

Loan program benefits college students

Interest-free money helps millions realize educational goals

By ZOU SHUO
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Luo Kelian said he and his younger brother, Luo Hongfa, would not have had the opportunity to attend top universities in China without the national interest-free student loan program.

The 22-year-old, who hails from a small village in Luchuan county in the Guangxi Zhuang autonomous region, is a senior at Beijing Jiaotong University, and his younger brother studies at Tongji University in Shanghai.

They have both applied for interest-free student loans every year since they were freshmen. The family has financial difficulties as their father struggles with injuries sustained in a car accident, and their mother has breast cancer. Despite his injuries, Luo's father still does errands and odd jobs to support the family, providing their only source of income.

Luo Kelian's tuition and accommodation fees are 6,250 yuan (\$966) per year. He applied for a loan of 6,000 yuan the first year, 7,000 the second, and 8,000 for the third and fourth years.

Luo Hongfa has applied for 6,500 yuan each year for the past three years to cover tuition and accommodation fees of 6,200 yuan.

Thanks to his academic performance, Luo Kelian was able to get more than 40,000 yuan in scholarships and grants, which covered his living expenses. He has already enrolled in his university's postgraduate program to pursue a master's degree in vehicle engineering, and because of his strong overall performance, he was exempted from the national entrance examination for postgraduate studies.

"Hardships and financial difficulties have taught me to be resilient and to embrace life with as much positivity as I can ever since I was a child," Luo Kelian said.

The student loan program has benefited millions of students who, like the Luo brothers, could not otherwise afford to attend college.

On Sept 1, officials at an executive meeting of the State Council, China's Cabinet, chaired by Premier Li Keqiang, decided to raise the loan ceiling for college students by 4,000 yuan a year from the start of this autumn semester to help those with financial difficulties pursue their academic ambitions more easily.

Undergraduates can now obtain State loans of up to 12,000 yuan annually, while postgraduate students can borrow up to 16,000 yuan a year.

Students do not need to repay the debt while studying, as the government takes care of interest generated during this period, officials said, also urging universities to offer students more part-time jobs to earn extra money.

Ou Wenhan, assistant minister of the Ministry of Finance, said at a recent news conference that China began offering interest-free loans to help students with financial difficulties pay tuition and accommodation fees in 1999. It has since doled out more than 300 billion yuan, benefiting more than 15 million students nationwide.

Interest-free loans totaling 37.8 billion yuan were allocated last year, and loans have grown at an average annual rate of 12.7 percent over the



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Ou Wenhan, assistant minister of the Ministry of Finance

past decade, he added.

The loans are mainly used to cover tuition and accommodation, but any extra money can be used for daily expenses, Ou said, adding that students can apply for a five-year grace

period after graduation, during which they only pay interest, and that the maximum period for repaying a loan is 22 years.

"No college student should drop out due to financial difficulties," he said. "Enabling students to change their destinies and realize their dreams through education affects millions of households, national development and the future of China."

Huang Jiayu, an official at the Ministry of Finance, said that although loan ceilings have been increased, the ministry does not put too much pressure on students to repay the loans, nor does it expect the number of nonperforming loans to significantly increase, as most students who apply do not choose to borrow the maximum amount.

As the personal credit system and people's awareness of the importance of credit increases, college stu-

dents have been more active in repaying their loans, he said.

Sun Yuli, a senior student at Beijing Jiaotong University, said that she has been able to devote her attention to her studies over the past four years thanks to the loan program.

The 21-year-old said that when she was in fourth grade, her father suffered a brain hemorrhage, and after undergoing three operations, the family's savings were spent and they went into debt.

Her father has been paralyzed ever since, and the family of four relies on her mother, who works at a school canteen.

Sun said that she has always studied hard. She was ranked first in her county — Tai'an in Shandong province — among all the students who took the high school entrance exam, and was exempted from tuition fees at high school.

She has applied for 5,500 yuan in student loans each year for the past four years, enough to cover tuition fees, as she does not want to build up too much of a credit burden.

Sun said she has worked part-time at posts offered by the university and has found part-time work outside. She added that she was also able to get scholarships and grants thanks to her academic performance.

As an electronic information engineering major, Sun will go on to pursue a master's degree in a related field as there is great demand for IT talent in the country since it embarked on the path of innovation driven development.

"I am glad that I will be able to take what I have learned at school and use it to contribute to national development," she said. "At the same time, I will be able to improve conditions for my family and create a better future for myself."

