



Education Finance Update: New Legislation for Higher Education Funding in Nigeria

On April 3, 2024, His Excellency, President Bola Ahmed Tinubu assented to the Student Loans (Access to Higher Education) (Repeal and Re-enactment) Bill 2024 (the “Act”), introducing significant changes in financing higher education. This law represents a critical advancement in making education more accessible and financially sustainable for students throughout Nigeria.

Background of Legislative Change:

The former Student Loan Act, 2023, faced various challenges, including issues related to governance, loan purposes, eligibility, application methods, and repayment terms. These issues required a comprehensive legislative overhaul to better meet

the needs of Nigerian students.

Highlights of the New Student Loan Act:

- **Establishment of NELFUND:** The Nigeria Education Loan Fund (NELFUND) is re-established with enhanced autonomy to manage and disburse student loans effectively.
- **Enhanced Accessibility:** The Act removes previous financial eligibility criteria and guarantor requirements, making student loans more accessible to a broader demographic.
- **Deferred Loan Repayment:** Loan repayments

will only commence two years after the completion of the National Youth Service Corps (NYSC), with provisions for extensions under certain conditions.

- **Provisions for Debt Forgiveness:** In cases such as the borrower's death or other extenuating circumstances, outstanding loans may be forgiven, easing potential financial burdens on families.
- **Comprehensive Loan Coverage:** Loans now extend beyond tuition to include living expenses, ensuring comprehensive financial support for students.
- **Independent Financial Assessment:** The Act removes disqualification based on parents' financial history, ensuring equity and equal opportunity for all students.

Implications for Stakeholders:

The introduction of the new Act is expected to have far-reaching implications for both the education sector and the broader Nigerian economy:

- **Students and Families:** This reform removes financial barriers to higher education, opening doors for more students to pursue advanced learning and contributing to a skilled workforce.
- **Financial Sector:** Opportunities may arise for banks and financial institutions to collaborate with or provide services to NELFUND, tapping into the educational loan market.
- **Government and Policymakers:** The successful implementation of this Act could serve as a blueprint for future public finance reforms aimed at societal advancement.
- **Educational Institutions:** With potential increases in student enrollment, universities and colleges might need to expand facilities and

resources, prompting additional investments in educational infrastructure.

- **Nigerian Economy:** By enabling broader access to higher education, the Act fosters a more competent workforce, which is crucial for driving national innovation, economic growth, and enhancing Nigeria's competitive stance globally.

SimmonsCooper Partners: Your Guide Through Educational Financial Reforms



As the landscape of higher education financing evolves, SimmonsCooper Partners is prepared to guide stakeholders through the changes. Whether you are an educational institution adapting to new financial structures, a student planning your finances, an investor seeking to collaborate with NELFUND, or a family exploring educational opportunities, our team is ready to assist with expert advice.

Connect with Us:

For detailed guidance on maximizing the benefits of the new student loan regulations or for any inquiries about adapting to this reformed system, please contact us. Visit our website at www.scp-law.com or reach out directly at info@scp-law.com for personalized assistance.