duration of repayment, and repayment fees do not motivate the debtors to repay their loans. Since the interest rate is low, some debtors choose to repay debts that are owned by other creditors with a higher interest rate. The duration for repayment is flexible; that is, the debtors can repay both monthly and annually. The repayment fees will be charged each time a repayment is made. Because of this, the debtors forget to repay the debt or neglect to repay the debt.

The Income Contingent Loan specified that a debtor shall repay their debts when their income is 16,000 baht per month or more. However, it is apparent that the fund cannot currently identify how much income the debtors earn per month and the debtors have not been put in the system yet. The debtors have to guarantee their income by themselves. The fund cannot verify if the information provided is reliable or not. Debtors who are dishonest can possibly report information which is inconsistent with the truth. Moreover, the fund cannot check and has to admit the current situation. One interviewee said, “We need to check how many debts are not worth collecting and how much it is worth.”

4.5.3.2 The problem of debtor database management is caused by the fact that the debtor database is managed by Krung Thai bank and Islamic Bank of Thailand, who do not allow the fund to manage the database. In addition, cooperation from the banks cannot be carried out in practice, which becomes a weakness of management and which causes them to have a different database. The fund is reluctant to file a lawsuit and the problems have remained. . The fee for filing a lawsuit is high, since it involves many expenses, including the cost of collections, lawyers, legal execution, etc. Some cases are not worth filing a lawsuit.

An interviewee said that “In principle, the government fund should not be lost. Thus, the responsible persons must collect the debt and it has been found that the amount to collect is high.”

4.5.3.3 The majority of the interviewees said that the fund should be developed in many aspects and one of the interviewees mentioned that “the fund has had slow progress for development since the first day of its establishment compared to the Government Pension Fund which was established during nearly the same time. In fact, the Government Pension Fund has stronger organization, more attractive salaries, and more quality working systems. The fund is not lucky. It has to follow the government style of system. With this system, the fund is not strong and is not developed as is the Government Pension Fund.”

And another interviewee added that “the most important aspect is the management of human resources. They must be developed in alignment with future systems, increase the efficiency of people in the area of IT and its system, since the fund has to take care of this. The structure has to be adjusted. We have laid down the business process we wish to use and our manpower must learn it. We need to know what we want and how we can adjust ourselves to it.”

4.5.4 Objective Achievement

According to the findings from the interview, objective achievement can be divided into three aspects:

4.5.4.1 Quantitative and Qualitative Objective Achievement

Most of the interviewees agreed that if we take a look at the performance based on quantitative objectives, it is sufficient. The fund has set its budget based on the facts that meet its needs. All interviewees said the budget for vocational school students is available from the budget framework for many consecutive years. Although the budget set for the undergraduate students majoring in social sciences is not sufficient, but it is nearly at the same level. One interviewee said, “I think it is appropriate. We are ready to support them at certain level.” Another interviewee added, “The quantitative objectives have been achieved. 4.5 million students who do not have enough money have been approved for the student loan and 400,000 students have been given a loan from the Income Contingent Loan”.

4.5.4.2 Social Achievement, Reduction of Social Disparity and an Increase in Chance of Getting an Education.

Most of the interviewees agreed that having the fund help the people who do not have sufficient money to receive a higher education reduces social

disparities and creates educational opportunities. One interviewee mentioned that “80-90 percent of the objectives have been achieved, since we want to reduce disparities and create strength.” The other interviewee said, “The objectives must be achieved because it is a part of upgrading peoples’ standard of education”.

However, one interviewee presented a different opinion; the fund is a part of downgrading education standards since some educational institutions do not emphasize quality and the standard of education. The interviewee stressed that, “Because the educational institutions are not of good quality, approving the loan means that we give money to make the student borrowers stupid, not make them smarter.”

4.5.4.3 The Objectives of Economic Achievement, Employment, Income Generation, Economic Development and the Growth of the Country.

The majority of the interviewees stated that the fund helps create jobs, income, and develop the country. Nevertheless, its quality cannot be verified since the fund has mainly supported the students in social science programs, which are highly competitive and in over-supply.

4.5.5 The Expectation of the Fund

The interviewees gave similar and different opinions which can be summarized as follows:

4.5.5.1 The fund should be efficient and be able to produce graduated students who t meet the needs of the labor market.

4.5.5.2 Debt collection should be efficient as the Revenue Department is in charge, as it is in international cases.

4.5.5.3 The fund should have modern and efficient technology that supports the database, as well as faster, more convenient services.

4.5.5.4 The Ministry of Education should be the leader in creating new standard of education and educational institutes. The fund will allocate its budget in response to the needs of the students and serve as a mechanism for helping the students.

4.5.5.5 Budget spending should be monitored and spent efficiently, which builds awareness amongst the debtors.

4.5.5.6 The implementation should follow the drafting of new laws that are in the consideration stage, since it provides a better system than the current one by combining the funds together. As well, the objectives of the funds should be clearly set.

4.5.6 Comparing with Foreign Countries

Some interviewees gave their opinion in this aspect which can be summarized as follows:

4.5.6.1 A fund of this fashion is necessary in the current situation and in the long term, as the foreign countries have currently established similar funds like Thailand has. However, their funds are efficient and have their own working capital.

4.5.6.2 Ethics of debt should be instilled in the students. In foreign countries, it is traditional that ethics of debt should be instilled. This creates discipline that can be seen. In Thailand, ethics and debts are efficient in the system only; that is, when people want to flee from the system nothing can be done to prevent them from doing this. Ethics of debt should be instilled in the same fashion as foreign countries do.

4.5.6.3 Thailand emphasizes disparities; thus, the loans are also given to high school students. However, in foreign countries the loans are given to university students only. Compared to foreign countries, Thailand has flexible systems, including more relaxed conditions, such as a low interest rate and debt-free grace repayment periods.

4.5.7 The Fund that is Appropriate for Thailand

Most of the interviewees agreed that the type of fund should follow the draft of new laws that are currently under the proposal phase, since they provide direction for solving many issues. Nonetheless, it can be implemented in the B.E. 2561 fiscal year.

CHAPTER 5

CONCLUSION OF RESULTS, DISCUSSION AND RECOMMENDATIONS

The research on The Development of The State Education Loan System for Higher Education in Thailand is composed of mainly of qualitative research, but with some quantitative components related to the policy, system, loan approval and repayment processes. The objective of this research was to study the strengths and weaknesses of the systems which are currently implemented in Thailand and other countries. In Thailand, the focus of the study is the education loan system for higher education for the years between 1996 and 2015 (when the government started The Education Loan Fund), while the experiences of England and Australia were used to compare and analyze the pros and cons of the Thai system, as well as the obstacles that exist for providing the education loans. These were used to synthesize future policy recommendations which would be suitable for Thailand.

There were 2 main methodologies used in this research which are qualitative or quantitative in nature. The qualitative part emphasized the study of existing literature and documents, along with data collection and analysis from in-depth interviews with key policymakers from both the government agencies involved and those from the fund management side. The identification of these key informants was done through purposive sampling, as well as through the ‘snowballing’ technique, in order to obtain detailed information. In addition, observations during the interviews were also taken into account when conducting a qualitative analysis. For the quantitative part, questionnaires were sent out to the education loan recipients from Ko Yo So and Ko Ro O who were either studying, or had already graduated from Mahasarakam University and Rajabhat Sakon Nakorn University. Sampling was done according to the proportion of Ko Yo So and Ko Ro O loan recipients in and between these two institutions. There were 480 responders to the questionnaires in total with 157 of them

still studying, and 323 responders already graduated. The score measurement was based on a scoring scale of 1-5. Data analysis was mainly based on frequency, percentages, and averages.

For the purpose of this discussion, the results of the study will be shown to compare the systems and procedures for the education loan in 5 dimensions: 1) objectives of the Funds, 2) organizational Structure, 3) criteria for the education loan, 4) fund and debt management, and 5) financial and non-financial results of the fund's operations. The comparison will look at the strengths and weaknesses of the education loan systems for higher education in Thailand and other countries, except for the fifth aspect (financial and non-financial results) which would focus only on Thailand, as information could not be obtained from England and Australia. The research conclusions, discussion and recommendations are presented in this chapter.

5.1 Research Conclusions and Discussion

5.1.1 The Education Loan System in Thailand

5.1.1.1 Currently, there are Two Main Types of Education Loan Systems in Thailand as follows:

1) The Education Loan Fund (KoYo So)

(1) Objectives

The KoYo So fund was set up in accordance with the Education Loan Fund Act B.E.2541, with the purpose of increasing the opportunities for higher education for students from low income families, and/or those who had the capability to study high priority subjects.. In addition, the law is intended to promote the development of the demand side of education, where the government provides financial support to students who can choose to their educational institution. This is the equivalent of investing in human resource development and increasing the socio-economic opportunities for underprivileged individuals, thus creating more equality within society. With the main objective of this fund to provide a benefit to society by providing support in the form of mortgage style loans, which the students can make repayments at a preset rate according to the fund's regulations and are not dependent on their income.