Policy Digest

Better health insurance system to be established

China will establish a multitiered medical insurance system with universal coverage that benefits both urban and rural residents in a fair and sustainable way, according to the country's latest medical security plan released on Sept 29.

The plan, part of the nation's overall 14th Five-Year Plan (2021-25), was issued by the General Office of the State Council, China's Cabinet.

So far, China's basic medical insurance schemes have covered 1.36 billion people, with the coverage rate hovering above 95 percent.

To further the high-quality development of medical insurance and promote common prosperity, the plan said that efforts will be made to ensure that by 2025, China will have a more mature medical insurance system that is more accessible to all by narrowing the coverage gap between people in different regions.

The system will also be law-based and assisted by smart technologies, it said.

According to the plan, the country will also promote the coordinated advancement of medical insurance management and medical services reform in order to better serve the public.

Campaign tackling fake product safety licenses

A nationwide campaign was recently launched to crack down on illegal activities involving the production and sale of counterfeit product safety production licenses via fake governmental websites.

The campaign, which started in September and runs through June, is being jointly carried out by the Ministry of Emergency Management and the Ministry of Public Security.

A notice published on Thursday stated that as a result of illegal activities, people lacking basic safety skills are participating in high-risk operations, increasing the potential for accidents at production facilities.

While the Ministry of Emergency Management will help enterprises check whether personnel have obtained authentic licenses as required by their posts, the Ministry of Public Security will crack down on relevant criminal offenses in accordance with the law.

Nation ramps up use of BDS in transport sector

China has expanded use of the Beidou Navigation Satellite System in its transportation sector, with the system now installed in over 7 million commercial vehicles, according to Vice-Minister of Transport Wang Zhiqing.

The system has helped speed up transportation, ensure safe production and raise service standards, Wang said at the First International Summit on BDS applications, which opened in Changsha, the capital of Hunan province, in September.

The transportation sector is the largest civil industry user of the system, and BDS has become indispensable to the industry's efforts to upgrade.

The ministry will continue to promote the large-scale use of BDS across every sector of the transportation industry by formulating a plan for its long- and medium-term development. It will also aim to push the use of BDS in the construction of new infrastructure, Wang said.

In addition, the ministry will make vigorous efforts to promote BDS internationally for the use of transportation industries worldwide.

MO JINGXI

Financial aid process evolves amid COVID-19 epidemic, challenges with floods

By ZOU SHUO

Apart from its student loan program, China's financial aid package for college students consists of scholarships, grants, work-study programs, subsidies and tuition waivers. In the wake of COVID-19 and floods, the application process has been upgraded to enable more students to benefit.

A total of 240.8 billion yuan (\$37 billion) in financial aid was allocated to students attending institutions from the kindergarten to the university level last year. Funds, which came from governmental and

other sources, including university bursaries and endowments, were up 13.3 percent year-on-year, according to the Ministry of Education's National Center for Student Financial Aid.

The center said 2020 marked the 14th consecutive year that the amount had increased, and its data showed that more than 146 million students in China were offered financial aid last year.

The government-led student financial aid system aims to cover students from financially challenged households in both public and private schools.

Government expenditures on aid for students totaled 179.7 billion yuan last year, accounting for almost 75 percent of the total, the center said, adding that more than 36 million college students received a total of 124 billion yuan in financial aid last year.

To help students cope with financial difficulties caused by COVID-19 and flooding, the ministry has improved the online financial aid application process in several ways. For example, students had previously been required to submit written forms proving their financial status, but the system has been upgraded to

allow forms to be sent electronically.

Education authorities and schools have also issued special subsidies and sent epidemic control and prevention equipment to students affected by outbreaks.

To help college students learn more about financial aid programs, the ministry opened hotlines in late June to deal with their inquiries and concerns.

This marks the 17th year in a row that hotlines have been opened, but this year, in addition to operating daily from 8 am to 8 pm during the summer vacation, hotlines will continue to run on normal working

days from Sept 16, the ministry said.

Local education authorities and universities nationwide have also been required to open hotlines to provide information on financial aid.

Early last month, the ministry asked universities and colleges across the country to conduct thorough inspections into students affected by the epidemic and heavy rainfall.

In a notice, the ministry also said that the "green channel", a system that allows freshmen to register at higher institutions even if they are

unable to pay their tuition fees in full, should be streamlined and made more effective, while still protecting privacy.

Local education authorities and universities should strengthen the promotion of the new national student loan policy — which includes raising the loan ceiling for college students by 4,000 yuan per year — and simplify the application process.

For students who run into extreme difficulties, education authorities and schools should offer emergency aid to cover living expenses, the notice stipulated.