



Erasmus+ Master Loan Scheme (2014 – 2020)

September 2015



Erasmus+ Master Loan Scheme



Testimonial by Stefan Jahnke, President of the Erasmus Student Network, on new opportunities for students with Erasmus+ programme.

To view this video, please go to:

http://ec.europa.eu/education/opportunities/higher-education/masters-loans_en.htm



To view this video, please go to:

https://www.microbanklacaixa.com/index_en.html

Erasmus+ Master Loan Scheme

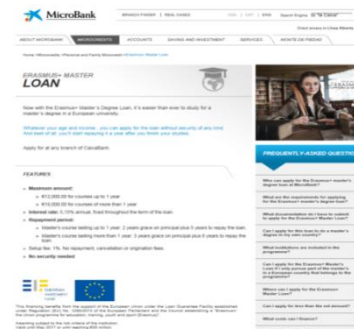
“Support Master student mobility across the Erasmus+ programme countries”

Key features

- Part of the Union programme for education, training, youth and sport (Erasmus+), adopted in 2013
- Aims to increase higher education student mobility across the 33 Erasmus+ Programme Countries, as reflected in the Europe 2020 strategy (20% mobility target by 2020)
- Improves the availability of adequate financing with 200,000 loans targeting Master's students studying abroad, as a complement to the grant programme
- Managed on the European Commission's behalf by the EIF (part of EIB Group)
- Implemented through Financial Intermediaries in each of the Programme Countries. Financial Intermediaries will need to apply and be selected by the EIF
- Promoted inter alia with the kind contribution of National Authorities and Agencies to raise programme's awareness locally (including to Financial Intermediaries)
- Relies on a strong digital presence for communication with target audience (students, banks, etc.)
- For further information on Erasmus+ Master Loan, please contact directly the EIF or go to: http://ec.europa.eu/education/opportunities/higher-education/masters-loans_en.htm

The case of MicroBank (“la Caixa” Group)

- https://www.microbanklacaixa.com/productos/microcreditos/microcreditoperso nalyfamiliar/prestamoserasmus+_en.html
- 1st Financial Institution to join the scheme
- Becomes a reference bank in the Spanish market for student loans
- Benefits from solid and efficient credit risk protection provided free of charge by a AAA institution
- Builds and maintains a strong business relationship with high-potential customers
- Enjoys reputational benefits arising from a collaboration with a long-standing and successful educational programme





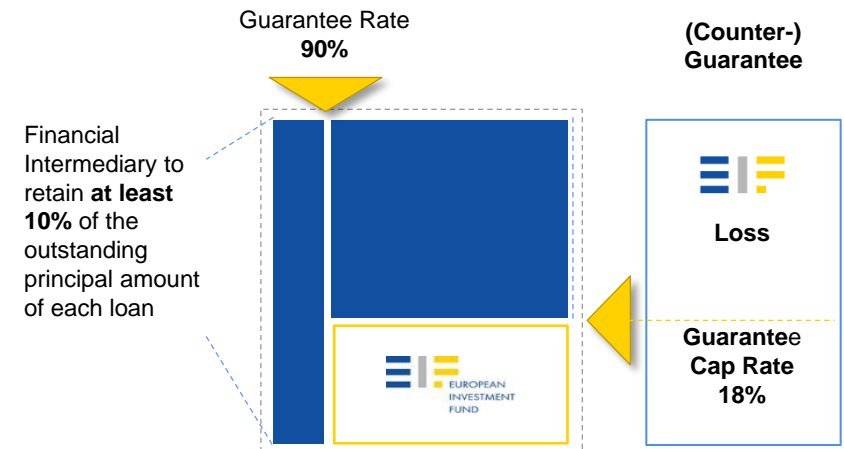
Appendices

Erasmus+ Master Loan Scheme

“Support Master student mobility across the Erasmus+ programme countries”

- Financial support to students for full-programme cross-border* studies at Master's Degree level
- Transfer effectively portfolio credit risk thanks to risk-sharing instruments (guarantee and counter-guarantee)
- Benefit from a EU (Counter-) Guarantee provided free of charge by a AAA institution
- Invited to apply a favourable pricing of student loans (i.e. reflecting the guarantee fee)
- Typically **90%** Guarantee rate (on a loan-by-loan basis) and **18%** Guarantee Cap rate (% of aggregate loss in respect of the Portfolio)
- Maximum guarantee maturity: **15 years** and minimum loan maturity: **6 years**
- Maximum loan principal amount: **EUR 12,000** for 1-year studies and **EUR 18,000** for up to 2-years studies
- No collateral other than the personal guarantee of the student
- Any recovery amounts to be split between the parties on a pro-rata basis (i.e. pari passu clause)

- Interest and Principal payments:
 - During the study period: No principal repayment and, at the choice of the student, Interest free period
 - After the study period: Grace period (i.e. only interest payments) for a min. of 12 months
 - Hardship clause (e.g. in case of job loss): Payment holiday period of up to 12 months that can be requested once during the repayment period