(2) Organizational Structure

KoYo So is a legal entity according to the law under the Office of The Education Loan Fund, and is not considered a government agency or a state enterprise. The office is mainly responsible for managing the loan approval process and repayments according to the objectives of the Fund and the policies of the Committee. The Fund manager is the chief administrator of the Office and acts as a committee member and its secretary. The Education Fund Committee is under the authority of the Ministry of Finance and is responsible for policymaking and overseeing the management of the Fund.

(3) Criteria

Those who wish to apply for the KoYo So loan must be a Thai national who lacks the financial means to pay for higher education (whose family income is less than 200,000 baht annually), has a good record of academic achievement or has passed the assessment from their educational institution, and has good social behavior. In addition, the applicants cannot have already graduated with a bachelor's degree, cannot hold a full-time job while studying, and the applicants' age when combined with the 2-year grace period and 15-year repayment period must not exceed 60 years old. KoYo So provides 2 types of funding: 1) Tuition fees and other study related expenses paid every academic year directly to the institution according to the limit set in the regulations and 2) payments to the student's bank account for living expenses during the study period. The students can submit their application every year and a loan can be provided for their studies from the high school level to the bachelor's degree level. A loan contract must also be done annually at their education institution or through the e- Student loan system within the time limit, and the students will receive a password to access the system. On top of this, the students must find a guarantor to support their application as stated in the Ministry of Finance regulations.

(4) Fund and Debt Management

For the fund management, the Ko Yo So Committee will consider the allocation of funds to the First Payment Account Sub-committee, who oversee payments to the education institutions under the Ministry of Education and those under other ministries, and the Second Payment Sub-committee who look after the

institutions under the Office for Higher Education Commission. The framework which their consideration is based depends on what regulations are provided to guide the deliberation process, for both existing and new loan applications, on an annual basis for the educational institution to consider. Loan approval will also be dependent on the availability of funds based on the amount allocated to the institution.

For the management of debt, this was contracted out to the administration of Krungthai bank (KTB) and Islamic Bank of Thailand (IBANK), who are responsible for transferring the funds to education institutions and students, the safe keeping of the contracts and repayment documents, and debt collection activities, the development of databases, and taking legal actions as necessary. Loan recipients can choose to pay in monthly or annual installments, and the first repayment will start after the 2-year grace period when only the loan principle will be due at a rate of 1.5% of total loan amount. Subsequent repayments must be paid with interest at the rate of 1% per annum, and the proportion of the principle loan amount that needs to be paid will increase from 1.5% to 13% in year 15 when the loan must be completely repaid. The due date for all loan repayments is on July 5th of every year, and can be paid through multiple channels. For repayments with KTB, it can be done through direct debit from recipient's bank account, bank branches and ATMs, internet banking through KTB ONLINE, and through Krung Thai Tele Bank system (1551). For repayments with IBANK, the channels available for repayments are through direct debit at bank branches and ATMs. All transactions will be subject to a 10-baht fee per transaction.

In the case of missing a repayment, penalty fees will be applied. In the case of monthly installments, if repayment is under 1-12 months overdue, the penalty is set at 1% per month on the overdue amount. If more than 12 months, the penalty will be at a rate of 1.5% per month on the total overdue amount. In the case of annual installments, if one annual repayment or more is overdue, a penalty of 1.5% is set for the unpaid amount. The loan recipients are eligible for a temporary loan repayment suspension without penalties or fees if they become unemployed with no income. A 6-month period of suspension can be granted per request but with the total period not exceeding 2 years. For those with an income less than 4,700 baht per month, the loan recipients can request to pay for the outstanding

interest only, but must be 300 baht or more per month (2,400 baht or more annually), and if the due amount is less than 2,400 baht, the amount must be paid in full. For those suffering from natural disasters, war perils, or civil unrest, which results in severe damage to their assets, a temporary repayment suspension can be provided for 6 months per request, but in total not exceeding a 2-year period without penalty or administrative fees. If the recipients wish to repay all of the loan amount before the due date, this can be done without interest and the debt will be cleared after the loan is paid in full according to the contract. However, if the loan recipients pass away or became permanently disabled so that they cannot work, the loan will be waived.

(5) Financial and Non-Financial Results

For this research, the financial results were defined as the results from financial operations mainly related to the provision of education loans, and the non-financial results covered anything else that was non-financial but arose from operations related to the provision of education.

Financial Results of KoYo So

1) It was found that from the academic years between 2011-2015, KoYo So was able to provide loans less than the loan limit that was set for every academic year. In 2011, the overall loan limit was set at 40,439,282,635 baht, but the actual amount of loans approved was 37,224,553,806 baht. For 2012, the limit was 36,621,045,124 baht, but the actual amount approved was 35,809,822,184 baht. For 2013 the limit was 34,381,659,154 baht, compared to approved loans of 33,451,124,640 baht. Finally in 2015, the limit allocated was 30,809,235,041 baht, but actual amount of loans was 29,446,226,276 baht. From these figures, it can be seen that there were enough funds to meet the loan demands, while there might have been some applicants who wished to receive the support but did not fit the eligibility criteria. However, there is no clear data to support this claim. So, it is reasonable to conclude that KoYo So achieved its objectives in providing education loans sufficiently, which is aligned with the information received from the majority of key informants who agreed that the funds operated based on factual information, and hence were able to estimate the real demand for the loan, particularly for the vocational students.

2) It was also found that the rate of repayment between 1999-2010 was 59.41% of total repayments due, with the total amount of repayments made at 22,889.80 million baht, compared to the expected amount of 222,118.98 million baht, which was considerably low. However, in the 3-year period between 2008-2010, the trend was improving as the actual repayment rate increased from 65.93% to 86.64%. In addition, as of September 30th, 2012, the total amount of overdue payments was 29,578,146,601.43, or 47.36% of the total due amount of 62,454,671,145.72 baht. After deeper analysis, it was found that overdue payments at private institutions accounted for 57.32% of all due payment, compared to 40.81% at public institutions, while the overdue payments at public institutions under the Office for the Private Education Promotion Commission (So Sho-Private) accounted for 58.65%, compared to those under the Office for the higher Education Commission (So Ko O-Private) at 56.63%. At public institutions, those under the Office for Vocational Education Commission had the highest rate of overdue payments at 45.74%. The overdue payment status, based on the Payment Account Subcommittee, was that the First Payment Account Subcommittee had the highest rate at 50.32%, compared to 46.08% in the Second Subcommittee, as of September 30th 2012. However, based on the information as of July 31st, 2015, the overall overdue payments accounted for 55.65% of the total expected repayments. The overdue rate was 67.85% and 47.29% in private and public institutions respectively. The rate in So Sho-Private institutions was 69.93%, compared to 66.88% in So Ko O-Private institutions.

Furthermore, from the key performance indicators provided by an external evaluator (FPRI Advisory) in 2014, it was found that the ratio of actual repayments versus due repayments, as of September 30th, 2014, were 84,747 million to 58,458 million baht, or 68.98%. The evaluator commented that overdue payments were due to the fact that the recipients did not receive their notification letter because of a wrong or changed address, or the inability to repay due to a low income.

It can be seen that the results are aligned with Areeya Manusboonpermpoon Somkiat Tangkijvanich (2006), who assessed the policy of KoYo So and found that it has a low return of investment at 33% of the approved

loans. Hence, it would be difficult for the fund to be sustainable without additional government support. So, it can be concluded that the Fund still has problems with debt collection and therefore is not achieving its objective from the aspect of debt management.

Non-financial Results of Ko Yo So

1) Between the academic years of 2011-2015, when considering the KoYo So loans approved during that period by comparing the loan requestors, maximum allocated approvals and the actual approvals, it was found that the number of requestors was higher than the allocated approvals and actual approvals. The ratios of requestors compared to allocated approvals and actual approvals were 1,047,480:978,108:925,018 in 2011, 1,007,557:904,990:885,005 in 2012, 941,896:852,545:828,023 in 2013, 821,643:770,554:738,976 in 2014, and 745,226:725,034:599,723 in 2015. From these ratios, it can be seen that KoYo So still could not provide the education loan to all who requested it, based on the number of allowed approvals in each year. However, actual approvals were lower than what was allowed, which may be due to the applicants being ineligible or not the target group of KoYo So, which focuses on those who lack financial means. Nonetheless, it may be concluded that KoYo So still could not achieve this objective as it still had not sufficiently provided financial support to all who needed it.

2) When considering the number of recipients who did or did not make repayments, it was found that the number of recipients who were able to make the repayments was 1,775,300 or 77.43% of the 2,292,918 total recipients who were due to make payments between the period of 1999-2010. When subtracting 21,805 individuals who became deceased, there was a 21.62% rate for those who missed their repayments. From the data on overdue payments as of September 30th, 2012, there were 1,854,729 individuals who failed to make repayments, or 65.94% of the total recipients who had due repayment. When classifying these based on institutions, 67.20% of recipients missed their repayments to the First Payment Account Subcommittee, compared to 64.49% in the second Subcommittee. When we look at the data as of July 2015, the overall figure for those who failed to repay was 73.71%. This was higher in private institutions with a corresponding rate of 81.42%, compared to 70.30% in public institutions. From this

data, there were a lot of individuals who did not repay and this was an increasing trend. As a result, KoYo So still did not achieve its objective in this aspect.

