



Are you in a financial emergency but not eligible for BAFöG funding? Then watch out: Jutta Gerweck-Hahn from the Funding Department has some useful tips and alternatives for you. We talk about the KfW student loan, scholarships or a short-term loan from the Studierendenwerk.

Mang: I welcome you to a new episode of our my-stuwe podcast. In the last episode, we informed you about the social benefit BAFöG. We gave you tips on what you need to bear in mind when applying and told you how the repayment process works, for example. Today's episode, on the other hand, is more about alternative ways of financing your studies.

Unfortunately, not all students are eligible for BAFöG. But even then there are possibilities for financial support. Once again, Jutta Gerweck-Hahn from the Financial Aid Department will tell you what these are. Ms Gerweck-Hahn, you were already our guest in the last episode, so I don't need to introduce you at all. Let's get straight into the content.

First of all, I would like to give our listeners a rough picture. How many students are currently applying for BAFöG at all? Do you have any current figures for us?

Gerweck-Hahn: I can gladly provide the statistics from 2022. At the end of 2022, we had 7,979 BAFöG applications for domestic funding and 3,481 applications for funding abroad.

Mang: Yes, that is also a huge number of applications, and after the Corona years, I think the applications have increased again this year. Nevertheless, not every student actually receives funding. What reasons can there be for an application to be rejected? That was already mentioned a bit in our last episode. Nevertheless, I think it's important to go into it again. Perhaps you could repeat that briefly.

Gerweck-Hahn: Yes, it's true, unfortunately it happens that an application is also rejected. There may be personal reasons for this, for example the age of

the student or trainee or their nationality. There are also cases where there is basically no eligibility, as it is called, because, for example, the maximum funding period for the degree programme has been exceeded or a change of subject has been made and there is no legal exceptional reason that justifies further funding.

Often there is an entitlement on the merits, but the calculated amount of support is zero, for example because the parents' income is too high. The state then assumes that the parents can adequately support their child in education at the income level in question. However, last year's 27th BAFöG Amendment Act aims to ensure that more students receive BAFöG. That is why the age limit was raised significantly and the tax-free amounts for parental income were increased.

Mang: So now I'm standing there with my BAFöG rejection notice. I'm sure it's totally devastating for many students at first. What options do I have for financing my studies? A loan, for example?

Gerweck-Hahn: Yes, then a loan or a scholarship comes into question. With a scholarship, of course, you have to apply for it again. Many scholarships are also linked to academic performance. But there are also public or private scholarship providers who explicitly support social or political commitment. Another option, as you just mentioned, is a special student loan. Unlike other loans, these do not require a high income or collateral of any kind. The best-known student loan is probably the one from the KfW. But of course you can also get student loans from other financial institutions.

Mang: Otherwise, let's stick to this example, this KfW student loan. Who can apply here and how much money can I get?

Gerweck–Hahn: Now it's getting a bit technical. It's a good thing that I used to work in the banking sector. You can apply for the KfW student loan if you are an EU citizen between the ages of 18 and 44 and are studying at a German university. The bank will then lend you between €100 and €650 a month – depending on your wishes – and repayment begins no later than 23 months after the end of the loan. However, it is not possible to pay off the loan in one sum. However, you can always adjust the monthly disbursement amount to your current needs by the 15th of each month.

Mang: Perhaps you could briefly add to that: How long can I receive funding?

Gerweck–Hahn: For a first or second degree, it goes for up to 14 semesters. This means that the loan can amount to a maximum of 54,600 € and the duration of the funding depends on the age of the student at the start of their studies.

Mang: So it is definitely a large sum that is possible. Does this student loan also accrue interest and if so, how much is it?

Gerweck–Hahn: Interest accrues when the loan is repaid, i.e. after graduation. The interest rate is variable, i.e. it changes and is always fixed on 01.04 and 01.10 for half a year in each case. However, you can also agree on a fixed interest rate for the repayment. This has one advantage, namely that you keep this interest rate even if interest rates continue to rise.

You can do this before you start, but also during repayment. The important thing is that you always have to repay the entire loan amount with interest. There is no upper limit on the amount you can borrow, nor is there a subsidy component as with BAföG. Therefore, it is very important to keep an eye on the interest rates.

Mang: Again, the very practical question: How can I apply for the student loan?

Gerweck–Hahn: It's actually relatively uncomplicated. Apply online, print it out, go to the sales partner, take your identity card and certificate of study with you, and also pack proof of your current account. And when applying from the seventh semester onwards, it's important not to forget the famous proof of academic achievement. The printed loan application is then signed at the sales partner's office and everything is forwarded to KfW.

Mang: You just said sales partner. Tell us quickly what that actually is and how I can find it.

Gerweck–Hahn: So the distribution partners are the banks. In principle, it also works with the student's own bank. That is, where you traditionally have your current account. If this bank is a sales partner. Information on these sales partners and on the KfW loan can also be found on our homepage. But mainly also on the KfW homepage.

Mang: Quite apart from this KfW student loan. Of course there are other offers that support students financially during their studies. What are these, for example?