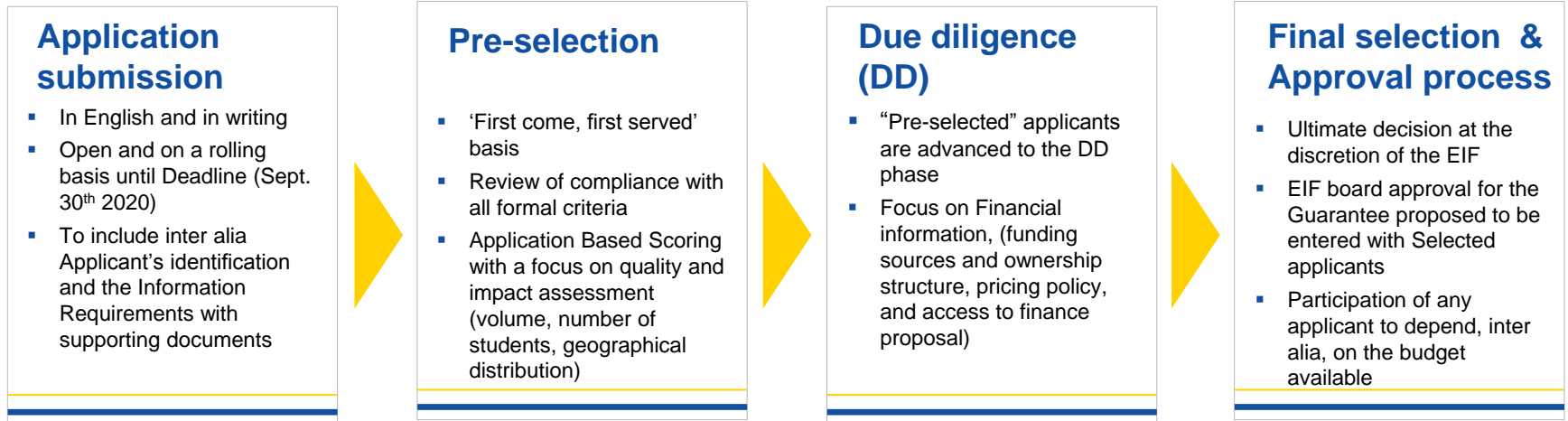
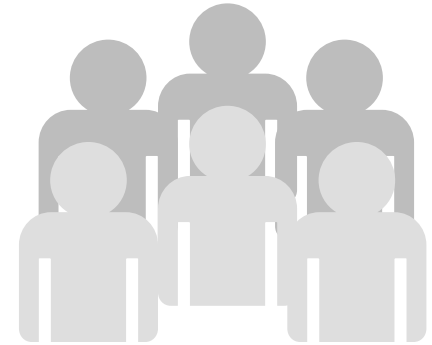
Solid and efficient credit risk protection

*i.e. in another country than the country of residence and/or the country where students earned their Bachelor's Degree

Application & Selection process for the Financial Intermediaries

Selection process:

- Financial Intermediaries to be selected in due consideration of the general principles of transparency, equal treatment and non-discrimination
- Target objective of (at least) one Financial Intermediary per Erasmus+ Programme Country
- For more information, please visit: http://www.eif.org/what_we_do/guarantees/erasmus+master-loan-guarantee-facility/index.htm



The European Investment Fund



“ We have designed and implemented financial solutions for 20 years and so far supported more than 1.5 million SMEs ”



“ We pursue EU policy objectives and financial sustainability ”



1994
Starts providing **guarantees** to financial intermediaries ; in 1997 offer expands to **venture capital**

2000
EIB becomes majority shareholder and makes EIF the “SME risk finance specialist”

2004
EIF starts to manage the first SME focussed fund-of-funds on behalf of an EU Member State

2014
EIF’s role strengthened with capital increase for the benefit of Europe

Shareholders
unique tripartite structure: 63.7% EIB, 24.3% European Commission, 12% 26 public & private financial institutions

Overall EIF commitment
of **EUR 14bn** (outstanding amount)

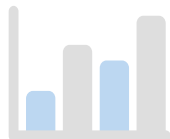
AAA-rated
by three major rating agencies

Strong capital base of **EUR 4.5bn**

“ We provide risk financing to stimulate entrepreneurship, innovation and student mobility in Europe ”



“ To support smart, sustainable and inclusive growth for the benefit of Europe ”



Making finance more accessible to SMEs and Master’s students

Offering ranging from venture capital to guarantees and microfinance

Working with financial intermediaries across the **EU-28 EFTA countries, (potential) candidate countries**

Supporting the market in a countercyclical way

Be Europe’s leading investor in venture and growth capital & a **catalyst** to promote **lending & microfinance**

Support innovation, entrepreneurship and higher education, and bring together **public and private** partners

Fill the financing gap and leverage public funds by attracting **private capital**

Achieve policy objectives and **return on capital**

Supporting SMEs and mid-caps through mobilised resources: EUR 77bn*

*Since start of operations

EIF contact persons



For Financial Intermediaries



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