3) Regarding KoYo So's intention to provide financial support to those who lacked financial means in order to increase their education opportunities, which would play a key role increasing their socio-economic status and the distribution of wealth, this policy is a tool for educational investment for social and economic development. The attainment of higher education will improve their income level and productivity. Both social and personal rewards from employment will create wealth and social recognition for them through their contributions, and also free the government from supporting those individuals and society. Ko Yo So achieved this objective in promoting employment and increased levels of income for those who could not afford higher education, which is aligned with the objective of investment in human capital which can support the concept that knowledge and capabilities can increase human productivity. It was also aligned with the views of the questionnaire responders. Those who were still studying agreed with the policies of KoYo So which focused on helping low income individuals to gain higher education (63.92%), and even more so for those who had already graduated(65.78%). Additionally, the majority of key informants agreed that the fund helped underprivileged students to study, which reduces disparity by increasing educational opportunities, and it also promotes the development of labor and the country's economy, though they were not able to pinpoint exactly how. These findings were also similar to Hemawan Kongthong (2007), who studied the return on educational investment in state universities. The study found that the graduates from Chulalongkorn University and Thammasart University provided social returns at a rate of 29.61% annually, while those from Ramkamhaeng University provided social returns at the rate of 19.15%. For personal returns, it was found that students who graduated from Chulalongkorn University had the highest at 32.60%, compared to 29.94% and 18.98% for Thammasart and Ramkamhaeng University graduates respectively. This pointed out that educational investment provided value for money with higher returns than saving account interest rates in commercial banks. Hence, it is cost-effective to obtain the loan from KoYo So.

However, when considering the concept of increasing educational opportunities, KoYo So still could not provide support to all who needed

the loan, which might have been due to the eligibility criteria, which focused on those with a low income and hence some students were not be able to access the loan from KoYo So. Because of this, based on the concept to increase education opportunities for all, KoYo So could not provide this, which was the view shared by the questionnaire responders, with 55.67% unsure about the fund's ability to increase education opportunities. However, in contrast, 58.20% of the responders who had graduated strongly agreed with the policy. So, it can be concluded that the studying responders could not initially see clearly how the policy increased their educational opportunities, but this became clearer for those who already graduated. The study by Areeya Manusboonpermpoon Somkiat Tangkijvanich (2006) partially shared the view of this research that KoYo So could not effectively increase educational opportunities to the overall population.

In addition, as for the fund's objective for helping the poor, if the institutions correctly assessed and approved the applicants based on the set criteria, then the loan recipients are truly those who were the initial target population of the fund. The criteria clearly stated that the applicants must have a family income of no more than 200,000 baht. However, there were also other factors which influenced the loan approvals, such as the fund allocation. Nonetheless, it might not be possible to fully identify whether or not KoYo So provided support to all those in the target group because there could be errors in the approval process, and the capabilities to implement this policy might be different from one educational institution to another. According to the study by Rajabhat Junkasem University and KoYo So (Paibul Paonil, 2013) on the satisfaction for the procedures of KoYo So to provide its service, it was found that 10.28% of the responders found the loan application to be problematic, with a number of aspects requiring improvement. They encountered problems such as "...poor service by the officers who did not answer questions clearly, some of them were moody, and the funds were transferred late. The loan available was not sufficient and the selection process was not fair..."

2) Systems for Future Income-Based Education Loan Fund (Ko Ro O)

(1) Objectives

The Ko Ro O was established according to the cabinet resolution on April 7th, 2004 which approved the principle and direction of

financing reform for higher education. The key point was the change of role for the government from being the primary provider of education, to becoming the primary supporter, regulator and policymaker, while at the same time reducing its role as a provider. In addition, the financing mechanism would be used to improve efficiency in the provision of education, as well as implementing the human resource development policy which was aligned with the needs of the society and country. The objective of this fund was to provide education loans to students in accordance with the government policy on education, which did not limit loans to only those from families with a lower income. So, this fund focused on opening up opportunities to access education for all who needed the support. The intention of this was to increase the competitiveness of students in the labor market and promote the country's economy.

(2) Organizational Structure

Ko Ro O was under the Office of The Education Loan Fund, which was the main agency for the fund and its debt management, and was responsible for achieving the fund's objectives and implementing the policy from the Fund Committee. The manager of this office was the chief administrator and acted as a committee member and its secretary. The Committee, under the authority of the Ministry of Finance, had the responsibilities of policymaking and oversight for the Fund, similar to the KoYo So.

(3) Criteria

Those who are eligible for the Ko Ro O loan had to be Thai nationals, not more than 30 years old. The applicants had to be a student attending a course at the level of diploma, higher vocational education or bachelor's degree. The institutions which the students attended or planned to attend must be participating in the Ko Ro O program. Furthermore, the subject areas of interest had to align with national priorities as announced by the fund committee. The Ko Ro O would provide an educational loan to students, which covered their tuition fees and other education-related expenses according to the scope of their expenses and the loan limit, which would be announced on an annual basis for each academic year. The loan provided for tuition fees would be paid directly to the education institution, whereas the living expenses would be paid to the students' bank accounts. The students would be

allowed to apply for support for one course in each academic year, and the loan amount would not exceed the costs that the institution invoiced for. The students would be able to apply for the loan every year until they graduated and the loan contract had to be signed annually. The process could be done, as specified by the Ministry of Finance, at the educational institution that they were attending or through the e-Student loan system, within the time limit in which the students would be provided with a password. Applicants were required to provide an eligible guarantor to support their loan application.

(4) Fund and Debt Management

The Fund Management Committee was responsible for the fund management by allocating and approving funds to the institutions who would be approving the loan applications on an annual basis. The success of the applications would also depend on the availability of funds which were allocated by the Committee.

KTB and IBANK were responsible for managing and providing the loans to students, similar to KoYo So. The loan recipients could choose whether to pay in monthly or annual installments, and the first repayment had to be made after the end of the 2-year grace period, in which only 1.5% of outstanding loan principle had to be paid. The amount needed to be repaid each year could not be below the specified rate, which ranged between 1.5-30% of the principle from first year repayment to the fifteenth, with interest at 1% per annum. Total loan amount had to be repaid in full in 15 years from when the first repayment had been made. The repayment due date would be on the July 5th of each year. However, the Ko Ro O was different compared to the Ko Ro So as loan repayments were dependent on income. For those earning between 16,000-30,000 baht per month (or 192,000-360,000 baht per annum), 5% of their income would be due. For those who earned between 30,001-70,000 baht per month (or 360,001-840,000 baht per annum), 8% of their income would be due. This rate increased to 12% for those who received an income higher than 70,000 baht per month (or more than 840,000 per annum). Transaction fees of 10 baht would be applied. All other terms and conditions (penalties, suspension, and termination of loans) were similar to those of the KoYo So.

(5) Financial and Non-Financial Results

Financial Results of the Ko Ro O

It was found that in 2013, 2014 and 2015, the Ko Ro O annually approved loans worth 2,129,470,900, 4,451,290,000, and 6,106,182,300 baht respectively. An increasing trend was observed, especially in 2014, when the amount of loans increased by 109.03% from the previous year. This was due to the rise in demand and the emphasis on this fund by the administrators.

Also, for repayment and overdue payments, it was found in 2014 that there was 617.66 million baht in overdue payments, or 62.73% of the total due repayments worth 984.65 million baht. In 2015, the overdue payments were 801.33 million baht out of a total of 1,416.28 million baht (56.58%) due. Based on the percentages, the trend is decreasing, however, as there was not enough supporting information, it was not possible to conclude whether the Ko Ro O achieved its forecasted financial results or not.

Non-Financial Results

Between 2013-5, it was found that the number of Ko Ro O loan recipients rose from 33,364 in 2013 to 66,995 in 2014, or a 100.80% increase. In 2015, there were 24,457 more recipients, or a 36.50% increase. This reflected the students' increasing interest in the Ko Ro O and the priority given to it by its administrators in terms of more fund allocations.

For repayments and overdue payments, it was found that 193,440 out of 277,230 recipients missed their repayments or 69.78% in 2014. For 2015, there were 204,218 recipients who failed to make their repayments or 71.79%. So the rate of people missing their repayments is on the rise.