Gerweck–Hahn: There is also the so-called education loan. The education loan is organised by the state. It is applied for at the Federal Office of Administration (also abbreviated to BVA) and in turn is paid out by the KfW and can be obtained by pupils and students in advanced phases of their education, regardless of income and assets. In concrete terms, this means for Bachelor's students after the intermediate examination or if there is no intermediate examination in the degree programme, after all the usual achievements of the first two semesters have been made. While studying for a Master's, postgraduate, additional or supplementary degree and already holding a first degree, students are also entitled to receive a monthly allowance. There are monthly payments of 100, 200 or 300 € for up to 24 months, i.e. a maximum of 7,200 € in this case. There's also something about repayment. Because we talked about it earlier. The first four years after the first disbursement are repayment-free. This means that no repayments have to be made during this time. But after that, repayment begins, in monthly instalments of 120 €. These are collected quarterly at the end of each quarter. The interest is always adjusted in April and October of each year. And they have been at 4.37% since April 2023, so they have risen there too. So here, too, you have to keep a close eye on the interest, because it really does make the loan more expensive.

Mang: Perhaps you could add something very briefly: Where can I apply for the education loan?

Gerweck–Hahn: You can do that at the Federal Office of Administration, either in writing or online. However, as I said, the loan is again processed via KfW.

Mang: I would now like to come back to a topic that you

mentioned at the beginning: Scholarships. You always have to have super good grades, at least that's what they say. Is that really the case?

Gerweck–Hahn: Yes and no. It's not only the grades that are decisive here, there are also many scholarship providers who pay attention to social or political commitment or the interests of the students. The sponsors of the scholarships are often foundations and organizations that support gifted students, but also companies from the private sector. The Deutschlandstipendium, for example, is well known. Here in Germany, we know the Baden–Württemberg scholarship and for studying abroad, for example, scholarships from DAAD, PROMOS or of course, most people know, Erasmus.

When looking for a suitable scholarship, the best way is again the Internet or your own university. You just have to see what suits you. It is important to know that there are many scholarships that can be obtained in addition to BAföG. Up to an amount of 300 € per month, the scholarship is not counted towards BAföG. Everything that exceeds this amount is counted towards BAföG, like income. It is also important to note that this does not apply to scholarships from organizations that support gifted students, such as the German National Academic Foundation or political foundations like the Konrad Adenauer Foundation.

Mang: Good info anyway. So BAföG and scholarships are not fundamentally mutually exclusive. So now we've already got to know a whole range of really good support options. But in my opinion, these are all geared towards the long term. But what do I do if I really get into a financial emergency in the short term, for example because I don't get paid from my part-time job or I have to pay the deposit for my new room in a shared flat somehow?

Gerweck–Hahn: Yes, there is a solution for that, too. Then the Studierendenwerk itself helps with a loan. The loan is available to students who are temporarily in an economic emergency situation through no fault of their own. It is granted without collateral and without administrative fees, so it is quick and uncomplicated, as it should be in such a situation. But of course this loan must also be repaid, and it must be repaid in full after twelve months at the latest.

Mang: What about now, when a small amount is not enough for me on such short notice and I need a little more money? Is there then also a solution?

Gerweck–Hahn: Yes, of course. So up to a maximum of €1,200 is then possible in such a situation. But for this loan a certified declaration of guarantee is necessary. Guarantee, that is, one needs for this loan a person, who guarantees for the repayment of the loan, thus steps in, if the student cannot repay the loan. It is important to note that the guarantor must not be older than 65, must not be a student and must have a regular income. And with this type of loan, a one-time administrative fee is also charged at the time of disbursement. For a loan of 500 €, for example, there is an administration fee of 4 €. And that's how it adds up. And when everything is settled, the money is paid out directly by transfer to the account. So also there quickly uncomplicated.

Mang: Again, briefly, where can I apply for this loan?

Gerweck–Hahn: So directly with us. At the StuWe Tübingen–Hohenheim. Information and forms are again available on our homepage under the heading short-term loans.

Mang: Very nice. Finally, is there anything else we haven't mentioned? Is there any other student funding option that we should address here?

Gerweck–Hahn: Yes, which many may indeed not know. So a tip for students who are not basically entitled to BAföG. They can claim housing allowance and apply for it at their place of residence. But beware, this does not apply to students who do not receive BAföG because their parents' income is too high or simply have not applied for BAföG so far. In fact, only those who are not entitled to BAföG can receive housing allowance. So we had already mentioned it because of change of subject without legally recognized reason, exceeding the funding or the like. To give you some examples.

Mang: Good, I think that brings us to the end of the episode today. Ms. Gerweck–Hahn, thank you very much indeed for taking the time to talk to us. I hope we were able to show you out there that there are really good alternatives to BAföG. If you have any other questions here, feel free to check out our website or write to us on social media. Thank you for listening, and I look forward to another episode soon with topics related to the Studierendenwerk. See you then. Take care. Ciao.

**Note: This transcription of the podcast was generated with the help of machine software. We apologise for any minor discrepancies or spelling mistakes.*