The objective of this fund was to provide educational loans to students according to the government policies for education, which was not limited to only those with a low income, but also focused on increasing educational opportunities to all. In other words, the fund was intended to promote economic development. Additionally, the fund aimed to increase students' competitiveness in the labor market and efficiency in the provision of education through the financing mechanism, leading to human resource development based on the needs of the country and society. So, it can be seen that the establishment of the Ko Ro O is aligned with these objectives as there were clear management regulations which

accommodated these operations. The opinion of the recipients, based on the responses of the questionnaires, reflected the above statements by agreeing with the fund policies on the provision of financial support to all (66.67%) and the provision for those who studied in subject areas which matched national priorities (71.67%). Most loan recipients who had already graduated strongly agreed on those points as well, at 28.33% and 46.67% respectively. Furthermore, the key informants provided the same view on the Ko Ro O policy that, “the Ko Ro O has the objective for opening up opportunities to those who wish to apply for an education loan in order to increase national income and the capability to compete in the labour market, especially in the subject areas which are lacking in manpower or have high needs at the national level. These objectives have been clearly reflected in the legislation and regulations for the fund’s operations.” However, it is difficult to identify whether it has achieved the desired results or not, as the fund still had limitation on resource allocation which might restrict its ability to provide the loan to all those who applied, with the emphasis of this fund aimed at providing educational loans based on societal needs (i.e. in lacking subject areas), which is aligned with the government human resource development plan. In addition, the rate of overdue repayments was quite high, which could be an indication that a significant proportion of the recipients could not enter the labor market due to an insufficient ability to compete, and therefore the fund did not achieve its objective. This was similar to the view of key informants who mentioned the fund’s weakness in that, “the management focused more on budgetary management than the provisions of education loans, which meant that people would give higher priority to the management side of the fund rather than the development of education.” Another key informant also commented that, “the operations still did not focus on quality or the regulations. So the educational standards cannot be obtained, which leads to sub-standard education which doesn’t allow the students to be competitive in the labor market, or whom can only obtain low income jobs creating consistent problems for the fund.”

5.1.1.2 Strengths and Weaknesses of the Education Loan System in Thailand

From the findings of this research and other related literature, including the information provided by the key informants, a number of main strengths and weaknesses of the Ko Yo So and Ko Ro O can be identified as below:

1) Strengths

(1) The Funds had clear supporting legislation and regulations which the relevant individuals must comply with and carry out their role duties to achieve the funds' objectives. Also, the agency responsible for the fund management was clearly assigned and operated under the authority of the state.

(2) The criteria and regulations allowed variety and flexibility, as the loan was allowed for studies at the high school level, vocational education, and higher education. Loans could also be provided to those with a low income or for the study of high priority subject areas at low interest rates.

(3) The fund served as the government's tool for providing more educational opportunities for the underprivileged, which would reduce disparity and increase the recipients' competitiveness within the labor market, aligning with the Fund's objectives.

(4) In the Ko Ro O case, the repayment burden was reduced for low income recipient.

2) Weaknesses

(1) The policies can be changed or adapted depending on the politicians in charge by creating unclear policies and confusion for the relevant officials in each time period. One of the key informants mentioned, "The reason we have 2 education loan funds is due to political needs to develop new policies. So, education loan policies were revised to align with politics."

(2) No repayment collections through agencies related to the revenue department exists, leading to inefficiency and high amount of overdue repayments.

(3) The number of relevant officials was high and repetitive, especially for the fund allocation which involved the Education Loan Office, the Fund Committee and 2 separate subcommittees.

(4) The conditions which were allowed to be relaxed, such as the loan grace period, long repayment period, and low interest rate, might encourage the recipients' to default on their payments, or they might choose to pay other loans first. The key informants view was that these contributed towards the funds' problems with repayments and overdue payments.

(5) The agency lacked its own supporting information system related to the loan recipient database, and had to rely on the banks. This might create a discrepancy in data analysis and monitoring, leading to unreliable data which could not be referenced in legal proceedings. This would be particularly problematic for recipients with long history of missed repayments, which require legal actions.

(6) In the case of the Ko Yo So, the rate and duration of repayments were fixed, which did not reflect the fact that recipients might have different circumstances leading to increased debt for lower income individuals.

(7) In the case of the Ko Ro O, repayment was not required until a specific income threshold was reached. However, there was no clear system which could track the recipients' income, allowing them to intentionally miss their supposedly due repayments.

(8) Not enough incentives were provided to encourage the development of the vocational area in accordance with the needs of the labor market.

(9) The fund operations still focused more on the fund allocation process than that of education quality control, leading to the misallocation of funds which did not respond to the market needs and sub-standard education.

(10) Legal actions taken by the funds led to wasted time, budget, and opportunities to circulate the funds to provide more loans.

(11) No clear existing education quality control at the institutional level.

(12) Communications and debt collections could not effectively and comprehensively cover the target group.

5.1.2 Education Loans in England

5.1.2.1 Characteristics of the education loan system

1) Objectives

The provision of education loans in England is under the operation of the Student Loan Company or SLC, which have been set up in 1989 and started to operate in 1990. The SLC is a non-profit organization and establish according to the policies and legal framework of the government. Budgetary support is provided directly from the state for its management as a non-departmental public

body. The responsibilities of the SLC are to provide education financing services to students in England, and all bachelor degree students are eligible to apply. The objective of this service is to provide education loans to those who needed financial support for their education, which might be for a number of different reasons, such as family socio-economic status or physical disability. Initially, the service was to provide loans for low income students but later it changed to provide them for all who were eligible.

2) Organizational Structure

The provision of education loans in England is governed by the Education (Student Loans) Act of 1990 with 3 main agencies jointly responsible for these activities. These were The Department of Business, Innovation and Skills (The Department), which had the authority to oversee the service, the SLC was responsible for the service management and operations under the government's legal framework, and Her Majesty's Revenue and Customs (HMRC), which collected loan repayments through the PAYE (Pay As You Earn) tax system, except for those who were self-employed, employed overseas, or previously applied for a mortgage style loan. These groups would need to repay through the SLC.

3) Criteria

The selection process for education loans in England considered the applicants based on two key aspects. Firstly, personal circumstances would be taken into consideration during the process, mainly focusing on family socio-economic status, and secondly, the subject (bachelor's degree level) and place of study at an education institution that had been inspected by the HEI (Higher Education Institution). Alternatively, the courses which would be eligible included teaching courses, and those related to community and youth promotion activities. Loans would be provided in 2 forms: 1) Tuition fee loans, which all full-time students were eligible for and the total fees amount would be paid directly to the education institution in three instalments after the student's acceptance was confirmed; and 2) Maintenance loans, which would be paid directly by the SLC to the students attending a full-time bachelor degree course or first-time teaching course. Maintenance loans would be granted based on living conditions and had to be applied for through the SLC by providing all the necessary information, including their National Insurance Number (NINO). There are 3 types of education loan schemes provided in England.

(1) Mortgage-style System or Fixed Term Loan

This had been provided for students who started their courses before the 1998/99 academic year. Once the income of the loan recipients reached a certain threshold, repayments had to be made at a fixed amount in 60 monthly installments for those with 4 loan contracts or less, or in 84 monthly installments for those with 5 or more contracts. For those with a lower income, they had to make at least one monthly installment every 12 months. The loan would be terminated if the recipient died, was unable to gain employment due to a disability, or had reached the age of 50 years, for those who had their last loan approved before they were 40 years old, or 60 years, for those who had their last loan approved when they were 40 or older. The loan would also be terminated 25 years after the last loan approval.

(2) Income-contingent Loan(ICL) “Plan 1”

This loan scheme was available during the period from September 1998 to August 2012, and included the income contingent repayment system which fixed the repayment amount to 9% of the recipient’s annual income once the income had reached the threshold. If their income changed, the repayment amount would be automatically adjusted. The interest rate was variable based on the lowest bank’s basic interest rate each year, and it would be set at one percentage point above that rate. The historic Retail Price index (RPI) from the previous September to March would also be considered.

(3) Income-contingent Loan(ICL) “Plan 2”

This scheme, also referred to as Plan 2, started in September 2012 during the time when there was a huge increase in tuition fees. This was similar to ICL Plan 1, in which the repayment amount would be dependent on future income, at 9% of income once the threshold was reached, and automatically adjusted if there was a change of income level. The interest rate was calculated based on the RPI plus three percentage points (RPI plus 3%) if the recipients had annual income of 41,000 pounds or more. For those with a lower income but above the threshold, or if they graduated earlier than expected, the rate was calculated based on RPI only.

For loan approvals between September 1998 and August 2006 (2007 for Scotland), the loan contract would be stopped if the recipients became

deceased, unable to work due to a disability, or upon reaching the age of 65 years. For loans between September 2006 and August 2012, the loans would also be terminated 25 years after the last loan approval. For later loans in England and Wales, the loans would be terminated 30 years after their last loan approval.

4) Fund and Debt Management

(1) Fund Management

Fund management by the SLC was done through the committee who processed the applications, paid out the loans, managed the database, calculated the interest and repayment collection. In addition, the SLC was also responsible for answering any queries made by the applicants/recipients. In the case of Mortgage style loans, the recipients made repayments directly to the SLC, whereas for the ICL schemes, repayments would be made through the tax system by debiting from wages and paid directly to the HMRC, who would in turn transfer the funds to the SLC at the end of the tax year. However, if the repayments collected were more than what was due, the recipients would be allowed to claim back the overpayment if requested.

(2) Debt Management

By law, the recipients had the responsibility to repay the loan according to the contract and procedures, but if repayments were not made, the SLC would have the right to take legal action by requesting the court to order the recipients to repay the total loan amount, plus any costs incurred from debt collection activities. The recipients could make payments through various channels, including: 1) credit or debit card, 2) direct debit, 3) standing order, 4) through the tax system, 5) cheque, and 6) payment by international bank transfer. For the repayment of a fixed-term loan, this would be collected directly by the SLC in monthly installments by direct debit. Extra payment could be made at any time if the recipients wished to do so.

5) Financial and Non-Financial Results

Due to insufficient financial data, the aspect on financial results would not be discussed for the education loan system in England. However, from the report by the UK National Audit Office (NAO), it commented on the overall value of overdue payments as of March 2013 was as high as 46 billion pounds, from the total loan amount of 55 billion pounds given out since the start of the program in 1990.

Hence the proportion of unpaid loans was estimated to be at 35%, which is aligned with a report by Hackett (2014) which concluded that a rise in income would not increase the repayment rate beyond 45%, and because of the long repayment period up to 60% of the recipients would not be repaying the full loan amount.

As for non-financial results, the English system was aimed at providing the education loan to all who needed the support, and this objective was achieved. Greenaway and Haynes (2003) also shared similar views by stating that a number of studies showed that the mechanisms related to future income-dependent education loans allowed students in the UK and Central Europe to have more opportunities for further education. Also, the collection of repayments through the HMRC was an efficient method, even if it would only be limited to people who were under employment and the tax system. The NAO report (2013) also agreed that the collection of repayments through the tax system provided clear benefits for efficient debt collection.

5.1.2.2 Strengths and Weaknesses of the English Education Loan System

From the analyzing the British system, as well as reviewing other relevant literature, the following strengths and weaknesses can be drawn.

1) Strengths

(1) The future income dependent system opened up more opportunities for those who needed to apply for financial support to access the loan.

(2) The loan provided support for both tuition fees and living expenses, which were considered based on living conditions and the place of study of the students.

(3) The relevant agencies were clearly governed and operating under specific laws and regulations.

(4) Debt collection was done through the HMRC, a tax and revenue agency, for those under employment, and a tax system, allowing the process to be efficient and have good coverage.

(5) Repayment was dependent on income, allowing low income individuals not to overburden themselves from loan repayments.

(6) Loans could be waived for those who died or became disabled, as well as for those who reached a certain age.

(7) Incentives were provided for the students to graduate sooner by providing a discount on the interest rate.

(8) There was clear message to the recipients that it was their responsibility to make repayments according to the contract and procedures, and if they failed to do so, legal actions would be taken resulting in a court order for a total repayment with interest.

2) Weaknesses

(1) Loans were available for bachelor degree courses.

(2) By specifying the repayment rate at 9% of income above the threshold, the amount of repayment per installment would be low, leading to lengthy repayment period (Hackett 2014).

(3) The loan service mainly focused on economic development, which could prevent those with a low income from accessing the funds, as they might be afraid of taking on debts. This would ultimately reduce the opportunities for these people to access education.

(4) By setting the interest at RPI +3%, this meant that people with a higher income would have to pay more and hence create less incentive for them to grow as they tried to avoid paying the higher rate.

(5) There was no income tracking system for those not under the employment system, so it proved to be difficult to identify recipients in this group who had reached the income threshold, and hence debt collection for this group might be ineffective.

5.1.3 Education Loans in Australian

5.1.3.1 Characteristics of the Education Loan System

1) Objectives

The provision of education loans in Australia was stated in the Higher Education Funding Act 1988 (HEFA), which had the objective to provide support through the Education Loan for higher education and Higher Education Contribution (HEC) Scheme. The applicants had to be registered to an education institution under the support of the Australian Government, also known as Commonwealth Supported Places (CSP), and only some of the public and private

higher education institutions were accepted into this program. Those that were accepted had to offer bachelor degree courses. Some master degree courses were included and would require the student to partly contribute, while using the loan to pay for the rest of the fees for units of study. The loan provided by the government would be paid directly to the institution for the tuition and units of study fees, which meant that their actual study expenses would be cheaper than the courses not in the CSP program.

2) Organizational Structure

Australia implemented the program called HELP, or Higher Education Loan Programme, which was set up in accordance to HEFA and operated under the legal framework of the Higher Education Support Act 2003. HELP received support from the Australian Government to provide education loans to students through the education institutions, who would process the loan applications based on the regulations and procedures of education loans set by the Department of Education and Training (The Department), while repayment collections would be done through the Australian Taxation Office (ATO).

3) Criteria

Education loan approval in Australia is based on 5 main criteria, depending on the loan scheme. The applicants had to: 1) be registered as a student in a qualified education institution; 2) meet the TFN requirements; 3) meet the citizenship and/or residency requirement; 4) submit a valid application form by the specified date; and 5) not exceed the loan limit for the FEE-HELP scheme and the VET FEE-HELP scheme. Once approved, the loan can be used to pay for tuition fees and student service fees which might include fees and expenses for overseas study for certain subjects (e.g. flights, accommodation). To process the loan request, the students must fill in the form according to the type of loan required, including the TFN and submit the form by the deadline. There are five education loan schemes in Australia.

(1) HECS-HELP Loan Scheme

This loan scheme aimed to help eligible students studying in the CSP institutions, as they only needed to pay for their student contributions. Before 2005 the scheme was known as 'HECS'.

(2) The FEE-HELP Loan Scheme

This loan scheme provided support to help eligible higher education students by providing support with their tuition fees, which would be paid directly to the institutions.

(3) SA-HELP Loan Scheme

This loan scheme helped the students to pay for their student services and maintenance fee.

(4) OS-HELP Loan Scheme

This loan scheme provided assistance for eligible students studying in a CSP institution to participate in the course's overseas activities.

(5) VET FEE-HELP Loan Scheme

This loan scheme provided support to eligible students studying higher education VET courses by paying their tuition fees.

4) Fund and Debt Management

(1) Fund Management

The Australian Government subsidized tuition fees by paying them directly to the education institutions. For HECS-HELP scheme, students were required to pay their student contributions for the study period upfront, rather than access this scheme as a typical education loan. An eligible student might only have needed to pay 90 per cent of the total tuition, as they could receive a 10% discount, also known as the HECS-HELP discount. For the FEE-HELP scheme, there is a 25% fee for undergraduates, while for VET FEE-HELP, the fee is 20% for all courses. This fee would be added to the loan amount but would not be included when determining whether or not the loan had exceeded the loan limit.

(2) Debt Management

For debt management, all HELP debts would be consolidated by the ATO and referred to as the accumulated HELP debt. The loan recipients would have to start repaying their accumulated HELP debt when their repayment income increased to more than the minimum repayment threshold for compulsory repayments. Repayment was calculated based on the recipient's income, which could be up to 8%. As per the Higher Education Support Act 2003, HELP debts would be adjusted annually according to the consumer price index on June 1st of every year in

order to ensure that the value of the loan amount was in line with the current cost of living. The recipients were welcome to make voluntary repayments on their HELP debt to the ATO at any time. Voluntary repayments of 500 Australian dollars or more received a 5% bonus. The ATO would calculate compulsory repayments for an individual annually, and include this information on their income tax notice. Voluntary repayment could be made by BPAY/direct credit, credit card or by posting a cheque to the ATO. The recipients could apply to the ATO to defer repayments by completing the Deferring Compulsory HELP form. The recipient was liable to pay any outstanding compulsory repayment related to the period before their death, but the remainder of their accumulated HELP debt would be cancelled after their death.

5) Financial and Non-Financial Results

As there was not enough financial information, financial results were not discussed in this section. Nonetheless, the report on Policy Note HELP: Understanding Australia's system of income-contingent student loans (May 2014), revealed that from the 2013-2014 Commonwealth Budget, it was estimated that the total HELP debt liabilities were at 26 billion Australian dollars. Total HELP debts have steadily increased since the schemes introduction in 1989 as a result of rising student numbers, increases in student contributions, and a growing proportion of unpaid debt. HELP debt has increased on average by 14.1% per year since 2008. This rate could further rise to 17.1% leading to the accumulation of debt exceeding 42 billion Australian dollars. Also, Hackett (2014) reported that HECS-HELP scheme, while still requiring public support, the proportion of the public subsidy was only 25%, with an average repayment period of just 8 years. So, it can be concluded that the provision of education loans in Australia was quite successful and accepted by the students, as the number of applicants was increasing with a relatively low public subsidy required.

As for non-financial results, when considering the objectives, the education loans in Australia were intended to provide support to all who needed it, and provided discounts when students and/or their families chose to make some kind of contribution, such as making an advanced payment or student contribution, instead of relying fully on the loan. Support would also be provided for bachelor degree courses or higher. So, it can be seen that the Australian system operated based

on the initial objective of providing this support to the low income group, as well as the general population. The focus, which was a mix between social and economic development, was aligned with the study by Rasmussen (2006) which found that the Australian experience in the education loan system was valuable for policymaking in other countries and increased opportunities for higher education.

5.1.3.2 Strengths and Weaknesses of the Australian Education Loan System.

From the findings of this research, the following strengths and weaknesses can be drawn about the Australian system.

1) Strengths

(1) A variety of loan schemes were available, which the students could choose according to their needs. Loans could also be applied for both bachelor and master degree programs, and covered a wide range of study-related expenses on top of tuition fees.

(2) The system provided all students with the opportunity to apply for the loan for a variety of institution types. The FEE-HELP Loan Scheme was available to those who attended private universities, while the VET FEE-HELP Loan Scheme was developed for vocational students.

(3) Repayment amounts were calculated based on the income of the recipients. If their income did not reach the specific threshold, repayment was not required.

(4) As the repayments were based on income (between 4-8% of annual income), this helped the recipients to repay the loans quickly, and hence the government was able to turn over the funds to provide more loan to other students.

(5) The incentives, which provide 10% discounts to students who have already paid some tuition fees, helped to reduce their dependence on the government and their debt levels during their studies.

(6) The FEE-HELP Loan Scheme, which provided the loan to students who attended non-CSP private institutions, had a fee of 25%. While the VET FEE-HELP Loan Scheme for vocational students also had a fee of 20%. This would reduce the risk within these groups.

(7) The interest rate, which was set based on consumer price index, ensured that debt level was aligned with economic conditions and reduced excessive debt for the students.

(8) Repayment collections, which were done through the revenue office, allowed good coverage and effective collection for those in under employment.

(9) The incentive to make voluntary repayments by giving out a 5% bonus for those who repaid more than 500 Australian dollars would reduce the debt level.

(10) Loans could be waived for those who became deceased, or if they encountered financial difficulties. However, their status had to be officially confirmed.

(11) Incentives, by reducing compulsory HELP repayments, were also provided for students to study with high needs (e.g. teaching, nursing, midwifery) or for those who intend to work in remote areas.

2) Weaknesses

(1) Risks from unemployed or low-income recipients who would not be able to repay back their loan were still somewhat substantial. This could lead to a future burden for the government.

(2) The level of repayments depended upon economic conditions, as the interest rate was set based on the CPI.

5.2 Recommendations

This research compared the higher education loan systems in Thailand and other countries in order to study the strengths and weaknesses of each system. For Thailand, the study period was between 1996 and 2015 (from the time education loans were first established), and a survey was also conducted for current students and graduates from Mahasarakam University and Rajabhat Sakon Nakorn University who were receiving the loan. For an international experience, the education loan systems in England and Australia were studied and compared for their strengths, weaknesses, and obstacles in the provision of education loan in their countries. The

review of existing literature and legislation, as well as the in-depth interviews of 6 key informants, were also taken into account to develop the following study recommendations for the education loan system which would be suitable for Thailand.

5.2.1 Education Loan System for Thailand

From the study on the existing Thai education loan systems, including their objectives which focused mainly on providing support to those who lack the funds for higher education due to budgetary constraints and the preparedness of the management system which might not be adequately responsive, the system which involved income contingent loan schemes, i.e. Ko Ro O, is more suitable and effective, while the old KoYo So should be stopped. The existing recipients should continue with their current loan contract and terms until they were fully repaid. The details had been outlined below.

5.2.1.1 The objective of Ko Ro O should be revised to develop criteria for providing loans to low-income students because the number of those unable to access education remains high, while at the same time make the loans available to all of those who wish to apply (mixing between social and economic development). The emphasis should be both on providing for low income individuals and for those who wish to study in subject areas which are matched with national priorities.

5.2.1.2 Organizational Structure

The Office for Education Loan Funds should still be under the Ministry of Finance and still operated under the draft Education Fund Act, which has been in the legislation process for some time.

5.2.1.3 The Criteria for Education Loans Should be Revised as follows:

1) Loans should be approved for only students attending higher education or vocational education, including both general and high vocational certificate levels. Loans for high school education should be stopped, but other types of support should be provided instead due to a limited budget. In addition, if a student who applied for a high school loan could not continue their education, it is unlikely that they would be competitive in the labor market, creating more debt and burden to themselves and their guardians, which would eventually lead to a default on their education loan. So, this recommendation could reduce the burden of debt collections

and legal actions which occurred at a high rate compared to the approved loans for each year.

2) Loans should be provided for two types of expenses, tuition fees and living expenses, because from the surveyed responders who were still studying, the majority stayed in dormitories (living expenses previously provided for low income students).

3) Criteria to define low income individuals should be developed in order to clearly set the estimated proportion of approved loans for this specific group at the policy level. The existing criteria set the family income level at 200,000 baht, which might need to be reviewed for a better definition and criteria so they would have higher priority during the selection process. From the survey, most of the studying responders (49.04%) had a family income in the range between 10,001-15,000 baht per month or 120,000-180,000 baht per annum. So, by setting the income level too high, there would be less low income individuals who successfully apply for the education loan.

4) High priority subject areas should be clearly defined and discounts could be given to students who wish to study in these areas.

5) The income criteria used to determine the amount of repayments should be revised by lowering the income range, because out of the existing three income ranges, most loan recipients fell under the bottom tier, which meant that a low repayment amount would be made and hence it would take more than 10 years for the loan to be completely repaid.

6) The existing grace period should be reduced from 2 years to 6 months in order to encourage graduates to find jobs and start saving their income in the early stage of their lives. By leaving it too long to start making repayments, some of the loan recipients might have forgotten or failed to pay attention to this loan. The new loan conditions which specify the income threshold, will already prevent low income graduates from paying.

7) Interest rates should be set according to the RPI in order to maintain the loan principle at the current market value level. RPI can also reflect current economic conditions which would not put too much burden on the recipients.

8) The maximum age for applying for education loans should be 30 years, similar to Ko Ro O regulations, in order to provide the loans to young people who really want to study.

5.2.1.4 Fund and Debt Management

1) The Revenue Department should have a role in repayment collections which is in parallel to tax collection. Employers would debit the repayment amount from wage and transfer this to the Department. This method is considered to be the most effective for debt collection and for accessing the recipients' income database.

2) The recipients should be able to repay in monthly or annual installments as before, depending on whether or not they are in the employment system. If not, they should certify their wages and repay on an annual basis. The Office for Education Loan Fund should adjust their role to collect repayments instead of giving this role to commercial banks for this particular group because repayment collections would be done through the revenue Department. This would reduce the burden of hiring the fund managers, reduce the transaction fees, and allow the Office to manage the information by themselves. In addition, information system would need to be developed as a long-term measure.

3) Measures should be developed for calculating penalties in the case that repayments are missed and this information has been relayed to the recipients, which might involve legal action. This would make the recipients more aware of the consequences for failing to make a due repayment.

4) In the case that the recipients repay before the due date, rewards (e.g. discounts on interest and/or principle) should be provided and clearly stated in the regulations in order to reduce the activities on negotiation.

5) Opportunities should be provided for relaxation, as appropriate, of the loan terms when recipients have difficulties.

6) In the case that the recipient dies or is unable to work due to disability, the loan should be waived but the recipients must inform the fund who would consider and approve the waive requests.

Based on these recommendations, Table 5.1 compared the existing system with the new proposal as below.

Table 5.1 Comparison between the Existing Education Loan System and the New Proposal Based on the Research Recommendations

Aspects	Existing system (Ko Yo So/Ko Ro O)	New proposal
1. Objectives	<p>1) Ko Yo So provided education loan to low income students who lack the financial means.</p> <p>2) Ko Ro O provided education loan to those who wish to receive financial support but with the focus on high priority subjects according to the national human resource development plan.</p>	<p>Loans to be provided to all but with emphasis on low-income students and those who wish to study in high priority subject areas according to National Human Resource Development Plan. The proportion of loan between low income students, high priority subject areas, and other groups would be clearly set.</p>
2. Organizational Structure	The education fund is a legal entity which are operated under the Office for Education Loan Fund, with the Ministry of Finance overseeing the Office.	Same as the existing system
3. Criteria		No more than 30 years old.
1) Applicant eligibility	For Ko Yo So, the current age combined with 2-year grace period and 15-year repayment period must not exceed 60 years. For Ko Ro O, applicants must be no more than 30 years old.	
2) Level of Education	High school, general & high vocational certificate, diploma, and bachelor degree in all subjects.	General & high vocational certificate, diploma, and bachelor degree in all subjects, but with emphasis on high priority subject areas.
3) Types of expenses covered	Tuition fees, study-related expenses, and living expenses.	Same as existing system but living expenses to be provided for all.

Table 5.1 (Continued)

Aspects	Existing system (Ko Yo So/Ko Ro O)	New proposal
4) Repayment	1) 2 years after graduation 2) Repayment to be completed in 15 years with amount set at the rate between 1.5-13% 3) Interest rate at 1% per annum	1) 6 months after graduation 2) Repayment to be based on different income range with amount set at the rate between 5-8% of income. The income range to determine the rate should be reduced. 3) Interest rate calculated based on RPI
4. Fund and Debt Management	1) Krungthai Bank and Islamic bank of Thailand was assigned the role of management. 2) Repayment can be made in monthly and annual instalments. 3) No additional incentives provided for choice of subject. 4) Penalty fees set at 1% or 1.5% per month depending on the duration of arrears. 5) No additional incentives provided for early repayment. 6) Opportunities provided for relaxation in the case that recipients run into difficulties. 7) Loan to be waived in the case of death or inability to work from disability.	The tax system by the Revenue Department is used for collection. Same as the existing system Discounts to be provided for those who wish to study in high priority subject areas. Same as the existing system Discounts should be provided on interest and/or principle for early repayment and the incentive criteria should be clearly stated in the regulations. Same as the existing system Same as the existing system

5.2.2 Recommended Preparations for Accommodating the New Development as Per the Research Recommendations

From the above recommendations, a number of activities would require adjustment to the current practice and time. In order to accommodate these changes, the following short-term and long-term measures should be put in place as preparations to develop a suitable education loan system.

5.2.2.1 Short-term Measures

1) A Memorandum of Understanding (MOU) between the fund and companies on the use of recipients' information should be signed to allow the data to be used for recruitment by the company and continuous systematic behavioral modification, which promotes good values and attitudes amongst recipients to repay the loan. The recipients could provide repayment evidence to a prospective employer as a sign of loyalty to increase their chances of being recruited.

2) Collaboration should be enhanced with the Ministry of Education in order to develop curriculum standards which are desirable to the public. This would increase the country's capability to compete and to close the knowledge gap. Development Strategy and MOU should be jointly formulated and signed to create clarity at the policy level, which would lead to better fund allocation for education loan provisions according to the needs of the labor market and specific target group to promote national development.

3) Quality control measures should be developed for both the students and the institutions. To be accepted for a place in an institution, the students should have a certain level of educational performance (i.e. grades) which would mean they would be likely to be recruited by companies. However, this criteria should not be set higher than necessary as it would act as an entry barrier to the students.

4) Databases should be improved to accommodate future additions to the system. Also, the students and their guardians should be aware of the future directions of the fund related to the use of its database, which would be reconciled with the National Credit Bureau database. This would allow the recipients to prepare their privacy status and to improve the rate of repayments in the short-term.

5) Promote good attitudes so the recipients see the value of being a recipient of the education loan, in that they are using taxpayers' money which

must be repaid back and circulated so other students and the country can maximize the benefits from this fund. A workshop can be organized to promote these thoughts and behavior as part of the course curriculum.

6) Incentive measures can be used to encourage ‘bad’ recipients to make repayments quicker, such as providing discounts or waived penalties. This would increase the effectiveness of debt collection, and reduce the number of legal actions required and hence lower the expenses from these activities.

7) Increase the role of proactive communications to raise awareness and the role of society. This would in turn encourage the recipient to make repayments more effectively and by the due dates.

5.2.2.2 Long-term Measures

1) The concept of involving the Revenue Department in repayment collections should be considered at the policy level, which can be done in parallel to tax collection. This is similar to how repayments on education loans are collected in other countries and the problems of the lack of income and recipient database would disappear.

2) It should be considered to link the recipient database with the National Credit Bureau database, this would encourage recipients to pay more attention to education loan repayments.

3) The development of an information system related to the recipient database could be achieved through outsourcing the initial development to a company with this kind of expertise. The fund could monitor its development and solve the problems of incomplete or missing data by coordinating with the current fund manager. This would reduce costs in the long run and accommodate the future role as the fund’s manager.

4) Organizational structure should be able to accommodate changes because of policy and operational systems developments, in order to quickly respond to the new direction and develop relevant human resources.

5.3 Recommendations on Future Research

1) More international experiences of education loan system in countries other than Australia and England should be studied to understand the pros and cons for a variety of systems.

2) Evidence-based analysis on financial and non-financial results in the systems of other countries should be conducted to understand how these system can be implemented in a real world setting.

3) The number of key informants should be increased so a diverse and comprehensive view can be obtained.

4) Study on education costs within the institutions should be conducted to determine the true costs and the cost-effectiveness of educational investment. This could also be used in policymaking, particularly for setting the loan limits.

5) A study of courses or subject areas which are in high demand in the labor market should be conducted to support the development of loan criteria and incentive systems.

6) A study on education quality control should be conducted to provide guidance on how to monitor the institutions and ensure that high quality graduates are produced who match the needs of the labor market.

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APPENDICES

APPENDIX A

FORM 1: FOR RECIPIENTS WHO ARE STILL STUDYING

Research Questionnaire on The Development of State Education Loan System for Higher Education in Thailand

This questionnaire has been developed for the research of a Doctor in Philosophy student studying public administration at the National Institution of Development Administration (NIDA). The objective of this research is to study the state education loan systems for higher education in Thailand, including their strengths and weaknesses. The research team would like to ask for your kind assistance in responding to this questionnaire, and the data that you provide will be extremely useful for the research and will be kept confidential. Your help in responding to this questionnaire would be much appreciated.

Explanation This Questionnaire consists of 3 parts:

Part 1- Personal information of responder

Part 2- Family information

Part 3- Information on responder's opinion related to policies, systems, and regulations of education loans

Part 1 Personal Information

Please answer by filling in the information or ticking the box which is most applies to you.

1. Gender ☐ Male ☐ Female
2. Age years
3. You are currently in year ... of your course at ☐ Maharakam Univ.
 ☐ RajabhatSakolnakorn Univ.
4. Which is your current area of study?
- | | |
|------------------------------------|---|
| <input type="checkbox"/> Law | <input type="checkbox"/> Political Science |
| <input type="checkbox"/> Education | <input type="checkbox"/> Human Science |
| <input type="checkbox"/> Economics | <input type="checkbox"/> Business Administration |
| <input type="checkbox"/> Science | <input type="checkbox"/> Others, please specify |

Please turn the page

5. Where are you staying during your studies?

- ☐ Your home ☐ Dormitory
☐ Others, please specify.....

6. Where does your allowance mainly come from?

- ☐ Father ☐ Mother
☐ Father and Mother ☐ Relatives
☐ Friends ☐ Others, please specify.....

7. Which education loan fund are you receiving?

- ☐ KoYo So ☐ Ko Ro O

8. Do you know the objectives of the Fund?

- ☐ Yes ☐ No ☐ Not sure

9. Reason(s) for applying for the education loan (Tick all that apply).

- ☐ Guardian cannot support your education
☐ Allowance from Guardian is insufficient
☐ Don't want to be a burden to family.
☐ Someone suggested me to take the loan
☐ Want the money for personal use.
☐ Others, please specify.....

10. How did you hear about the education loan fund and find information about it?

- ☐ Television ☐ Radio
☐ Newspaper ☐ Website/social media
☐ Leaflet ☐ Education Institutions
☐ Poster/Noticeboard ☐ Others, please specify.....

Part 2 Family Information

1. Who is your guardian?

- ☐ Father ☐ Mother ☐ Father and Mother
☐ Relatives ☐ Others, please specify.....

2. Main occupation of your guardian.

- ☐ Farmer ☐ Commerce
☐ Private employee ☐ Government/State Enterprise employee.
☐ Others, please specify.....

Please turn the page

3. Guardian Average monthly wage.

- ☐ Not more than 5,000 baht ☐ 5,001 - 10,000 baht
☐ 10,001 - 15,000 baht ☐ 15,001 - 20,000 baht
☐ 20,001 - 25,000 baht ☐ 25,001 - 30,000 baht
☐ 30,001 - 35,000 baht ☐ 35,001 - 40,000 baht
☐ More than 40,000 baht

4. Does your guardian have any outstanding debts?

- ☐ Yes ☐ No ☐ Don't know

5. Number of family members (Including the responder) People

6. Number of working family members People

7. Number of studying family members (including the responder)..... People

Part 3 Information on responder's opinion related to policy, system, and regulations on education loan(There are 2 sections. Section 1 (Question1-12) to be answered by KoYo So recipients only. Section 2 (Question 13-23) to be answered by Ko Ro O recipients only)

Explanation Please rate the following statements by ticking the box in the table which applies to you as follows:

5 = Strongly Agree

4 = Agree

3 = Not Sure

2= Disagree

1= Strongly Disagree

Statements	Opinion Scores				
	5	4	3	2	1
Section 1 For KoYo So recipients only					
1. The policy of the Fund focuses on helping low-income individuals to increase their education opportunities.					
2. The policy of the Fund supports tuition fees and personal expenses.					

Please turn the page

Statements	Opinion Scores				
	5	4	3	2	1
3. The education loan that I received helps reduce expenses related to education for my family.					
4. The education loan that I received allowed me to continue with my studies.					
5. The Fund increases educational opportunities for those who want to obtain an education loan.					
6. After receiving the education loan, it increases the motivation of the recipients.					
7. The conditions for the loan allow repayment at a fixed rate, not dependent on income.					
8. The conditions of the loan provide a grace period of 2 years after graduation when no repayment needs to be paid.					
9. The loan must be all paid back in 15 years.					
10. The interest rate for this loan is at 1% per annum.					
11. The penalty for missing the due date for repayment is no more than 1.5% per month.					
12. Legal actions can be taken if loan is not repaid.					
Section 2 For Ko Ro O recipients only					
13. The Fund's policy provides loans for all who wish to take an education loan.					
14. The Fund emphasizes providing education loan to subject areas which are a national priority.					
15. Living expenses are provided for low-income recipients with a family income of no more than 200,000 baht.					
16. The Fund's policy exempts repayments for recipients with an income less than 16,000 baht per month.					
17. The Fund increases educational opportunities for those who want to obtain an education loan.					
18. After receiving the education loan it increases the motivation of the recipients.					

Statements	Opinion Scores				
	5	4	3	2	1
19. The conditions for the loan provide a grace period of 2 years after graduation when no repayment needs to be paid.					
20. The loan must be all paid back in 15 years.					
21. The interest rate for this loan is at 1% per annum.					
22. The penalty for missing the due date for repayment is no more than 1.5% per month.					
23. Legal actions can be taken if loan is not repaid.					

Note: Please return this questionnaire to the University's coordinator for education loan, or the research coordinator who provided this questionnaire to you. Thank you very much.

APPENDIX B

FORM 2: FOR RECIPIENTS WHO ARE STILL STUDYING

Research Questionnaire on The Development of State Education Loan System for Higher Education in Thailand

This questionnaire has been developed for the research of a Doctor in Philosophy student studying public administration at the National Institution of Development Administration (NIDA). The objective of this research is to study the state education loan systems for higher education in Thailand, including their strengths and weaknesses. The research team would like to ask for your kind assistance in responding to this questionnaire, and the data that you provide will be extremely useful for the research and will be kept confidential. Your help in responding to this questionnaire would be much appreciated.

Explanation This Questionnaire consists of 2 parts:

Part 1- Personal information of responder

Part 2- Information on responder's opinion related to policies, systems, and regulations for education loans

Part 1 Personal Information

Please answer by filling in the information or ticking the box which is most applies to you.

1. Gender ☐ Male
 ☐ Female
2. Age years
3. Marital Status
 ☐ Single ☐ Married with.....Children
 ☐ Widowed with.....Children
4. Where did you obtain your bachelor degree?
 ☐ Mahasarakam Univ.
 ☐ Rajabhat Sakolnakorn Univ.

Please turn the page

5. Which area of study did you receive your bachelor degree in?

- | | |
|--|---|
| <input type="checkbox"/> Law | <input type="checkbox"/> Political |
| <input type="checkbox"/> Science Education | <input type="checkbox"/> Human Science |
| <input type="checkbox"/> Economics | <input type="checkbox"/> Business Administration |
| <input type="checkbox"/> Science | <input type="checkbox"/> Others, please specify |

6. What is your current occupation?

- | | |
|---|--|
| <input type="checkbox"/> Government/State Enterprise employee | <input type="checkbox"/> Business owner/Commerce |
| <input type="checkbox"/> Private Employee | <input type="checkbox"/> Others, please specify..... |

7. Your average monthly wage

- | | |
|--|--|
| <input type="checkbox"/> Not more than 10,000 baht | <input type="checkbox"/> 10,001 – 15,000 baht |
| <input type="checkbox"/> 15,001 – 20,000 baht | <input type="checkbox"/> 20,001 – 25,000 baht |
| <input type="checkbox"/> 25,001 – 30,000 baht | <input type="checkbox"/> more than 30,000 baht |

8. Which education loan fund are you receiving?

- | | |
|-----------------------------------|----------------------------------|
| <input type="checkbox"/> Ko Yo So | <input type="checkbox"/> Ko Ro O |
|-----------------------------------|----------------------------------|

9. Do you know the objectives of the Fund?

- | | | |
|------------------------------|-----------------------------|-----------------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Not sure |
|------------------------------|-----------------------------|-----------------------------------|

10. Reason(s) for applying for education loan (Tick all that apply).

- ☐ Guardian cannot support your education
- ☐ Allowance from Guardian is insufficient
- ☐ Don't want to be a burden to family
- ☐ Someone suggested to me that I take the loan
- ☐ Want the money for personal use
- ☐ Others, please specify.....

11. Do you have any outstanding debts (excluding education loan)?

- | | |
|------------------------------|-----------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|------------------------------|-----------------------------|

12. Are you currently repaying the education loan?

- ☐ Yes, regularly (Skip to question 14).
- ☐ Yes, sometimes.
- ☐ No, never.

13. Reasons for not repaying the loan (tick all the apply)

- ☐ 2-year grace period still applies.
- ☐ Income is below threshold to make repayments
- ☐ Low income/cannot afford to pay.
- ☐ Unemployed/no income
- ☐ Not contacted
- ☐ Not enough payment channel/ Inconvenience.
- ☐ Repaying for other loan with higher interest rate
- ☐ Don't know the procedure.
- ☐ Others, please specify.....

14. How are you repaying the loan?

- ☐ Monthly
- ☐ Annually

15. How did you hear about the news and information on the education loan fund?

- ☐ Television Radio
- ☐ Newspaper
- ☐ Website/social media
- ☐ Leaflet
- ☐ Education Institutions
- ☐ Poster/Notice board
- ☐ Others, please specify.....

Part 2 Information on responder's opinions related to policies, systems, and regulations for education loans. (There are 3 sections. Section 1 to be answered by all responders. Section 2 to be answered by Ko Yo So recipients only. Section 3 to be answered by Ko Ro O recipients only)

Explanation Please rate the following statements by ticking the box in the table which most applies to you as follows:

- 5 = Strongly Agree
- 4 = Agree
- 3 = Not Sure
- 2 = Disagree
- 1 = Strongly Disagree

Statement	Opinion Scores				
	5	4	3	2	1
Section 1 For all responders					
1. The Fund increases educational opportunities for those who want to obtain an education loan.					
2. After receiving the education loan, it increases the motivation of the recipients.					
3. The loan must be paid back in 15 years.					
4. The interest rate for this loan is at 1% per annum.					
5. The conditions for the loan provide a grace period of 2 years after graduation when no repayment needs to be paid.					
6. The penalty for missing the due date for repayment is no more than 1.5% per month.					
7. Legal actions can be taken if the loan is not repaid.					
8. The Fund provides a program to reduce/defer interest or penalties.					
9. The Fund arranges activities to build values on loan repayments for young recipients during their studies.					
Section 2 For Ko Yo So recipients only					
10. The policy of the Fund focuses on helping low-income individuals to increase their educational opportunities.					
11. The policy of the Fund supports tuition fees and personal expenses.					
12. The education loan that I received helps reduce expenses related to education for my family.					
13. The education loan that I received allows me to continue with my studies.					
14. The conditions for the loan allow repayment at a fixed rate, not depending on income.					

Statement	Opinion Scores				
	5	4	3	2	1
Section 3 For Ko Ro O recipients only					
15. The Fund's policy provides loans for all who wish to have an education loan.					
16. The Fund emphasizes providing educational loans in subject areas which are a national priority.					
17. Living expenses are provided for low-income recipients with a family income of no more than 200,000 baht.					
18. The Fund's policy to exempt repayment for recipients with an income less than 16,000 baht per month.					

Note: Please return this questionnaire by 5th February 2016 via the following:

1. By post to the address that has been attached with this form (please affix stamp on envelop);
2. Online by accessing www.cgdnonengkhai.com and click on "submit Ko Yo So/Ko Ro O questionnaires". Input the response on the website and click "Send" at the bottom.
3. By e-mail to sudtaich@gmail.com or sudtaich1@hotmail.com.

Thank you very much.

APPENDIX C

**RESEARCH INTERVIEW QUESTIONNAIRE THE DEVELOPMENT
OF THE STATE EDUCATION LOAN SYSTEM FOR HIGHER
EDUCATION IN THAILAND**

Research Interview Questionnaire The Development of the State Education Loan System for Higher Education in Thailand

1. What is your opinion about the current Thai Education loan systems?
 - 1.1 Education Loan Fund (KoYo So)
 - 1.2 Future Income-based Education Loan Fund (Ko Ro O)
2. In your opinion, what are the strengths and weaknesses of the current Thai education loan systems? Please elaborate.
 - 2.1 Education Loan Fund (KoYo So)
 - 2.2 Future Income-based Education Loan Fund (Ko Ro O)
3. In your opinion, currently what are the key problems or barriers related to the policy and implementation of the Thai education loan systems?
 - 3.1 Education Loan Fund (KoYo So)
 - 3.2 Future Income-based Education Loan Fund (Ko Ro O)
4. In your opinion, do you think that KoYo So and Ko Ro O have achieved their goals? Please explain.
 - 4.1 Goals related quantitative and qualitative objectives.
 - 4.2 Social goals(Education disparity reduction, Increase of education opportunities, Education equality and Good living conditions).
 - 4.3Economic Goals (Income generation, Country development growth)
5. What are your expectations for the Thai education loan systems?
 - 5.1 Education Loan Fund (Ko Yo So)
 - 5.2 Future Income-based Education Loan Fund (Ko Ro O)
6. In your opinion, what is the appropriate education loan system?
7. What is your opinion of the education loan system in other countries?

BIOGRAPHY

NAME	Sudtai Chaijuntuk
ACADEMIC BACKGROUND	Bachelor of Business Administration (Accounting), Ramkhamhaeng University, Thailand, 1990 Master of Public Administration (Public Administration), Chulalongkorn University, Thailand, 2002
PRESENT POSITION	Director of the Nong Khai Provincial Office of the Comptroller General's Department
EXPERIENCES	Accountant, Senior Professional Level, Office of Off-Budgetary Management, The Comptroller General's Department, The Ministry of Finance, Director of Sakhon Nakhon Provincial Office of the Comptroller General's Department
SCHOLASHIP	The Oil Refinery Contract Contribution Fund, The Energy Policy and Planning Office, Ministry of Energy.